



POLARIS MATERIALS

High Quality, Marine-Exported Construction Aggregates



Corporate Presentation

JULY 2017

TSX: PLS | www.polarismaterials.com



CAUTION REGARDING FORWARD LOOKING STATEMENTS

Safe Harbor Statement: This presentation contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws. These statements and information appear in this document and include estimates, forecasts, information and statements as to management's expectations with respect to, among other things, the future financial or operating performance of the Company, including increases in gross margins, increases in sales volumes, shipments and selling prices, costs of production, capital and operating expenditures, requirements for additional capital, government regulation of quarrying operations, environmental risks, reclamation expenses, and title disputes, the Canadian dollar compared to the US dollar, increases in Californian construction activity and US infrastructure funding, statements regarding potential new customers and the development of Black Bear. Often, but not always, forward-looking statements and information can be identified by the use of words such as "may", "will", "should", "plans", "expects", "intends", "anticipates", "believes", "budget", and "scheduled" or the negative thereof or variations thereon or similar terminology. Forward-looking statements and information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Readers are cautioned that any such forward-looking statements and information are not guarantees and there can be no assurance that such statements and information will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's continuous disclosure documents which are filed with Canadian regulators on SEDAR (www.sedar.com), including under the heading "Risks and Uncertainties" in the Company's Annual Report and under the heading "Risk Factors" in the Company's Annual Information Form. Such factors include, amongst others, the effects of general economic conditions, changing foreign exchange rates and actions by government authorities, uncertainties associated with legal proceedings and negotiations, industry supply levels, competitive pricing pressures, mineral resource and reserve estimates and the timing and development of the Black Bear project. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements and information whether as a result of new information, future events or otherwise, except as required by applicable law. All written and oral forward-looking statements and information attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements.

Investment Highlights



LONG-TERM GROWTH – Over time, the depletion of local quarries in our target markets is expected to create an increasing supply deficit which we are uniquely positioned to address

DIFFERENTIATED PRODUCT– The Orca Quarry provides uniquely high quality natural sand and gravel products which can provide measurable value to end users;

UNIQUE, INTEGRATED LOGISTICS SOLUTION – Our unique combination of deep sea access, shipping, lightering and terminals allows us to deliver at the lowest possible cost;

FAVOURABLE MARKET CONDITIONS – Significant infrastructure and commercial construction deficit in the U.S. and in our end markets on the west coast in particular should drive long-term demand

LONG-LIFE PERMITTED RESERVE – 20+ years of production from current reserves, with significant additional nearby resources (including Black Bear) provides us with long-term supply;

SUBSTANTIAL COMPETITIVE BARRIERS – Combination of integrated logistics and long term supply agreements difficult to duplicate; high quality materials unique in our markets

