



## Athabasca Minerals Inc. Second Quarter Financial Results

**August 18, 2017 - EDMONTON, ALBERTA.** Athabasca Minerals Inc. (“Athabasca” or the “Corporation”) (TSX Venture: ABM) is pleased to report its unaudited financial results for the three and six months ended June 30, 2017. The Corporation’s unaudited financial statements and management’s discussion and analysis (“MD&A”) for the period ended June 30, 2017 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).

### HIGHLIGHTS

- Appointed Mr. Robert Beekhuizen Chief Executive Officer on June 19, 2017;
- Revenue for the three months ended June 30, 2017 increased 127% to \$1,277,610 versus \$563,638 in the comparable three-month period ending June 30, 2016;
- Corporate pits sales rose 255% for the three months ended June 30, 2017 to \$563,925;
- Working capital of \$5.1 million; current debt of \$0.6 million; non-current debt \$0.3 million;
- During the three months ended June 30, 2017, 36,500 tonnes of aggregate was produced at the KM248 corporate pit;
- During the six months ended June 30, 2017 87,000 tonnes of 40mm product was relocated from a winter access only pit to a pit with year-round access, closer to active markets; and
- All resolutions approved at the Corporation’s Annual Meeting held on June 23, 2017.

### Financial Highlights

(\$ CDN, except metric tonnes sold)	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Aggregate management fees	\$ 1,285,959	\$ 724,018	\$ 1,868,354	\$ 1,422,183
Susan Lake royalty expense	\$ (572,274)	\$ (319,409)	\$ (817,838)	\$ (639,372)
Corporate pits sales revenue	\$ 563,925	\$ 159,029	\$ 703,464	\$ 1,261,802
Total revenue	\$ 1,277,610	\$ 563,638	\$ 1,753,980	\$ 2,044,613
Gross profit (loss)	\$ 33,551	\$ (274,513)	\$ (235,052)	\$ (65,333)
Total comprehensive (loss)	\$ (672,550)	\$ (258,773)	\$ (1,527,106)	\$ (892,923)
Tonnes Sold (metric tonnes)				
Corporate pits	19,602	3,994	26,193	48,417
Susan Lake Operations	608,219	342,514	877,611	689,696
Total aggregate tonnes sold	627,821	346,508	903,804	738,113
Loss per share, basic and fully diluted (\$ per share)	\$ (0.020)	\$ (0.008)	\$ (0.046)	\$ (0.027)

The Corporation continues to experience increasing product demand in the Wood Buffalo region, and will continue with its aggressive sales program and cost cutting measures.

Total comprehensive (loss) for the three and six months ended June 30, 2016 was positively impacted by the \$800,000 gain on disposal of Athabasca’s rights, title and interests surrounding three leases bordering the Obed Transloading Facility.

### Operations Update

The Susan Lake Gravel Pit Management Contract (“**Susan Lake Contract**”) currently expires November 30, 2017. The Corporation has requested a revised extension to the Susan Lake Contract to September 30, 2018. The extension application is currently under review by Alberta Environment and Parks.

Management continues to work with Alberta Environment and Parks, Alberta Energy Regulator and Syncrude regarding the claim and counterclaim surrounding the Susan Lake gravel pit.

As at June 30, 2017 the Corporation was not in compliance with certain financial covenants on their credit facility with HSBC Bank Canada, namely the funded debt to EBITDA ratio and the debt service coverage ratio. HSBC Bank Canada has granted the Corporation a forbearance for the three and six months ended June 30, 2017 on the funded debt to EBITDA ratio and the debt service coverage ratio covenants.

## **Outlook**

Over the next 12 months, the Corporation is actively addressing several strategic initiatives that impact business operations relating to the following:

- Managing the Syncrude lawsuit;
- Planning for the expiration of the Susan Lake gravel pit management contract;
- Striving to increase production with improved margins from corporate pits;
- Realigning the Corporation to improve sales and growth;
- Optimizing Corporate overheads and expenses;
- Improving the Corporation’s cash position, including the disposition of non-core & or low-priority assets;
- Improving revenue generation and inventory management with more aggressive sales campaigns; and
- Preparing a business plan for Firebag Frac-Sand deposit initiative, selective acquisition(s) of conventional aggregate operations and potential geographic diversification both within and outside the Wood Buffalo Region.

The 2017 operating plan currently focuses on revenue performance from the Susan Lake Contract, production from KM248 corporate pit, sales of inventory produced at Logan Pit and stockpiled at Conklin, and sales of inventories from Sunday Creek and KM208 staging areas.

## **Forward Looking Statements**

*This press release contains forward looking statements concerning anticipated developments and events that may occur in the future, including (but not limited to) statements regarding the Corporation’s operational focus for the next 12 months including striving to increase production with improved margins from corporate pits, improving the Corporation’s cash position, disposition of non-core &/or low-priority assets, Improving revenue generation and inventory management, production from Pit-248, sales of inventory produced at Logan Pit and stockpiled at Conklin, and sales of inventories from Sunday Creek and Km-208 staging areas. In certain cases, forward looking statements can be identified by the use of words such as “planning”, “expects”, “anticipates”, “believes” or “does not expect”, “striving”, “optimizing”, “improving”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.*

*Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from future results, performance or achievements expressed or implied by forward looking statements including general economic and business conditions; the Corporation’s reliance on oil sands industry which impacts the market demand for the Corporation’s product; extension of the Susan Lake contract; impact of extreme weather conditions on production; the Corporation’s products and potential development projects such as silica sand and salt are commodities, and as such, there is always pricing risk in a competitive market; the Corporation has the risk that projects will not develop as anticipated or resources may not have the quality or quantity that management anticipates; reclamation obligations estimates could significantly change due*

*to potential changes in regulatory requirements prior to completing reclamation work. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. See "Risks and Uncertainties" in the MD&A. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements. These forward-looking statements are made as of the date of this document and, other than as required by applicable securities laws, the Corporation assumes no obligation to update or revise them to reflect new events or circumstances or otherwise.*

## **About Athabasca Minerals**

The Corporation is a resource company involved in the management, exploration and development of aggregate projects. These activities include contracts works, aggregate pit management, aggregate production and sales from corporate-owned pits, new aggregate development and acquisitions of sand and gravel operations. The Corporation also has industrial mineral land holdings for the purpose of locating and developing sources of industrial minerals and aggregates essential to high growth economic development.

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