

# Q1 2020 Results and Update

May 2020

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# Forward-Looking Information & Statements

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Mineral resources which are not mineral reserves do not have demonstrated economic viability. There is no guarantee that all or any part of the mineral resource will be converted into a mineral reserve. With respect to "indicated mineral resource" and "inferred mineral resource", there is a great amount of uncertainty as to their existence and a great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of a "measured mineral resource", "indicated mineral resource" or "inferred mineral resource" will ever be upgraded to a higher category.

Any disclosure herein regarding a target for further exploration is conceptual in nature; there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Except as otherwise noted, scientific and technical information contained in this presentation was reviewed and approved by a "qualified person" under NI 43-101.

# Forward-Looking Information and Statements

## FORWARD LOOKING STATEMENTS

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By their nature, forward-looking statements and information involve known and unknown opportunities, costs, risks and uncertainties that may cause actual results; to differ materially from those anticipated. With respect to the forward-looking statements and information contained in this Management Presentation, Athabasca has made assumptions regarding, among other things: the stability of the industries in which it operates, the price of certain commodities, the creditworthiness of the Athabasca’s customers, access to capital, and whether equity or debt and on terms acceptable to Athabasca. Although Athabasca believes the expectations expressed in such forward-looking statements and information are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements. Forward-looking statements and information are based on the beliefs, estimates and opinions of Athabasca’s management on the date the statements are made. Except as required by law, Athabasca undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change.

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The forward-looking statements and information included in this Management Presentation are expressly qualified in their entirety by this cautionary statement. Athabasca cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive.

# Agenda

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1. Overview
2. COVID-19 Response
3. AMI Business Model: 2020 Strategic Objectives to Diversify, Grow & Fortify
4. Q1 2020 Results
5. Operational Highlights and 2020 as Strategic Transition Year to Diversify
  - a. AMI Aggregates
  - b. AMI Silica
  - c. AMI RockChain
6. AMI Advantage: Building Long-Term Shareholder Value
7. Questions and Answers

## Safety & Environment

Responsiveness

Resourcefulness

Relationships

Renewal

## Integrity-First

*Our Core Values*

# COVID-19 Business & Operational Response

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## Safety

Our first priority is the safety of our employees, customers, suppliers and communities



## Essential Service Provider

Essential service company supporting infrastructure, construction and energy sector in Western Canada



## Fiscal Programs

Focus on preserving our cash while thoughtfully pursuing expansion, diversification and strategic initiatives

# COVID-19 Financial Response

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- 1) On April 16, 2020, Athabasca secured a \$40,000 loan for AMI Silica, and another \$40,000 loan for AMI RockChain through the Canadian Emergency Business Account (CEBA) program to support the businesses through the COVID-19 pandemic. Both loans are interest free and require no principle payments until December 2022;
- 2) On May 11, 2020 AMI received the first monthly subsidy of \$44,044 associated with Canadian Emergency Wage Subsidy (CEWS) program;
- 3) From May-July, 2020, Principle repayment of the \$1.5 million bank loan purposed for Coffey Lake Public Pit and the True North Staging Hub construction was deferred three months with interest-only payment terms.
- 4) A series of payroll reductions and optimizations at all levels of the company, up to and including the Board, have been implemented with a resulting payroll cost improvement of 30%.
- 5) A revised salary and Board fees program where AMI stock is used as a form of compensation that reduced cash draw-down while increasing ownership at all levels of the company, including employees, management, and Board of Directors

# AMI's Business Model

## Diversify, Grow and Fortify

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### Athabasca Minerals Inc.

