



## Athabasca Minerals Inc. Announces Q1 2019 Financial Results

**May 14, 2019 EDMONTON, ALBERTA.** Athabasca Minerals Inc. (“AMI” or the “Corporation”) (TSX Venture: ABM) announces its financial results for the first quarter ended March 31, 2019. The Corporation’s financial statements and management’s discussion and analysis (“MD&A”) for the quarter ended March 31, 2019 are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Athabasca Minerals Inc. website at [www.athabascaminerals.com](http://www.athabascaminerals.com).

Robert Beekhuizen, Chief Executive Officer, states: “During Q1 2019 the Corporation has been re-positioning for growth across multiple business fronts – growth of its base Aggregates division, growth of its AMI Silica sand division, and growth of its Aggregates Marketing division. AMI’s vision is to become the leading publicly trading aggregates company in Canada; and its mission is to do so with discipline by capturing progressive and innovative opportunities that will differentiate the Corporation’s performance in the market.”

### **Business Highlights:**

- The Corporation was awarded a 15-year government contract with a 10-year renewal option to manage the Coffey Lake Public Pit on behalf of Alberta Environment & Parks (“AEP”). The pit is located approximately 50 km north of Susan Lake Public Pit, on approximately 1345 acres of crown land. The Corporation will be seeking regulatory approvals and permits in 2019 to open the Coffey Lake Public Pit for operation;
- The Corporation continues to make advancements and progress with AMI Silica and its in-basin frac sand solutions. AMI acquired a 16.2% interest in the Duvernay Frac Sand Project in January 2019, which was increased to 49.6% in May 2019 following the drilling of 55 auger holes with positive field results. The Corporation also announced preliminary test results on January 11, 2019 for its Montney in-Basin Frac Sand Project (“MIB Project”), where these preliminary results indicate that the MIB Project sand aligns with API Standard 19C for hydraulic fracturing;
- Aggregates Marketing Inc. secured a \$1.5 million order for aggregates from a major oil sands entity with deliveries anticipated to commence in June 2019;
- Revenue for Q1 2019 of \$434K (net after royalty), up 281% compared to Q1 2018 revenue (net after royalty) of \$114K;
- The Corporation was granted Metallic and Industrial Mineral (“MIM”) leases for the Richardson Dolomite / Granite Aggregate Project (“Richardson Project”). The Richardson Project comprises three contiguous subsurface leases totaling 3,904 hectares located 70 kilometers from the heart of major oilsands operations north of Fort McMurray. These leases include a deposit which was evaluated in a National Instrument 43-101 (“NI 43-101”) Technical Report (“Richardson Resource Estimate”), disclosed March 26, 2019, that estimates an inferred resource of approximately 683 million tonnes of crush rock aggregate resource. The Corporation will commence with preliminary activities to support the development in Q4 2019;
- Susan Lake Public Pit Closure Plan remains under review with AEP. As of the end of Q1 2019, commercial operations have concluded, and closure activities have been completed. The Corporation is awaiting final approval of the Closure Plan by AEP. Thereafter, a monitoring period will follow until a reclamation certificate is granted by the Province;

- The Corporation has submitted an application for regulatory approval to open up and operate the Hargwen corporate pit located west of Edmonton near the Obed Rail Transload terminal, for which AMI has rights to access.

### **Financial Highlights**

(\$ thousands of CDN, except per share amounts and tonnes sold)	<u>Three Months Q1 2019</u>	<u>Three Months Q1 2018</u>
<b>Aggregate management fees - net</b>	<b>\$434</b>	<b>\$107</b>
<b>Aggregate sales revenue</b>	<b>\$-</b>	<b>\$7</b>
<b>Total revenue</b>	<b>\$434</b>	<b>\$114</b>
<b>Gross profit</b>	<b>\$(136)</b>	<b>\$(444)</b>
<b>Total loss and comprehensive loss</b>	<b>\$(1,057)</b>	<b>\$(740)</b>
<b>Cash position</b>	<b>\$5,276</b>	<b>\$2,626</b>
<b>Net cash generated (used)</b>	<b>\$198</b>	<b>\$(3)</b>
<b>Total aggregate tonnes sold (MT)</b>	<b>341,459</b>	<b>95,306</b>
<b>Loss per share, basic and fully diluted (\$/share)</b>	<b>\$(0.026)</b>	<b>\$(0.022)</b>

### **2019 Operational Outlook**

Over the coming year the Corporation is actively addressing and working on various strategic and operational initiatives relating to restructuring the Corporation's business model and expanding its operating lines with the advent of AMI Silica Inc and Aggregates Marketing Inc as wholly owned subsidiaries:

- Obtaining regulatory approvals for Coffey Lake Public Pit with a planned opening in second half of 2019;
- Conclude the Susan Lake Public Pit Closure Program (still pending approval by AEP) and agreements with Oilsands Operators for the transition of overlapping Mineral Surface Lease lands;
- Validate the Montney In-Basin and Duvernay frac sand deposits (with delineation drilling and National Instrument 43-101 reports) and increase AMI's ownership position accordingly. Also, submit regulatory application(s) to commence development;
- Secure offtake agreements for the supply of frac sand through AMI Silica Inc, and augment with 'Last-Mile' delivery solutions for customers;
- Secure financing for AMI's frac sand facilities in conjunction with third-party processing options;
- Establish royalty agreements to monetize corporate-owned and third-party aggregate pits with strategic partners;
- Adding to its Corporate growth with Merger & Acquisition initiatives, and a carefully executed process for successful integrating select companies who bring synergies and bolster AMI's revenues;
- Establish aggregate management and sales partnerships with aboriginal communities;
- Win contracts and key client accounts through Aggregates Marketing Inc by providing integrated supply and transportation solutions using a technology-based platform with extensive market data, improved transactional speed and pricing;



- Obtain regulatory approval to open up and operate the Hargwen corporate pit near the Obed Rail Transload terminal, for which AMI has rights to access.

### **About Athabasca Minerals**

The Corporation is an integrated group of aggregates companies involved in resource development, aggregates marketing and midstream supply-logistics solutions. Business activities include aggregate production, pit management services, sales from corporate-owned and third-party pits, acquisitions of sand and gravel operations, and new venture development. Athabasca Minerals is the parent company of Aggregates Marketing Inc. – a midstream business providing integrated supply and transportation solutions for industrial and construction markets. It is also the parent company of AMI Silica Inc. – a subsidiary positioning to become a leading supplier of premium domestic in-basin frac sand with regional deposits in Alberta and NE British Columbia. It is the joint venture owner of the Montney In-Basin and Duvernay Basin Frac Sand Projects. Additionally, the Corporation has industrial mineral leases, such as those supporting the Richardson Quarry Project, that are strategically positioned for future development in industrial regions of high potential aggregates demand.

### **For further information on Athabasca, please contact:**

Dean Stuart

T: 403-617-7609

E: [dean@boardmarker.net](mailto:dean@boardmarker.net)

Robert Beekhuizen

T: 587-525-9610

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