

Athabasca Minerals Announces Q2 2020 Financial Results and Timing of the Annual and Special Meeting

August 27, 2020 Calgary, Alberta. Athabasca Minerals Inc. (“Athabasca”, “AMI” or the “Corporation”) – TSXV: AMI announces its financial results for the second quarter ended June 30, 2020. The Corporation’s 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. The Corporation also announces the Annual and Special Meeting will be held on September 22, 2020.

Robert Beekhuizen stated: “In the second quarter of 2020, Alberta and the world faced ongoing challenges due to the continued impact of the COVID-19 pandemic. Although we are still cautious, there are signs of increased activity in certain industries in Western Canada for the second half of 2020. We also expect to operate with lower costs and drive toward our strategic initiatives.”

“We are pleased with the continuation of our strategic initiatives including the announcement of the TerraShift Engineering acquisition and the continued progress with our pending joint venture partner on Front-End Engineering & Development of the Duvernay Silica Sand Project.”

In the second quarter of 2020, Athabasca reported consolidated revenue of \$0.2 million (\$1.0 million in Q2 2019) with improved total loss and comprehensive loss of \$0.7 million, compared to a loss of \$1.5 million in the Q2 2019.

The Corporation implemented new health and safety policies and protocols in response to the COVID-19 pandemic. The Corporation’s business continuity plan incorporates government recommended practices with consideration of the health and safety of its employees, field operations, and customers. The Corporation and its subsidiaries have been able to safely continue operations.

BUSINESS HIGHLIGHTS

Athabasca Minerals reports the following key highlights in Q2 2020:

- TerraShift Engineering Ltd. (“TerraShift”) acquisition: TerraShift was a privately-owned company based in Edmonton, Alberta with proprietary technology that focuses on resource data, search intelligence and geospatial software that will further strengthen the functionality and capabilities of AMI’s RockChain™ digital platform. TerraShift also brings technical services with highly efficient methods and streamlined approaches. The acquisition was predominantly a share-based transaction with two trailing payments and performance-based installments on the anniversary of closing;
- AMI RockChain: had minimum delivery of products as it was impacted by COVID-19;
- AMI Aggregates was impacted by lower activity due to COVID-19 as well as the economic downturn. Resumption of production out of Coffey Lake or AMI’s other corporate pits is not anticipated until late 2020 / early 2021 without improvement to commodity prices and lifting of COVID-19 restrictions;
- AMI Silica, together with a pending industrial partner, issued a competitive tender to five pre-qualified contractors in Canada and the United States to update Front-End Engineering & Development (FEED) for its Duvernay Basin Silica Project, with the option to convert to EPC (Engineer, Procure, Construct) once the project is fully financially sanctioned and permits are received. AMI Silica aims at developing what it, and its bidders also regard as the one of the ‘greenest’ silica sand processing facility in North America, based on unique synergies; and
- AMI continues to pursue strategic partnering and joint-venture relationships that will advance its industrial minerals growth strategies, diversify its revenue generation, and increase options for access to lower-cost capital funding.

Fiscal Management & Reporting

- The Corporation has undertaken several financial initiatives in response to the COVID-19 pandemic:
 - A \$40,000 loan for AMI Silica and a \$40,000 loan for AMI RockChain were secured through the Canadian Emergency Business Account (CEBA) program to support these businesses through the COVID-19 pandemic. These loans are interest free and require no principal payments until December 2022;
 - AMI applied for the Canadian Emergency Wage Subsidy (CEWS) program to assist its businesses through the COVID-19 pandemic. AMI has received subsidies totaling \$105,120 as at June 30, 2020 from the CEWS program;
 - Principal repayment of the \$1,500,000 bank loan purposed for Coffey Lake Public Pit and the True North Staging Hub construction was deferred three months with interest-only payment terms, from May to July 2020;
 - In an effort to preserve the Corporation's cash position and employees during the COVID-19 pandemic and economic downturn, AMI implemented a 90/10 compensation program whereby 90% of base salary is paid in cash and 10% of base salary is paid in treasury-issued shares, effective June 1, 2020 for employees and management and retroactive to April 1, 2020 for directors. The Corporation will present the ESP Plan to Shareholders for approval at the 2020 Annual General and Special Meeting. The ESP Plan is subject to the final acceptance of the TSXV;
- AMI's cash position as at June 30, 2020 was \$1.1 million free cash and \$1.8 million restricted cash; and
- On May 7, 2020, Athabasca announced that it postponed the 2020 Annual General Meeting ("AGM"). The Corporation re-scheduled the AGM for Tuesday, September 22, 2020. With respect to COVID-19 pandemic and public health recommendations, the Corporation will be conducting the meeting through an in-person meeting along with a webcast. An amended notice of meeting, setting out the time and place of the rescheduled AGM, together with related meeting materials, will be sent to shareholders and filed under the Corporation's profile on SEDAR at www.sedar.com.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

(\$ thousands of CDN, unless otherwise noted)	Three Months Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
Aggregate sales revenue	\$59	980	\$548	980
Management services revenue	187	0	457	434
Revenue	246	980	1,005	1,414
Operating costs	(174)	(1,172)	(791)	(1,677)
Gross (loss) profit	(31)	(276)	10	(409)
Total loss and comprehensive loss	(674)	(1,311)	(1,490)	(2,368)
Cash position	1,090	3,722	1,090	3,722
Net cash (used in) operating activities	(609)	(1,269)	(958)	(1,107)
Loss per share (\$ per share)				
Basic	(.014)	(.030)	(.032)	(.057)
Fully diluted	(.014)	(.030)	(.032)	(.057)

- The quarterly decrease in revenue was a result of lower than aggregate sales revenue from AMI RockChain and no sales revenue from the AMI aggregates division. Management services revenue was also lower in the second quarter of 2020, with lower volumes sold from Coffey Lake.