#### AMI Aggregates Inc.

P&L Division

[www.athabascaminerals.com](http://www.athabascaminerals.com)

Long-life Resources

Hub Placement and  
Network

Pit Management

#### AMI Silica Inc.

P&L Division

[www.amisilica.com](http://www.amisilica.com)

In-basin Resources

In-basin Processing and  
Storage

Development Partners  
and Off-take Agreements

#### AMI RockChain Inc.

P&L Division

[www.amirockchain.com](http://www.amirockchain.com)

*RockChain*<sup>TM</sup>  
Midstream Solutions

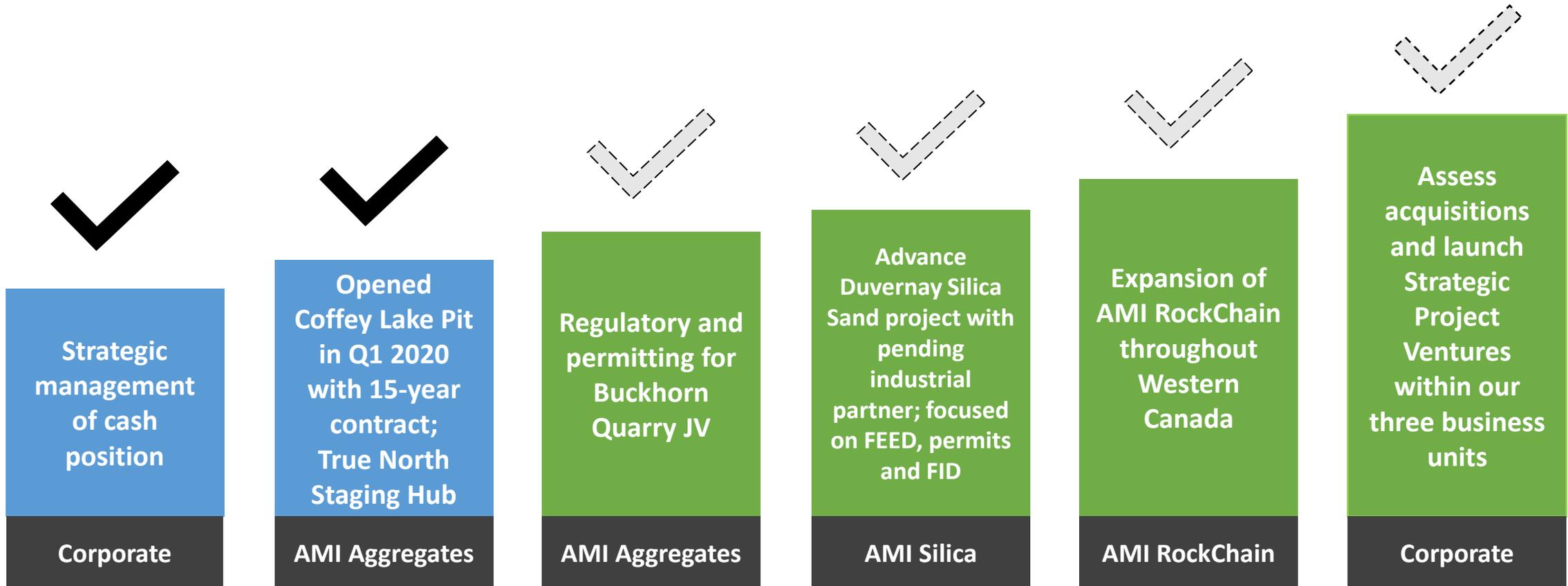
Lower Cost Procurement

Quality Control /  
Quality Assurance

# AMI Business Model

## 2020 Strategic Objectives to Diversify, Grow & Fortify

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# Q1 2020 RESULTS

# AMI Corporate Financial Overview

## Healthy Balance Sheet

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### Summary Balance Sheet

millions (unless otherwise stated)	3/31/2020
Cash	\$1.7
Total Current Assets	\$4.1
Total Assets	\$20.5
Total Liabilities	\$6.4
Shareholders' Equity	\$14.0
Total Liabilities and Shareholders' Equity	\$20.5
Book Value per Share	\$0.30



