



Athabasca Minerals Inc. Announces Q2 2014 Results and Appoints Mr. Peter Elzinga ICD.D as Chairman

July 30, 2014 EDMONTON, ALBERTA. Athabasca Minerals Inc. (“Athabasca” or the “Corporation”) (TSX Venture: ABM) is pleased to announce its financial results for the three and six months ended May 31, 2014. The Corporation’s unaudited interim financial statements and management’s discussion and analysis (“MD&A”) for the three and six months ended May 31, 2014 are available on SEDAR at www.sedar.com and on the Athabasca Minerals website at www.athabascaminerals.com.

Q2 2014 Highlights

- Completed aggregate production at Cowper corporate owned aggregate operation, the Corporation’s fourth corporate owned pit and first under agreement with DeneCo Aggregates Ltd. (“Deneco”), a First Nations company with reclamation efforts underway;
- Increased aggregate inventory by a cost exceeding \$2.1 million including 113,000 tonnes at Cowper pit with an inventoried cost of transportation on 86,000 tonnes (76%) of aggregates stockpiled;
- Completed drilling at the Corporation’s Richardson Granite – Dolomite aggregate project;
- Submitted Conservation and Reclamation Business Plan (“CRBP”) to the Alberta Environmental and Sustainable Resources Development (“ESRD”) for the Corporation’s Firebag silica sand project;
- Furthered communication with the Alberta Government with respect to the CRBP plan and approval of Firebag silica sand project;
- Completed the preliminary design on the private rail switch in Lynton, Alberta to facilitate transportation of frac sand from Firebag silica sand project;
- Appointed Mr. Scott MacDougall, P.Eng to the role of Vice President, Operations;
- Appointed Ms. Heather Budney, P. Geol to the role of Chief Geologist.

Q2 2014 sales from corporate-owned aggregate operations were impacted by limited construction activities during the winter months and spring break up period. The Corporation currently has 426,000 tonnes of gravel and 437,000 tonnes of sand located at five inventory locations at Athabasca corporate pits and stockpile sites. This stockpiled inventory has a cost exceeding \$10.3 million, a significant portion of which is expected to be sold during the busier remaining two quarters of 2014. During Q2 2014 the Corporation initiated a review of operating parameters and execution, focused on identifying opportunities for efficiency improvements which resulted in key performance indicators and cost control measures being implemented. The productivity and efficiency gains from these processes are already being realized.

President and CEO Dom Kriangkum said, “As anticipated, aggregate sales have picked up significantly with the ramp up in construction activities beginning in our third fiscal quarter, following generally slow demand experienced during the first half of fiscal 2014. As there is traditionally slow demand for aggregate during the first two quarters, Athabasca intends to explore future opportunities to improve

our sales during these slower periods. Further opportunities for cost minimization at these times are also being targeted. While we await final approval from the Alberta Government on the Firebag Project, we have been working with consultants on the frac sand processing plant design and transloading facilities. We have also had positive meetings with potential frac sand customers. Market indications point to greater projected demand for frac sand due to increased drilling activities. Management feels this increases the opportunity for the supply of locally sourced, high quality frac sand to the Western Canadian market.”

Operations Update

Aggregate demand continues in its regular pattern of being busiest during the second half of the year, which covers the Corporation’s third and fourth fiscal quarters. Susan Lake Q2 activity increased significantly over Q1 2014, but was lower than the comparative quarter in 2013.

Management continues to implement new operational strategies designed to increase efficiencies at corporate owned aggregate operations, while actively exploring for and introducing new aggregate supply within the Wood Buffalo region.

- Commenced crushing activity at Kilometer 248 aggregate operation with Deneco, the second pit opened with this First Nation’s partner;
- Unsold gravel processed at the Cowper pit has been hauled to a new third party stockpile site near a major highway north of Conklin, where it is available for year round delivery. Aggregate sales from the interim stockpile commenced during Q3 2014. Crushing operations at the now depleted Cowper pit had concluded during Q2 2014, and reclamation activity at the pit has been initiated;
- Purchase orders have been received covering the majority of all existing Kearl pit gravel inventory; the fulfillment of these purchase orders is expected to be completed during fiscal 2014.

