



Athabasca Minerals Announces 2019 Year End Financial Results

April 17, 2020 EDMONTON, ALBERTA. Athabasca Minerals Inc. (“AMI” or the “Corporation”) – TSXV:AMI – announces its financial results for the fourth-quarter and year-ended December 31, 2019. The Corporation’s 2019 Financial Statements and Management’s Discussion and Analysis (“MD&A”) are available on SEDAR at www.sedar.com and on the Athabasca Minerals Inc. website at www.athabascaminerals.com.

Robert Beekhuizen, Chief Executive Officer, states: “We made systematic and measurable progress delivering on our Corporate Strategies in 2019 that levers AMI for continued business transformation and growth in 2020. The Corporation has improved and strengthened its portfolio by diversifying with AMI Aggregates, AMI Silica and AMI RockChain, and from noteworthy 2019 achievements within each of these three subsidiaries. We remain encouraged and optimistic about creating value for shareholders and making a meaningful difference as an essential service supporting multiple supply chains across various market sectors.”

“Currently, the impact and ramifications of COVID-19 are very fluid. AMI has taken the necessary steps and measures to ensure health and safety protocols are maintained for our staff, our supply chain stakeholders and our customers to mitigate risks while we sustain business continuity.”

2019 YEAR-END HIGHLIGHTS

Athabasca Minerals reports the following key highlights in 2019:

- The Corporation was awarded a 15-year contract with a 10-year renewal option in Q1 2019 to operate and manage the Coffey Lake Public Pit located approximately 90 km north of Fort McMurray. Effective January 13, 2020, the Province of Alberta issued the Corporation a disposition for the Coffey Lake Pit and a Surface Mineral Lease that allows for the extraction of sand and gravel. This authorization enables the Corporation, as pit management contractor on behalf of the Province of Alberta, to commence activities to open aggregate operations at Coffey Lake to the public. Operations at Coffey Lake commenced in March 2020;
- On August 15, 2019, the Corporation received approval of its Susan Lake Public Pit Closure Plan from Alberta Environment and Parks (“AEP”). Additionally, the Corporation executed a settlement agreement with Syncrude Canada Ltd. (“Syncrude”) in September 2019 related to an outstanding dispute (2012 claim by AMI and 2015 counterclaim by Syncrude) with respect to aggregates and reclamation obligations for a portion of overlapping lands and resource leases at Susan Lake. The closure plan approval and the settlement with Syncrude brought clarity and alignment for AMI to efficiently execute the pit closure and reclamation program, and simplified the transition of lands to the overlapping oilsands operators (including Syncrude), with consideration of their respective mining plans;
- The Corporation recorded a \$2.1 million improvement to prior established estimates for environmental rehabilitation obligations (“ERO”) and other associated operating expenses for the year-ended December 31, 2019. This improvement is accounted as a gain from adjustment of the ERO estimates for overlapping lands at Susan Lake of \$1,572,096, from reclamation fund deposit liabilities retained for reclamation purposes of \$602,238, but with offsets for ERO losses of \$95,085 from changes to estimates at other locations;
- The Province of Alberta granted the Corporation Metallic and Industrial Mineral leases for the Corporation’s Richardson Dolomite/Granite Aggregate project. The Richardson project consists of

three contiguous subsurface leases totaling 3,904 hectares located 70 km from major oil sands projects north of Fort McMurray;