# AMI Corporate Financial Overview

## Q1 2020 Financial Results

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### Revenue

- \$760k in Q1-20 compared to \$434k in Q1-19; up due to AMI RockChain full operational quarter and aggregate sales beginning at Coffey Lake
  - AMI RockChain and AMI Aggregates contributed revenue of \$489k and \$271k respectively in the first quarter

### Total Loss and Comprehensive Loss

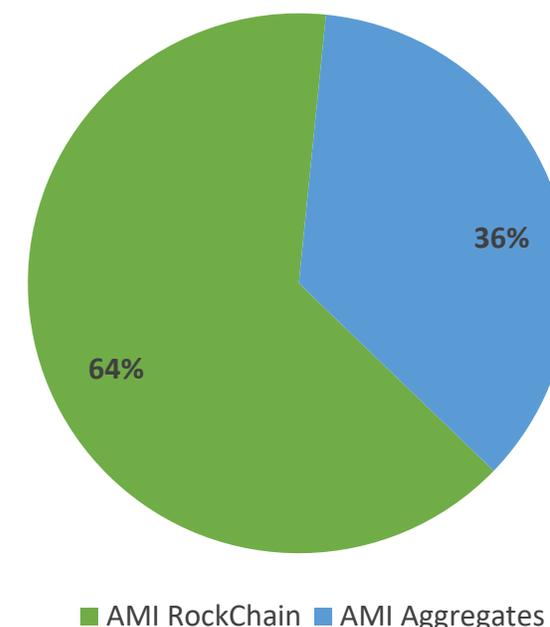
- Loss of \$816 k in in Q1-20 compared to loss of \$1.1 mm in Q1-19
  - Improvement in operating losses, with non-operating income and interest income relatively unchanged in Q1-19

### Net Working Capital<sup>1</sup>

- \$1.9 mm at Mar 31, 2020, down from \$2.8 mm at Dec 31, 2019

1) Working capital is a non-IFRS measure calculated by subtracting current liabilities from current assets. There is no directly comparable IFRS measure for working capital. Management uses working capital as a measure for assessing overall liquidity.

Q1 2020  
Segmented Revenue





# OPERATIONAL HIGHLIGHTS AND 2020 AS STRATEGIC TRANSITION YEAR TO DIVERSIFY

# AMI Aggregates

## Base Division Positioning for 'Shovel-Ready' Projects

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- Coffey Lake Public Pit officially opened on March 21, 2020, providing strong cash flow
- Announced Buckhorn Quarry JV in GTA
- Cautious outlook for early spring and summer with respect to COVID-19
- Industry drivers have changed in Western Canada; pipeline and government infrastructure projects more prominent
- Two additional corporate pits targeted to open in 2020, generating additional revenue
- Potential Resource Swap and other joint venture projects to help diversify the business
- Pursuing JV for Richardson Quarry Project



# AMI Silica 2020 Developmental Program

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## Duvernay Project

- Signed five-year offtake agreement with Shell for AMI Silica's premium domestic sand In Feb 2020
- Issued competitive tender for the Front-End Engineering & Development (FEED) in collaboration with pending industry partner to confirm Financial Investment Decision (FID)
- Phase 1 development costs expected to be under \$40 mm



Concept Illustration Only

## Montney Project

- Taking a measured approach with JV partner to re-adjust for cashflow management