CSL Tacoma being loaded at the Orca Quarry

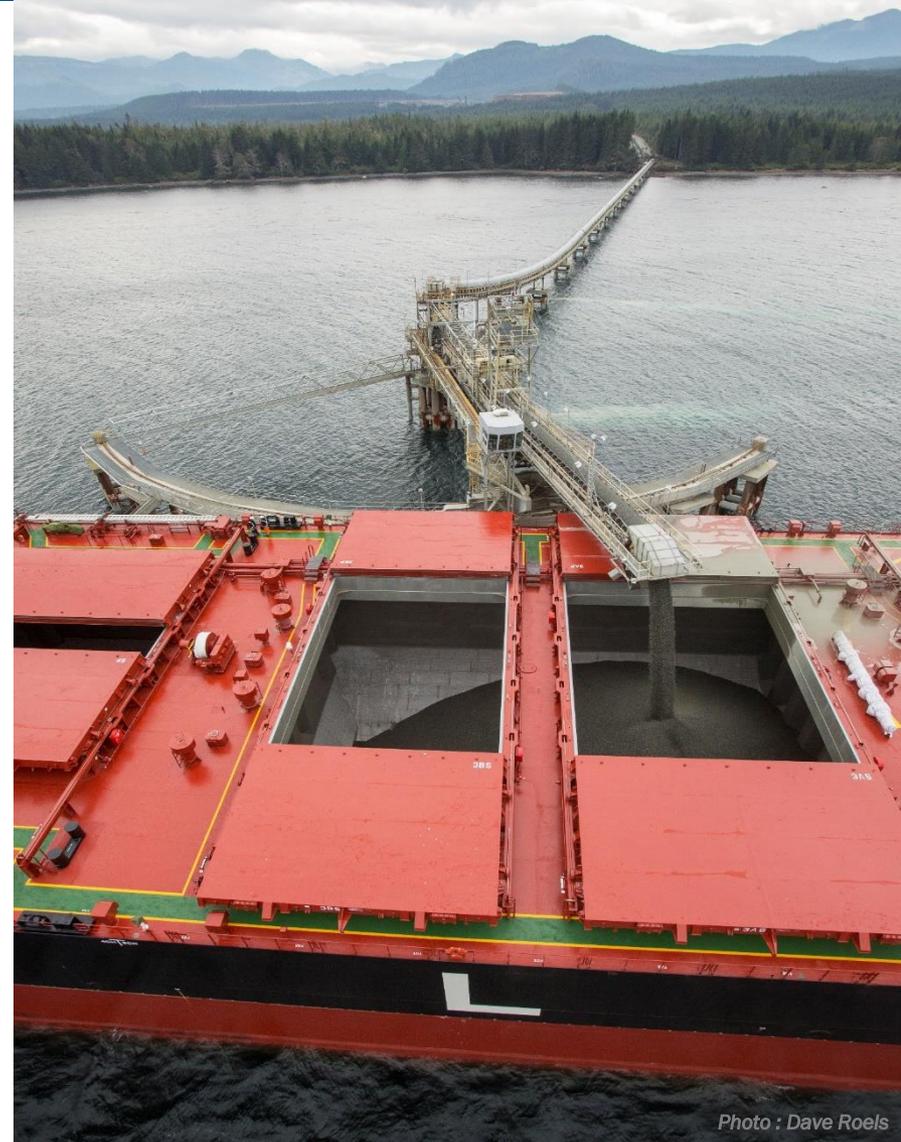


Photo : Dave Roels

Experienced Management and Board



Kenneth M. Palko
President and CEO



Terrence A. Lyons
Chairman and Director



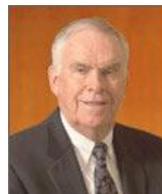
Darren K. McDonald
VP Finance, CFO and Corporate Secretary



Herbert G. A. Wilson
Executive Vice Chairman and Director



Scott W. Dryden
VP Operations



Eugene P. Martineau
Director



Nicholas M. Van Dyk
VP Investor Relations & Corporate Development



Marco A. Romero
Founder, Director

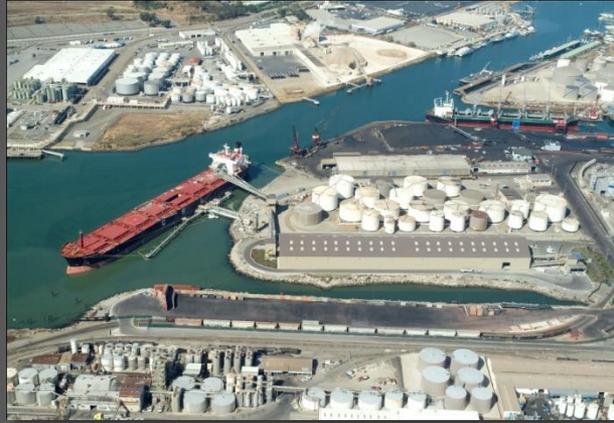


Lenard F. Boggio
Director

Quality Assets – Scarcity and Location Value Premiums



Orca Quarry, Port McNeill, BC



Richmond Terminal, Richmond, CA



Long Beach Terminal, Long Beach, CA

- Permitted production: 6.6 million tons per year
- Approx. 20 years remain in current permit, additional resources drilled in adjacent public lands in 2008
- Cost effective production through high volume of only three products
- Own ship berth for high-speed, loading of 80,000 ton Panamax freighters in 24 hours
- Orca material surpasses all product specifications in California