- The Corporation acquired a 16.2% ownership position in the Duvernay silica sand project on January 25, 2019, increasing its ownership position to 49.6% on April 30, 2019;
- The Corporation completed a National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) technical report for its Duvernay Project which includes a contiguous resource of 24.7 million metric tonnes (“MT”) measured resource, an additional 5.6 million MT indicated resource, and a further 4.9 million MT inferred resource;
- In 2019, the Corporation focused on securing an offtake agreement for AMI Silica regarding the supply of premium domestic sand from its Duvernay silica sand project. This initiative culminated in receiving a five-year Master Purchase Contract from Shell Canada Energy (“Shell”) on February 3rd, 2020, with an effective delivery date of July 1, 2021. Under terms of the contract, Shell is to purchase, at pre-determined prices, a minimum amount of silica sand up to an annual maximum representing a significant volume that supports the Duvernay project’s targeted production capacity. The contract gives Shell the option to extend for two successive twelve-month terms, and the option to procure sand from AMI’s future Montney silica sand project as well;
- The Corporation’s wholly owned subsidiary AMI RockChain successfully developed and deployed its proprietary *RockChain™* digital platform and ‘Solution-Finder’ algorithm to deliver aggregates with optimized supply-transport solutions to meet a growing number of customer orders in Western Canada. Tender submissions are largely related to aggregates required for pipelines, infrastructure, road construction, municipality improvements and civil projects, and has resulted in an increasing number of contract awards within the first 12 months of operation;
- In Q4-2019, AMI RockChain won and commenced work on a customer contract for specialty aggregates (rail ballast product) which was completed in March-2020 and surpassed the \$1 million revenue milestone. The *RockChain™* solution included the integrated supply, transportation, quality control and delivery of product for a rail transload facility associated with a major industrial operation in Central Alberta;
- On January 13, 2020, the Corporation entered into an arrangement with Canadian Western Bank (“CWB”) whereby \$1.5 million was advanced to the Corporation by CWB for working capital purposes;
- Management and Board of Director appointments during 2019 included: the appointment of Dana Archibald as Chief Operating Officer on January 7, 2019; the appointment of Terrance Kutryk to the Board of Directors on September 5, 2019; and the appointment of Neil D. Manning to the Board of Directors on October 25, 2019; and
- As of the date of filing AMI has \$2 million in unrestricted cash. The Company is actively reviewing and addressing its cash position, and a balanced approach with respect to receivables and payables to preserve its financial objectives.

FINANCIAL HIGHLIGHTS

(\$ thousands of CDN, unless otherwise noted)	Three Months Ended Dec 31		Twelve Months Ended Dec 31	
	2019	2018	2019	2018
Aggregate sales revenue	\$631	\$115	\$1,690	\$2,138
Management services revenue	477	575	911	2,993
Revenue	1,109	690	2,601	5,132
Gross (loss) profit	(214)	141	(1,065)	\$1,464
Total loss and comprehensive loss	(1,102)	(933)	(2,721)	(2,510)
Cash position	1,995	5,079	1,995	5,079
Net cash generated (used) in the period	(922)	1,037	(2,790)	821
Loss per share (\$ per share)				
Basic	(0.024)	(0.028)	(0.063)	(0.074)
Fully diluted	(0.024)	(0.028)	(0.063)	(0.074)

- Total loss and comprehensive loss and comprehensive loss for the three months ended December 31, 2019 of \$1.1 million, as compared to a total comprehensive loss of \$0.9 million, for Q4 2018.
- For the years ended December 31, 2019 and 2018, the Corporation incurred total comprehensive losses of \$2.7 million and \$2.5 million, respectively, as decreased operating losses were offset by lower other non-operating income, loss on share purchase options and a decrease in income tax recovery in 2019.
- Net working capital of \$2.8 million as at December 31, 2019 (2018: \$4.8 million) which in management's opinion is sufficient to fund ongoing operations. The decrease in working capital was predominately due to a \$3.1 decrease in cash, a \$0.7 million decrease in trade and other receivable and inventory, and a \$0.9 million increase in accounts payable and accrued liabilities. This was partially offset by a decrease in the current portion of ERO of \$2.0 million.

OUTLOOK

The Corporation is positioning for growth across each of its three divisions in 2020, i.e. AMI Aggregates, AMI Silica, and AMI RockChain:

AMI Aggregates

The base division will generate revenues from commercial operations and production at the Coffey Lake Public Pit, as well as its True North Staging Hub both located in the high-demand region of oilsands industrial region.

Royalty agreements remain in place to earn revenues from strategic partners interested in harvesting aggregates from several AMI corporate pits.

AMI is also pursuing pit management services and leveraging its expertise to support First Nation partners, government and/or municipality resources or existing operations.

A strategic joint venture ("JV") relationship has been established for the development of the Buckhorn Quarry in Ontario some 90 minutes from the Greater Toronto Area ("GTA"). Likewise, AMI intends to pursue a similar JV approach for the future development of the Corporation's Richardson Quarry Project north of Fort McMurray.

AMI RockChain

AMI RockChain is ‘a midstreamer of aggregates, enabled by technology’. The subsidiary is uniquely focused on enhanced price/delivery solutions in mapping customer requirements (orders) to aggregates suppliers and transportation companies using technology for greater speed and efficiency. AMI RockChain purchases and takes custody of aggregates using its ‘Solution Finder’ algorithm in conjunction with its *RockChain™* digital platform. This gives AMI RockChain distinctive advantages in the scope of its outreach, its ability to handle a large volume of bids, and in the turnaround (response) time in networking optimal solutions for customers requiring aggregates. AMI RockChain is additionally reinforced by an in-house Quality Control/Quality Assurance program to ensure customer requirements are met upon delivery.

