

Athabasca Minerals Announces Q4 2020 and Year-End Results and Investor Update

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Calgary, April 21, 2021 - [Athabasca Minerals Inc.](#) (TSXV: AMI) ("Athabasca" or the "Corporation") announces its financial results for the fourth-quarter and year-ended December 31, 2020. The Corporation's 2020 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 Q4 2020 Results Investor Update to be held on April 27, 2021.

In the fourth quarter of 2020, Athabasca reported consolidated revenue of \$0.5 million (\$1.1 million in Q4 2019) with a total loss and comprehensive loss of \$0.9 million, compared to loss of \$1.1 million in Q4 2019.

Robert Beekhuizen, Chief Executive Officer, states: "In 2020, we streamlined our company with operational efficiencies and reduced our expenses. With the continued progress of our sand projects and an overall increase in industry demand for aggregates, we are well positioned to grow in 2021. Our commitment and focus continues to be on growth throughout the AMI group of companies and continued communication with shareholders."

BUSINESS HIGHLIGHTS

Athabasca Minerals reports the following key highlights for Q4-2020:

- AMI Aggregates was impacted by lower activity due to COVID-19 as well as the economic downturn. Production out of Coffey Lake resumed in January 2021, and production out of AMI's other corporate pits is anticipated to resume in 2021.
- In fiscal 2020, AMI RockChain has increased sales volumes relative to 2019; however, anticipated volumes were impacted by the economic downturn from COVID-19.
- On October 26, 2020, the Corporation announced the closing of a \$1.48 million non-brokered private placement with the issuance of 9,866,688 common shares. The deal was priced at \$0.15/share representing a 30% premium to the prior day closing price. Proceeds from the private placement were allocated to advance Front-End Engineering & Development ("FEED") activities for the Duvernay Project and for general corporate purposes. The private placement was supported by JMAC Resources Ltd. as an anchor investor. With the private placement, insider ownership of the Corporation's Common Shares increased from 8.1% to 22.5% as of the date of closing.
- On October 26, 2020, the Corporation also announced the addition of Jon McCreary, CEO of JMAC Resources Inc., to the Board of Directors, effective November 1, 2020.
- Subsequent to the fourth quarter of 2020, on March 15, 2021, the Corporation announced a three-year agreement with a two-year renewal option for AMI RockChain to supply aggregates and related services to the Rural Municipalities of Alberta ("RMA"), their provincial membership of 69 rural municipalities, and their inter-provincial affiliates.
- Subsequent to the fourth quarter of 2020, also on March 15, 2021, the Corporation announced TerraShift securing contracts valued at over \$600,000 to: (a) provide municipal services associated with environmental waste management for the Ministikwan Lake Cree Nation for the next 12 months, and (b) secure peat resources and regulatory approvals for a confidential industry client.

- Subsequent to the fourth quarter of 2020, on February 5, 2021, the Corporation announced the acquisition of 100% interest in Privco1 and Privco2, the private Alberta corporations that hold the Montney In-Basin Project and the Duvernay Sand Project, respectively. These transactions were combined and concluded for \$1.00 of cash consideration and 8,000,000 common shares at a value of \$0.25 per common share for a total purchase price of \$2,000,001 released over three milestone installments.
 - 4,000,000 shares were paid on February 5, 2021. The remaining shares are held in escrow with 2,000,000 common shares to be paid at the Corporation's discretion by June 30, 2021, and 2,000,000 common shares to be paid at the Corporation's discretion by June 30, 2022. If the Corporation elects not to release the common shares from escrow for either of the two milestone payments, then the founding partners will be returned an equivalent pro rata interest in Privco2 in exchange.
- The Corporation is also using common shares to make one final Annual Minimum Royalty ("AMR") payment for Privco1, consisting of 800,004 common shares at a value of \$0.25 per share, for a total value of \$200,001, with three corresponding milestone installments.
 - 400,002 shares were paid on February 5, 2021. The remaining shares are held in escrow with 200,001 common shares to be paid at the Corporation's discretion by June 30, 2021, and 200,001 common shares to be paid at the Corporation's discretion by June 30, 2022.

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. TerraShift also had a \$40,000 CEBA loan at the time of acquisition. These loans are interest free, require no principal payments until December 2022, and \$10,000 is forgivable if repaid by December 2022. In October 2020, the Government of Canada announced its intention to increase CEBA loans from \$40,000 to \$60,000, of which \$20,000 will be forgivable if repaid by December 2022. AMI Silica received the additional \$20,000 in December 2020; AMI RockChain and TerraShift received similar loan increases in Q1-2021.
 - AMI applied for the Canadian Emergency Wage Subsidy ("CEWS") program to assist its businesses through the COVID-19 pandemic. The CEWS program is currently in place until June 2021, and AMI has received and accrued subsidies totaling \$450,560 as of December 31, 2020 from the CEWS program. On April 19, 2021, the Government of Canada announced its intention to extend the CEWS program from June 2021 to September 2021.
 - 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 to a total of six months of interest-only payment terms which ended in July 2020.
- In an effort to preserve the Corporation's cash position and retain 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. For this compensation program, the Corporation has put into place an Employee Share Purchase Plan ("ESP Plan") and participation in the ESP Plan is voluntary. The compensation program was put into effect June 1, 2020 for employees and management. For director's fees, the compensation program was retroactive to April 1, 2020. The ESP Plan was approved by the shareholders on September 22, 2020 and by the TSX Venture Exchange on October 16, 2020 and was in place until December 31, 2020.
- The Corporation remains financially prudent during the COVID-19 pandemic. Effective January 1, 2021, AMI implemented 10% reductions of Management salaries and Board fees and continues to participate in the Canada Emergency Wage Subsidy program.
- AMI's cash position as at December 31, 2020 was \$2.0 million free cash and \$1.1 million restricted cash.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

