Athabasca Minerals Announces Q2-2022 Financial Results Showing Significant Revenue Gains Through Key Division, Strategic Refocusing, and Upcoming Investor Call

Calgary, Alberta--(Newsfile Corp. - August 26, 2022) - Athabasca Minerals Inc. (TSXV: AMI) ("**AMI**" or the "**Corporation**"), today announces its Q2 Financial Statements for the second-quarter ending June 30, 2022 and strategic refocusing as part of the new emphasis on its core business and initiatives. The Q2-2022 Financial Statements and Management's Discussion and Analysis ("MD&A") are available on SEDAR at www.sedar.com and on the company website at www.athabascaminerals.com. The Corporation also announces the Q2 2022 Earnings Call to be held on Tuesday, August 30, 2022 at 9:30am (MT).

Q2-2022 FINANCIAL RESULTS

In the second quarter of 2022, Athabasca reported consolidated revenue of $7.5 million (compared to $3.2 million in Q2 2021), a gain of 127%, driven mainly by increasing market demand for industrial sand. During Q2-2022, AMI Silica LLC consistently shipped over 100,000 tons a month and expects the monthly shipment volumes to increase, along with market demand.

Dana Archibald, Interim Chief Executive Officer, states: "AMI Silica LLC is seeing continued sales growth and profitability for our industrial sand, contributing to AMI's revenue growth in the second quarter. These encouraging results, combined with the increased sales in AMI Aggregates and RockChain, have led to a renewed focus on the sand and gravel business. Our confidence in AMI's ability to achieve target revenues for 2022 remains strong."

AMI had an operating loss of $5.5 million in Q2-2022 versus an operating loss of $0.6 million in Q2-2021. This increased loss was mainly attributed to some one-time operating expenses in AMI Silica LLC of $0.8 million and $0.9 million of depreciation expense. In addition, the Corporation had a $0.7 million severance expense due to the departure of two of the Corporation's executives and a $3.3 million write-down of a certain contract and select resource properties.

In Q2-2022, the Corporation reported a total comprehensive loss of $4.8 million (versus a total comprehensive loss of $0.6 million in Q1-2021). For Q2-2022, on a per share basis, total comprehensive loss was $0.061/share basic and diluted (versus a total comprehensive loss of $0.009/share basic and diluted in Q2-2021).

STRATEGIC REFOCUSING

The Corporation has commenced with a comprehensive review of all business assets to determine ways to drive profitability, efficiency, and effectiveness. AMI has taken steps to reconstruct its operating model, accelerating its transformation. Upon reviewing its existing assets, Management determined to write down the value of a certain contract and properties that don't show immediate or mid-term viability. The Corporation still firmly believes in these quality properties and will hold them for potential future development.

As of August 24, 2022 the Corporation has begun to phase out the operations of its engineering division, TerraShift Engineering ("TerraShift") as part of the Corporation's staged plan to create a sustainable and resilient business model. This reorganization and simplification of operations also contributes to a reduction in personnel and overhead. The Corporation estimates that the cost of this reorganization will be approximately $30,000.

David Churchill, Chief Financial Officer notes: "As part of AMI's refocused strategy, the senior leadership team has evaluated all assets and divisions, making decisions based on near-term priorities and contributions to the Corporation. These significant changes are part of an ongoing realignment to create an elevated focus on the Company's core business of sand and gravel and, ultimately, greater value for AMI's shareholders."

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
FINANCIAL HIGHLIGHTS:				
Product sales revenue	$ 5,967,509	$ 2,354,880	$ 11,873,269	$ 2,782,202
Services revenue	1,489,189	927,056	2,628,036	1,724,986
Gross revenue, including royalties	7,456,698	3,281,936	14,501,305	4,507,188
Less: provincial royalties	(122,229)	(40,703)	(182,390)	(169,298)
Gross revenue, net of royalties	7,334,469	3,241,233	14,318,915	4,337,890
Gross profit (loss)	(401,098)	467,114	781,527	667,793
Gross profit percentage	-5.5%	14.4%	5.5%	15.4%
Write-down of contract costs and resource properties	(3,322,735)	-	(3,322,735)	-
Severance expense	(638,985)	-	(638,985)	-
Total Operating loss	(5,489,541)	(591,798)	(5,260,817)	(1,281,344)
Gain on acquisition of Wisconsin assets	100,970	-	22,445,116	-
Other non-operating income	59,969	28,013	75,826	129,707
Total comprehensive income (loss)	$ (4,770,632)	$ (579,726)	$ 17,515,390	$ (1,181,638)
Comprehensive income (loss) per common share - basic	(0.061)	(0.009)	0.226	(0.018)
Comprehensive income (loss) per common share - diluted	(0.061)	(0.009)	0.223	(0.018)
Weighted Average # of Shares Outstanding	77,695,603	67,964,924	77,410,491	65,681,034