- For the six months ended June 30, 2020, aggregates sales revenue was lower due to lower aggregate sales revenue generated by AMI aggregates division, offset by higher aggregate sales from AMI RockChain, there were no sales in the comparable period of 2019, when AMI RockChain was initiating its operations. For the six months ended June 30, 2020, management services revenue was comparable due to Coffey Lake revenue in 2020, versus Susan Lake revenues in the first six months of 2019.
- Gross profit (loss) for the three and six months ended June 30, 2020 was a loss of \$0.03 million and gross profit of \$0.01 million, respectively, compared to losses of \$0.3 million and \$0.4 million for the same periods in 2019. The Corporation has taken actions to adjust costs structures where possible, and as a result, even though revenues were lower for the three and six periods ended June 30, 2020 as compared to the same periods ended June 30, 2019, gross losses were reduced or eliminated in the three and six-month 2020 periods.
- The total loss and comprehensive losses for the three and six months ended June 30, 2020 were \$0.7 million and \$1.5 million, respectively, compared to a loss of \$1.3 million and \$2.4 million for the corresponding periods in 2019.
- Net working capital of \$1.1 million as at June 30, 2020 (December 31, 2019: \$2.8 million) which in management's opinion is sufficient to fund ongoing operations. The decrease in June 30, 2020 working capital as compared to December 31, 2019 was due to a decrease in cash, accounts receivable, and accounts payable and accrued liabilities, offset by an increase in the current portion of bank loans and other minor changes in working capital components.

ANNUAL AND SPECIAL MEETING / INVESTOR UPDATE WEBCAST

AMI will be holding its Annual General and Special Meeting ("AGSM") at the Four Points by Sheraton Edmonton Gateway, 10010 12 Ave SW, Edmonton, Alberta on Tuesday, September 22, 2020. The Q2 2020 results will also be briefly discussed at the AGSM.

Interested parties are welcome to follow the AGSM via webcast or conference call via the following (access to the webcast will begin 15 minutes prior to the AGSM start time):

Date: Tuesday, September 22, 2020
 Time: 9:30 am MT (11:30 pm ET)
 Webcast Registration: <https://us02web.zoom.us/j/81354574896?pwd=WkY2YmNQUHZOaWIPUWVmSjJlMjZzOQ>
 Or <https://www.athabascaminerals.com/>
 Phone: 1 587 328 1099 Canada

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.

Incorporated in 2006, Athabasca is an integrated group of companies focused on the aggregates, industrial minerals and resource sectors, including exploration and development; aggregates marketing and 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, integrated supply/delivery solutions of industrial minerals, and new venture development. The Corporation is strategically focused on growing its three core business units: the AMI Aggregates division, the AMI RockChain division, and the AMI Silica division. Management is continually pursuing opportunities for sustained growth and diversification in supplying aggregate products and industrial minerals.

Athabasca's business is comprised the following three reportable segments:

- **AMI Aggregates** division produces and sells aggregate out of its corporate pits and manages the Coffey Lake Public Pit on behalf of the Province of Alberta for which aggregate management services revenue are earned.
- **AMI Silica** division is positioning to become a leading supplier of premium domestic silica sand with regional deposits in Alberta and NE British Columbia. This reporting segment encompasses all silica assets including Firebag, the Duvernay Project and the Montney In-Basin Project.
- **AMI RockChain** division is a midstream technology-based business using its proprietary RockChain™ digital platform, associated algorithm and quality assurance & control services to provide cost-effective integrated supply / delivery solutions of industrial minerals to industry, and the construction sector.
 - **TerraShift Engineering Ltd.** is a newly acquired entity of RockChain. It offers technology-based applications that support resource exploration and development, environmental and regulatory planning, resource management, compliance reporting, and reclamation for a growing customer base across Western Canada and Ontario.

For further information on AMI, please contact:

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FORWARD LOOKING STATEMENTS

Certain information set forth in this news release contains forward-looking statements including, but not limited to, the expectations for industry activity, management's assessment of Athabasca's future operations and what may have an impact on them, financial performance, business prospects and opportunities, changing operating environment including the impact of COVID-19, future growth and profitability of the Corporation. This news release also contains forward-looking statements pertaining to the approval, implementation and success of the ESP Plan.

Although the Corporation believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements are made, undue reliance should not be placed on the forward-looking statements because the Corporation can give no assurances that such statements and information will prove to be correct and such statements are not guarantees of future performance. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Actual performance and results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to known and unknown risks, including those set forth in the Corporation's Annual Information Form (a copy of which can be found under Athabasca's profile on SEDAR at www.sedar.com) and in the Corporation's most recent Management's Discussion and Analysis. Accordingly, readers should not place undue importance or reliance on the forward-looking statements. Readers are cautioned that the list of factors is not exhaustive.

Statements, including forward-looking statements, contained in this news release are made as of the date they are given and the Corporation disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.