(\$ thousands of CDN, unless otherwise noted)	Three Months Ended Dec 31		Twelve Months Ended Dec 31	
	2020	2019	2020	2019
Aggregate sales revenue	\$ 397	\$ 631	\$ 1,272	\$ 1,690
Management services revenue	117	477	673	911
Revenue	514	1,108	1,945	2,601
Operating costs	(506)	(1,217)	1,898	3,324
Gross (loss) profit	(88)	(211)	(399)	(1,065)

Total (loss) income and comprehensive (loss) income	(935)	(1,102)	(3,531)	(2,721)
Cash position	1,954	1,995	1,954	1,995
Net cash (used in) operating activities	(568)	(922)	(2,039)	(2,790)
Loss (income) per share (\$ per share)				
Basic	(.017)	(.024)	(.071)	(.063)
Fully diluted	(.017)	(.024)	(.071)	(.063)

- The quarterly decrease in revenue was due to the impact of COVID-19, particularly on the Aggregates division which had \$nil revenue in the fourth quarter due to the regional slowdown around the Coffey Lake public pit.
- In 2020, aggregates sales revenue was lower due to a decline in AMI's corporate pit revenue, offset by increased networked 3rd party sales revenue from AMI RockChain. In 2020, management services revenue decreased due to lower sales volume from Coffey Lake in 2020 compared to 2019 sales from Susan Lake, partially offset by a \$0.2 million increase from the addition of TerraShift's revenue stream.
- The total loss (income) and comprehensive loss (income) for the three and twelve months ended December 31, 2020 was a loss of \$0.9 million and \$3.5 million, respectively, compared to loss of \$1.1 million and a loss of \$2.7 million for the corresponding periods in 2019.
- Net working capital was \$0.9 million as at December 31, 2020 (December 31, 2019: \$2.8 million). The \$1.9 million decrease in working capital was predominately due to a \$0.5 million decrease in trade and other receivables, a \$0.3 million write-down of inventory, the addition of \$0.5 million of current portion of bank loans, and the callable nature of \$0.8 million of expected long term bank loans, partially offset by a \$0.3 million decrease in accounts payable and accrued liabilities.

GRANT OF STOCK OPTIONS

- AMI announces that its Board of Directors have approved the grant of 632,400 stock options ("Options") to officers, directors, and select management of the Corporation pursuant to the Corporation's Stock Options plan as well as the Corporation's Stock Option Replenishment Program. The Options have an exercise price of \$0.24 per share and have a term of five years.

INVESTOR UPDATE WEBCAST

Athabasca will host a webcast for investors, analysts and stakeholders to provide an update on the existing operating environment. Registration is required, so please pre-register to receive your password.

Date: Tuesday, April 27, 2021

Time: 9:30 am MT (11:30 am ET)

Webcast: To avoid delays, please register in advance

https://us02web.zoom.us/webinar/register/WN_KjarFXHyRaW0nVFSHIOSKA

Or <https://www.athabascaminerals.com/>

1-587-328-1099

Phone: Webinar ID: 829 1015 3090

Passcode: 663084

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 Province of Alberta.

- AMI Silica division (www.amisilica.com) is positioning to become a leading supplier of premium domestic silica sand with three regional deposits located in Alberta and NE-BC (White Rabbit, Firebag and Montney), and holds a 5-year purchase agreement with Shell Canada for the supply of proppant.
 - Privco1 & Privco2 are private Alberta corporations owned by AMI that hold the Montney and White Rabbit domestic sand deposits, respectively which are strategically located with respect to the Montney and Duvernay sedimentary basins. Privco2 supports the Duvernay Sand Project, which is finalizing FEED (Front-End Engineering & Development) with the participation of an international industrial partner who brings access to rail, power, industrial water and heat recovery with green benefits, utilities and infrastructure.
- 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.
 - TerraShift Engineering (www.terrashift.ca) was acquired by AMI RockChain in June 2020. TerraShift offers engineering and project services, proprietary technology applications such as TerraMaps, with expertise in resource exploration & development, mine planning, environmental reclamation and remediation, regulatory approvals, and compliance reporting, serving a growing customer base across Western Canada and Ontario.

For further information, please contact:

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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.

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