AMI RockChain is focused on continued growth by expanding its geographic coverage across Western Canada and from increased customer applications across various market-sectors. The subsidiary is also focused on continuous improvements and advancements relating to technology development, operational excellence, its supply chain data network, growing key client and servicing repeat customers.

AMI Silica

AMI Silica’s Duvernay Project will continue to advance with priority given its five-year offtake agreement with Shell Canada Energy. The development program is focused on revising the Front-end Engineering & Development (FEED) in collaboration with a pending industrial partner, obtaining permits, and thereafter confirming Financial Investment Decision (FID) as well as associated funding to proceed to Execution.

AMI Silica’s Montney Silica Sand Delineation & Development program is being re-adjusted for cashflow management purposes, in relation to concurrent demands related to the Duvernay Project. Together with its existing joint-venture (JV) partner, ‘Privco’, the parties are taking a measured approach concerning expenditures in order to confirm the most suitable and cost-effective location for development within the 150,000-hectare area in which the JV holds mineral leases.

Mergers, Acquisitions & Strategic Joint Ventures

AMI continues to be active with screening, assessing, and reviewing acquisition and joint venture investment opportunities that are synergistic to the Corporation’s portfolio, accretive, and able to expand revenues in the use and application of industrial minerals.

COVID-19

COVID-19 is having an adverse impact on global economic conditions, which could have an adverse effect on the Corporation’s business and financial position. The potential financial impact of the COVID-19 pandemic to the Corporation remains uncertain. At this time, the Corporation is navigating COVID-19 impacts. AMI’s divisions and associated operations support the essential services of construction, infrastructure and energy sectors and will remain active throughout the COVID-19 disruption. AMI will continue to monitor and adhere to the required protocols to ensure compliance and to mitigate the risks to staff, and to key stakeholders in its supply chain.

Grant of Stock Options and Deferred Share Units

AMI announces that its Board of Directors have approved the grant of 1,009,000 stock options (“Options”) and 207,000 Deferred Share Units (“DSUs”) to officers, directors, and select management of the Corporation pursuant to the Corporation’s Options and DSU plans as well as the Corporation’s Stock Option Replenishment Program. The Stock Option Replenishment Program allows officers, directors, and management who have exercised Options to purchase AMI shares to be granted new Options at the market price. The Options have an exercise price of \$0.17 per share and have a term of five years.

INVESTOR UPDATE WEBCAST

Athabasca will host a webcast for investors, analysts and stakeholders to provide an update on the existing operating environment and the Corporation's 2020 strategic goals.

Date: April 23, 2020
Time: 11:00 am MT (1:00 pm ET)
Webcast Registration: <https://www.eztalks.com/r/930783170>
Or <https://www.athabascaminerals.com/>

A webcast link and related presentation material will be accessible on the 'Investors Information' page of the Corporation's website at <https://www.athabascaminerals.com/>. A replay of the event will be provided at the same location following the event.

ABOUT ATHABASCA MINERALS INC. (AMI)

Athabasca Minerals Inc. (www.athabascaminerals.com) is an integrated group of companies focused on the aggregates and industrial minerals sectors, including resource development, aggregates midstream supply-logistics solutions. Business activities include aggregate production, sales and royalties from corporate-owned pits, management services of third-party pits, acquisitions of sand and gravel operations, and new venture development.

Athabasca Minerals Inc. is the parent company of AMI RockChain Inc. (formerly Aggregates Marketing Inc.) (www.amirockchain.com) – a midstream technology-based business using its proprietary *RockChain*[™] digital platform, associated Solution-Finder algorithm and QA/QC services to provide cost-effective integrated supply /delivery solutions of industrial minerals to industry, and the construction sector.

It is also the parent company of AMI Silica Inc. (www.amisilica.com) – a subsidiary positioning to become a leading supplier of premium domestic in-basin 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 Company has industrial mineral leases, such as those supporting AMI's Richardson Quarry Project, that are strategically positioned for future development in industrial regions with historically and consistently high demand for aggregates.

For further information on AMI, please contact:

Robert Beekhuizen, Chief Executive Officer
Tel: 587-525-9610 / Email: robert.beekhuizen@athabascaminerals.com

Tanya Finney, Director, Investor and Stakeholder Relations
Tel: 587-391-0548 / Email: tanya.finney@athabascaminerals.com

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