- “Virtual Quarry” in the east San Francisco Bay area
- Recognized for highest possible environmental standards in sensitive east Bay location
- Covered storage and twin-line rapid automated truck loading station
- Owned and operated by Polaris
- Permitted capacity of 1.5 million tons per year
- 40-year leasehold site

- “Virtual Quarry” in downtown Los Angeles
- Only permitted construction aggregates terminal in the Port of Long Beach
- Initial permitted capacity of 1.0 million tons per year, can be expanded
- Commercial operations started February 1, 2016, owned and operated by Polaris
- 20-year leasehold site

Integrated Orca Quarry Operations



Superb Quarrying Operations

- World class quarrying operation with excellent environmental and safety record
- Permitted capacity of 6.6 million tons per year;
- Exceptionally high quality alluvial sand and gravel product
- Low-cost scraper operation
- Crushing and classification circuit capable of operating significantly above design capacity of 1,000tph
- Very modest capital requirements for capacity expansion

World-Class Shiploader

- Orca quarrying operations integrated with 4,000tph shiploader
- Highly reliable and safe equipment consistently loads Panamax-class vessels in under 24 hours
- Physical capability of shiploader is greater than permitted capacity and would likely be sufficient to support any foreseeable expansions in production
- Minimal foreshore footprint minimizes impact on natural environment

Black Bear Project

- Recently identified large basalt deposit located in close proximity to Orca
- Initial development focused on a bolt-on operation which could provide an additional source of gravel appropriate for blending with Orca product
- First nations and local stakeholders supportive of evaluation efforts



Our Safety Record: Building on our Culture

- 2016 Stewart/O'Brien Safety Award for Zero LTA's for 5th time in company's 10 years of operation
- Orca Mine Rescue Team Acted as First Responders in support of tragic accident in nearby Woss, BC; recently achieved top 5 finish in provincial competition
- Eagle Rock Operations participating in company wide safety culture using Orca standard safety planning and risk assessment steps

Orca Mine Rescue Team



Progressive Reclamation Test Plot



Our Environmental Record: Respect for the Land

- No reportable incidents in 2016
- Progressive rehabilitation program commenced
 - Initial placement of topsoil commenced
 - Test plot for tree species underway
- Significantly improved local water table quality versus pre-operation state
- ISO 14001-compliant environmental management system

A “Green” Product



Orca Quarry aggregate is particularly valuable in infrastructure projects where the high quality provides cost-effective engineering solutions for seismic and high performance challenges.

Orca Quarry aggregates meet LEED Certification Criteria in California as a “Local Supply” because of the highly fuel efficient shipping. LEED Certification gives maximum credit to locally supplied aggregates. Because of the very low emissions per ton-mile of the ships that deliver from Orca Quarry, the Company is classed as a “Local Supply”.

Certified EPD recently completed and available on ASTM website at <https://goo.gl/8gCy5g>

Orca aggregates are significantly better than industry average for lifecycle carbon impact



*SF General Hospital –
A LEEDS Project having
utilized Polaris materials*



San Francisco General Hospital Expansion

Unique Supply Chain Solution



- Panamax ships transit from Orca Quarry fully loaded to minimize freight costs per ton
- On arrival in San Francisco Bay the ship “Lighters” to barges supplied by contracted customers
- The ship can then access the multiple land based terminals where water depths are shallower
- Lightering is not required for access to Long Beach Terminal or for shipments to Hawaii



Polaris Materials Shipping Routes



CSL Acadian “lightering” to Customer-provided barges at San Francisco Bay Anchorage