	As at June 30, 2022	As at December 31, 2021
FINANCIAL POSITION:		
Working capital[1]	$ 405,997	$ 1,991,501
Total assets	61,024,198	20,936,866
Total liabilities	27,931,933	5,785,589
Shareholder's Equity	33,092,265	15,151,277

[1]Non-IFRS Measure - identified and defined under "Liquidity & Capital Resources"

Financial and Operational Highlights

To view an enhanced version of this table, please visit:
https://images.newsfilecorp.com/files/3061/134911_athabascatable1.jpg

EARNINGS CALL

Athabasca will host an Earnings Call for investors, analysts and stakeholders to provide an update on the 2022 - Q2 Financial results. ***Registration is required so please pre-register to receive your password.***

Date:	Tuesday, August 30, 2022
Time:	9:30 am MT (11:30 am ET)
Link:	**To Avoid Delays Please Register In Advance:** https://us02web.zoom.us/webinar/register/WN_e7rL69DOSB-i7zKujl2i-A Or https://www.athabascaminerals.com/
Phone:	1-587-328-1099 ID: 881 0783 7394 Passcode: 254434

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.

Athabasca Minerals is an integrated group of companies capable of full life-cycle development and supply of aggregates and industrial minerals. The Corporation is comprised of the following business units:

- **AMI Aggregates** division produces and sells aggregates out of its corporate pits and manages the Coffey Lake Public Pit on behalf of the Government of Alberta.
- **AMI Silica** division (www.amisilica.com) is a leading supplier of premium industrial sand with operations in Wisconsin and regional deposits located in Alberta and North-East BC, currently in the development phase.
- **AMI RockChain** division (www.amirockchain.com) is a midstream, technology-enabled business that deploys its proprietary RockChain™ digital platform, associated industry econometrics, supply-chain algorithms, quality-assurance & safety programs to bring customers integrated supply-delivery solutions of industrial minerals to industry, infrastructure and construction sectors.

For further information, please contact:
Cheryl Grue, Director, Corporate Affairs
Tel: 587-3912-5862 / Email: cheryl.grue@athabascaminerals.com

FORWARD LOOKING STATEMENTS

This news release contains certain statements or disclosures relating to Athabasca that are based on the expectations of its management as well as assumptions made by and information currently available to Athabasca which may constitute forward-looking statements or information ("forward-looking statements") under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Athabasca anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by the use of the words "would", "will", "anticipates", believes", "explores" and similar expressions.

Athabasca believes the material factors, expectations and assumptions reflected in the forward-looking statements are reasonable at this time but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The forward-looking statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation: a significant expansion in COVID-19 restricting or prohibiting the operation of the Athabasca's facilities or significantly impacting the Company's supply chain; the duration and extent of the relatively low global oil prices; general economic, market and business conditions including those in the event of an epidemic, natural disaster or other event; increased costs and expenses; reliance on industry partners; and certain other risks detailed from time to time in Athabasca's public disclosure documents including, without limitation, those risks identified in this news release, and in Athabasca's annual information form, copies of which are available on Athabasca's SEDAR profile at www.sedar.com. Moreover, the duration and impact of the COVID-19 pandemic is unknown at this time and it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company.

Readers are cautioned not to place undue reliance on these forward-looking statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Corporation does not undertake any obligation to update or revise any of the forward-looking statements, except as may be required by applicable securities laws.

Additional information on these and other factors that could affect the Corporation's operations and financial results are included in this news release and may be accessed under Athabasca's profile on SEDAR at www.sedar.com.

Athabasca MINERALS INC.

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/134911