Financial Highlights

	Q2 and Six Months Ended May 31			
	Q2 2014	Q2 2013	Q2 YTD 2014	Q2 YTD 2013
Aggregate management fees	\$1,526,558	\$2,427,022	\$2,081,125	\$3,916,039
Net aggregate sales	\$1,959,760	\$3,851,656	\$4,823,038	\$9,046,035
Total revenue	\$3,486,318	\$6,278,678	\$6,904,163	\$12,962,074
Aggregate operating expenses	\$3,213,808	\$3,832,548	\$7,785,547	\$9,643,145
Gross profit (loss)	\$272,510	\$2,446,130	\$(881,384)	\$3,318,929
Total aggregate tonnes sold	1,418,032	2,357,778	1,996,569	3,874,002
Net (loss) from land use agreement	\$Nil	\$(71,627)	\$Nil	\$(299,423)
Net (loss) income from aggregate operations	\$(538,704)	\$919,072	\$(2,449,097)	\$772,286
Net (loss) income and comprehensive (loss) income	\$(538,704)	\$847,445	\$(2,449,097)	\$472,863
Basic (loss) income per common share	\$(0.017)	\$0.029	\$(0.078)	\$0.017

A \$2,792,360 decline in Q2 2014 revenue compared to Q2 2013 was the primary reason for the resulting net loss of \$538,704, a decrease of \$1,386,149 from Q2 2013. The sales decline includes a \$900,464 reduction in aggregate management fees, resulting from a 38.7% reduction in aggregate tonnes sold from Susan Lake, and a \$1,891,896 reduction in net aggregate sales, resulting from a 55.9% reduction in aggregate tonnes sold from corporate-owned pits. Aggregate operating expenses during Q2 2014 had decreased by \$618,740 compared to Q2 2013, primarily as a result of reduced costs associated with lower sales volume from corporate-owned pits. A reduction in hauling costs on lower sales formed the biggest cost reduction. While sales decreased due to slower aggregate demand, the Corporation added to its processed sand and gravel inventory in anticipation of significantly stronger aggregate demand in the second half of the year.

Outlook

Athabasca's core business relies on aggregate demand from Alberta's oilsands activity in addition to municipal and road construction projects. Historically Athabasca has stronger third and fourth quarters following typically slower first and second quarters due to seasonal considerations such as winter and spring break-up conditions.

The Corporation determines demand for the year by discussing expected aggregate requirements with its major customers. Management also receives additional aggregate requests from other regional customers outside of its current major customers. At Q2 2014, processed inventory with a cost exceeding \$10.3 million was available for sale.

Athabasca continues the development of industrial mineral projects in Northern Alberta which includes gravel, sand, silica sand, granite, dolomite and salt. With each development project Athabasca strives for a responsible and measured approach, with a focus on delivering high quality products in a safe and efficient manner.

Athabasca is currently progressing on a number of initiatives including the following:

- Continue to realize increased cost savings at corporate owned aggregate operations from implementation and effective execution of management initiatives;
- Focus on increasing sand and gravel sales from corporate owned aggregate operations and stockpile sites;
- Crushing at the Kilometer 248 and Kearn aggregate operations in anticipation of second half demand;
- Apex Geoscience Inc. retained to provide a National Instrument 43-101 report on the 500 acre parcel of land containing the Firebag Project's silica sand for completion during Q4 2014;
- Apex Geoscience Inc. retained to provide a National Instrument 43-101 report on the Richardson Granite-Dolomite project for completion during Q4 2014;
- NorWest Corporation retained to provide a Preliminary Economic Assessment of the Firebag Project for completion during Q4 2014;
- Completed the preliminary design on the private rail switch and transloading facility in Fort McMurray.

Aggregate Operations

Susan Lake Public Pit

Q2 activity at the Susan Lake Pit increased significantly over Q1 2014, and a further increase in activity and demand has been observed to date in Q3 2014.

Recently, management has been notified by the Alberta Environment and Sustainable Resources Development (“ESRD”) that the SML dimensions for the Susan Lake Aggregate Operation will be revised due to a change in the property boundary. On July 29, 2014 management met with ESRD to further discuss the intended boundary revision, and management plans to continue to work with ESRD to maximize resource recovery in the Susan Lake pit. At present management approximates that the estimated 4,500 acre portion only represents roughly 15% of the original total gravel tonnage within the entire Susan Lake pit.

Corporate-Owned Pits

Management is focused on opportunities to sell its existing aggregate inventory, and is actively negotiating with various customers who have expressed interest for the purchase of aggregates, involving its five inventory locations.

Through its sand and gravel inventory across various strategic locations, the Corporation is well positioned to supply to regional customers processed aggregate products.