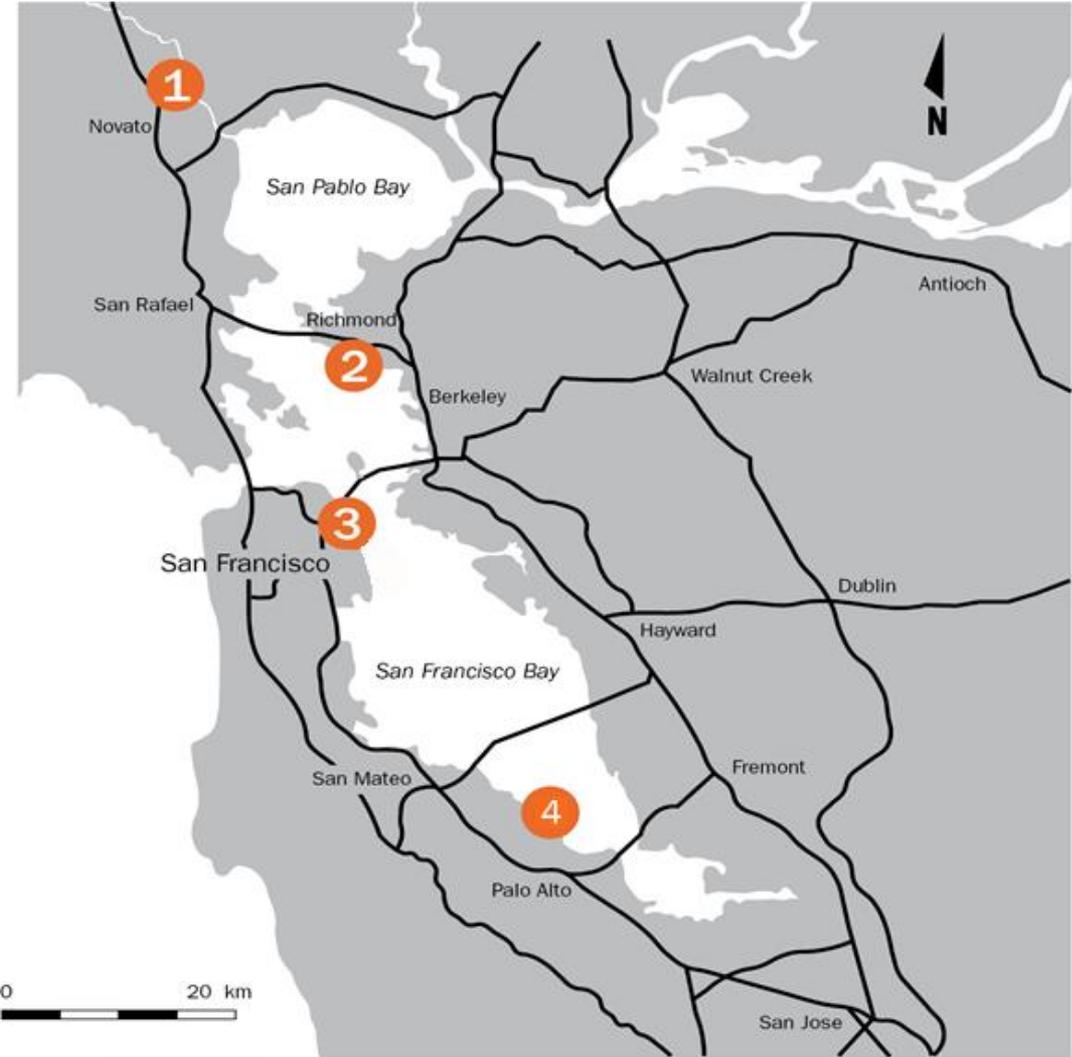
Northern California – Dominant San Francisco Bay Position