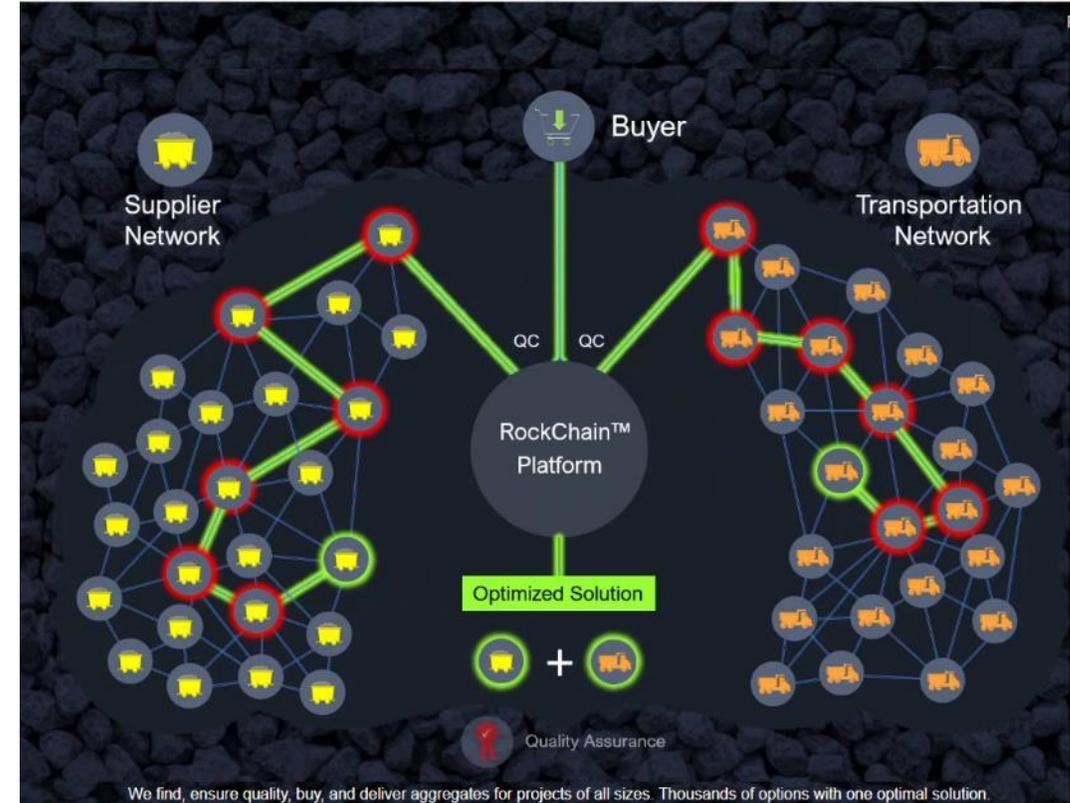


# AMI RockChain™

## ‘Midstreamer of Aggregates, Enabled by Technology’

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- *RockChain™* - Proprietary optimization engine that leverages AMI’s supplier network and knowledge base to procure and quality control customers’ aggregates economically, faster and easier
- Introduces suppliers to additional project opportunities, allowing them to sell more of their capacity
- Achieved a \$1 million order milestone in Q1 2020
- Since inception, over 335 bids serving 64 companies
- Aggressively expanding bid opportunities in Western Canada, across multiple sectors



Website: [amirockchain.com](http://amirockchain.com)