- Over 196,000 tonnes of processed gravel and 387,000 tonnes of processed sand are available for immediate delivery at the Kearl pit;
- Athabasca has received a multi-million dollar order for aggregates to be hauled from its Kearl operation and has commenced delivery in Q3. It is expected that the entire order will be fulfilled during fiscal 2014, with over 30,000 tonnes delivered to date;
- Active marketing of current inventory to multiple customers requiring aggregates to meet growing infrastructure demands;
- Athabasca opened Kilometer 248 pit under the agreement with Deneco with sales expected to commence during the second half of 2014; aggregate processing at the pit continues at an impressive rate of production;
- Kilometer 248 pit has achieved significant production targets through an improved maintenance program, a focused production plan and adoption of key performance indicators.

During fiscal 2014 Athabasca seeks to improve its corporate pit cost efficiencies through its improved Kearl pit dewatering method, improved labour operation of crushing equipment, and crushing during periods least impacted by adverse weather.

Industrial Metallic Minerals Projects

Richardson Project (Granite and Dolomite)

In anticipation of the eventual depletion of higher quality material from Susan Lake as well as overall aggregate supply within the area, the Corporation has located a long term aggregates source to supply the Fort McMurray region. The potential quarry is located approximately 70 km north of the Susan Lake Gravel pit, which in turn lies approximately 80 km north of Fort McMurray, and contains high quality dolomite and granite. In March 2014 the Corporation announced the completion of its Richardson Project winter drilling program. All holes successfully cored the dolomite and all but one intersected the granite basement rocks.

Apex Geoscience Inc. is currently completing the National Instrument 43-101 report on the project, with a planned completion date during Q4 2014.

Following completion of the NI 43-101 report, the Corporation intends to apply for a mineral lease on a portion of the Richardson Project currently held by Athabasca under mineral permits; and subsequently, the submission of a development application to operate a hard rock quarry.

Firebag Project (Silica Sand)

Athabasca is developing a major frac sand deposit which would supply frac sand to oil and gas customers in Western Canada. This deposit is strategically located north of Fort McMurray accessible by Highway 63 and is near water and power sources.

- On April 23, 2014 the Corporation submitted a Conservation and Reclamation Business Plan ("CRBP") to ESRD for their review before receiving final approval. The CRBP is a normal course requirement of the approval process. Since then, Athabasca has continued its dialogue with ESRD on a regular basis, responding promptly to all inquiries, and continues to work diligently toward permit approval;
- Athabasca has retained Apex Geoscience Inc. to complete a National Instrument 43-101 report on the entire 500 acre parcel;
- The Corporation has retained Norwest Corporation to complete a preliminary economic assessment on the project;
- Management initiated discussions with pressure pumpers operating in Western Canada for introduction of Athabasca frac sand;
- Completed additional testing with Stim-Lab Inc. and PropTester Inc. to verify consistency of the silica sand at various depths of the Firebag deposit confirming a high quality product with crush strength meeting or exceeding API and ISO standards for frac sand, which will also assist in the completion of the National Instrument 43-101 report.

Corporate Reorganization

The Corporation is pleased to announce the appointment of Mr. Peter Elzinga, ICD.D, to the position of Chairman of the board of directors. Mr. Elzinga is a graduate of the ICD-Rotman Directors Education Program and was appointed to the board of directors on January 31, 2014. Mr. Elzinga has a long list of career accomplishments, in service to both the public and private sectors. Having held a variety of senior

government positions, Mr. Elzinga has served as Deputy Premier for the Province of Alberta, and currently sits on the board of Servus Credit Union.

Mr. Elzinga replaces Mr. Doug Stuve in the role as Chairman. While Mr. Stuve has resigned as Chairman he will continue to serve as a highly valued member of the Corporation's board of directors.

Mr. Elzinga states, "I am extremely grateful to be moving into the role of Chairman of Athabasca Minerals, and thank Mr. Doug Stuve for his superb leadership and mentoring which resulted in the maturing of our great organization. I look forward to continuing to work with Mr. Stuve and the board of directors in building an industry leader for the supply of industrial minerals and aggregates in Western Canada."

The Corporation is also pleased to welcome Mr. MacDougall and Ms. Budney to the management team, and looks forward to their contributing to Athabasca as a leader in providing industrial minerals.

The complete financial statements for Athabasca for the three and six months ended May 31, 2014 and Management's Discussion & Analysis for the same periods are available for viewing on the Corporation's website at www.athabascaminerals.com and on SEDAR at www.sedar.com.

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.

For further information on Athabasca, please contact:

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