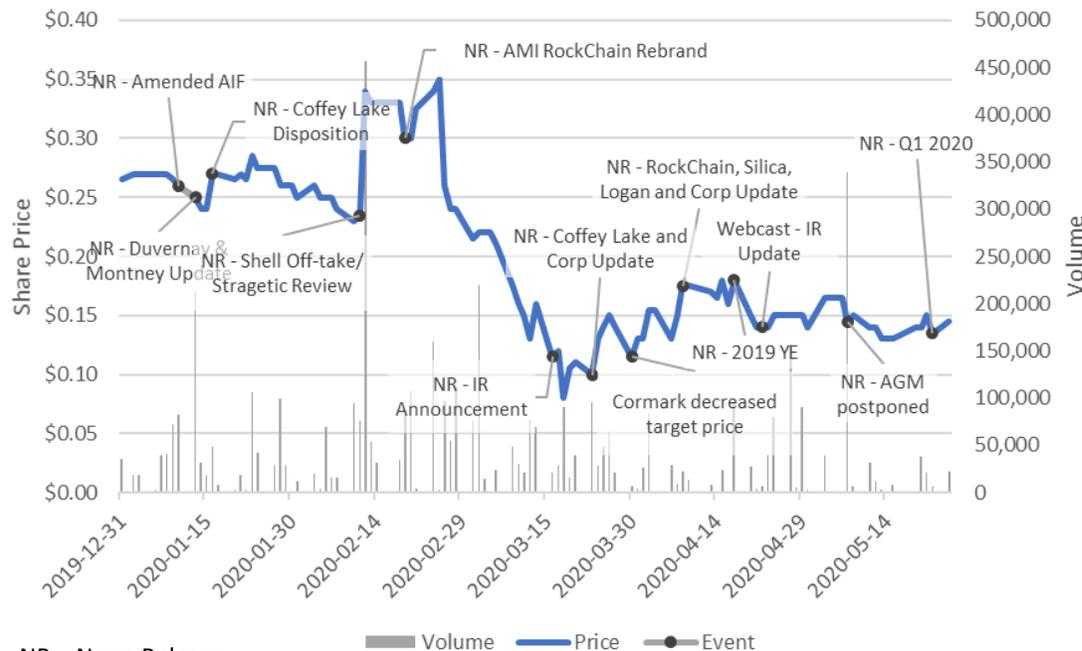
# AMI Advantage

## Building for Long-Term Shareholder Value

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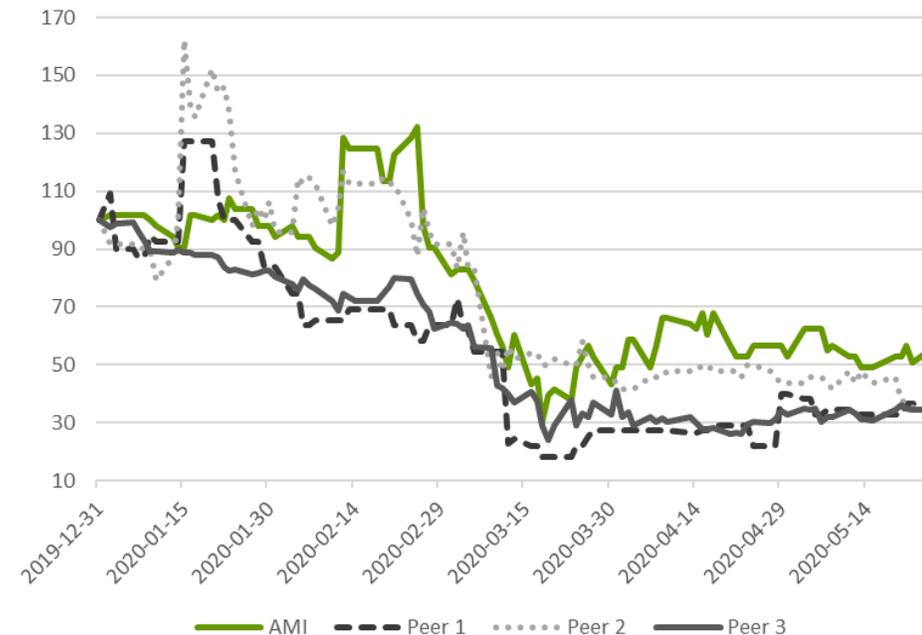
- Although AMI is affected by market trends, the company proves to be resilient and shows the ability to recover value based on steady progress with our strategic initiatives.
- Our share price has outperformed our peer group against whom AMI is often compared.

### AMI Share Price Performance



NR – News Release

### Indexed AMI versus Peers - YTD



# *AMI Advantage*

## Building for Long-Term Shareholder Value

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- ✓ Three distinct business units with operational synergies
- ✓ Proprietary long-life resources
- ✓ Strong client, community and investor relations
- ✓ Resourceful and dedicated team
- ✓ Purposeful focus on diversification and growth
- ✓ Disciplined cash management to ensure balanced approach to our projects and strategic initiatives
- ✓ Improved technology and innovation to drive cost-effective business solutions in AMI RockChain





# QUESTIONS AND ANSWERS



Please address any additional questions to:

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