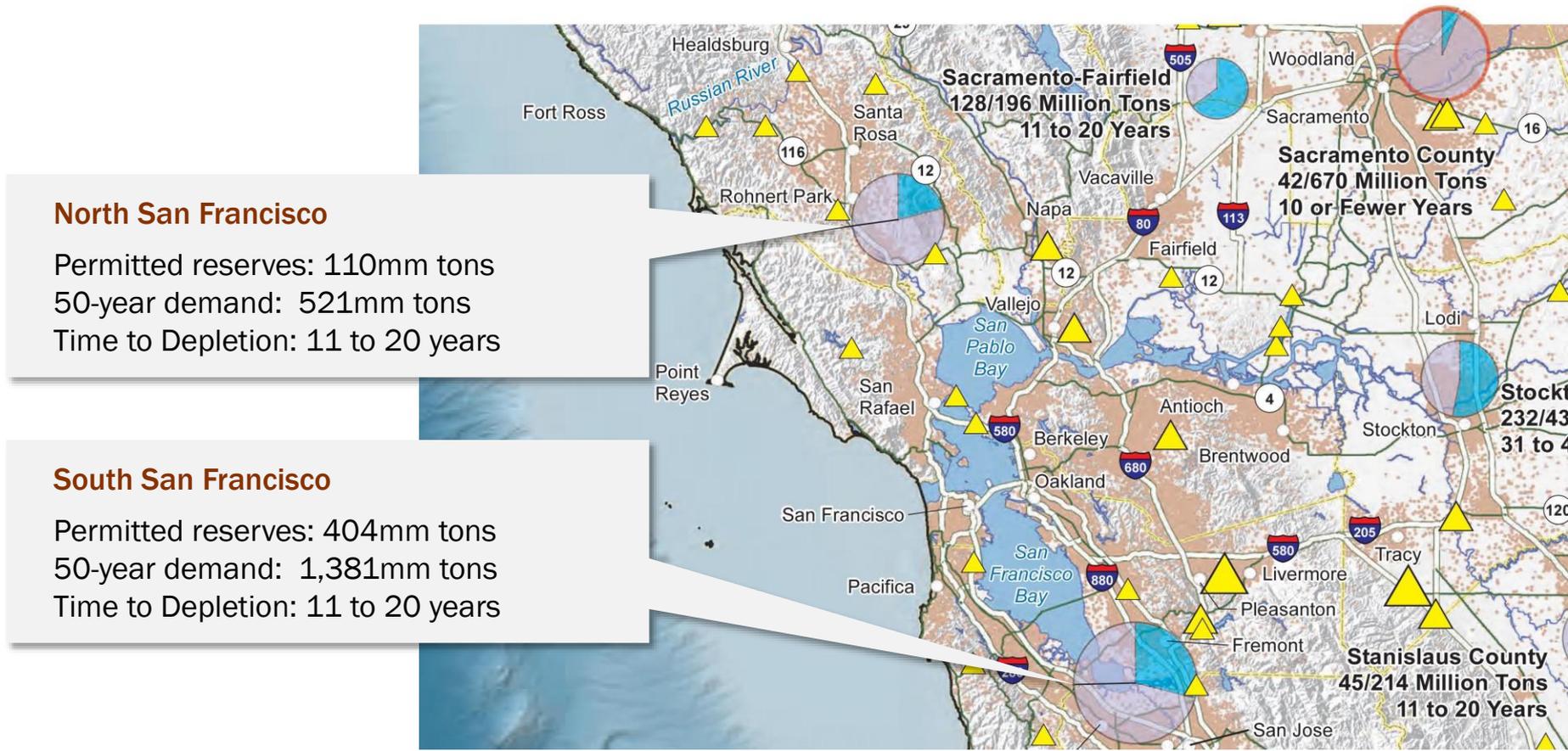
Exclusive supplier by ocean-going bulk carrier to 4 Bay terminals offering complete market coverage:

- 1 Petaluma Depot receives material in own barge fleet used for lightering at SF Anchorage;
- 2 Richmond Terminal owned and operated by Polaris;
- 3 Pier 92 City of San Francisco operated by Cemex and supplied by barge;
- 4 Redwood City Terminal operated by Cemex;

Polaris Materials and its customers have dominant positions in the markets we serve



San Francisco Bay Area – Aggregate Resources Depletion



Source: California Geological Survey "Aggregate Sustainability in California 2012"

Aggregate Production Areas
 (Symbols represent one or more aggregate mines, tonnage represents 2010 annual production)

-  < 0.5 Million Tons per Year
-  > 0.5 - 1.5 Million Tons per Year
-  > 1.5 - 3 Million Tons per Year

Examples

 50-year demand for aggregate is 100 million tons; permitted reserves total 25 million tons of the 50-year demand.
 25/100 Million Tons (permitted reserves/ 50-year demand)
 17 to 20 Years (years of permitted reserves remaining)

Long Beach Terminal Operational – Technical Marketing Success

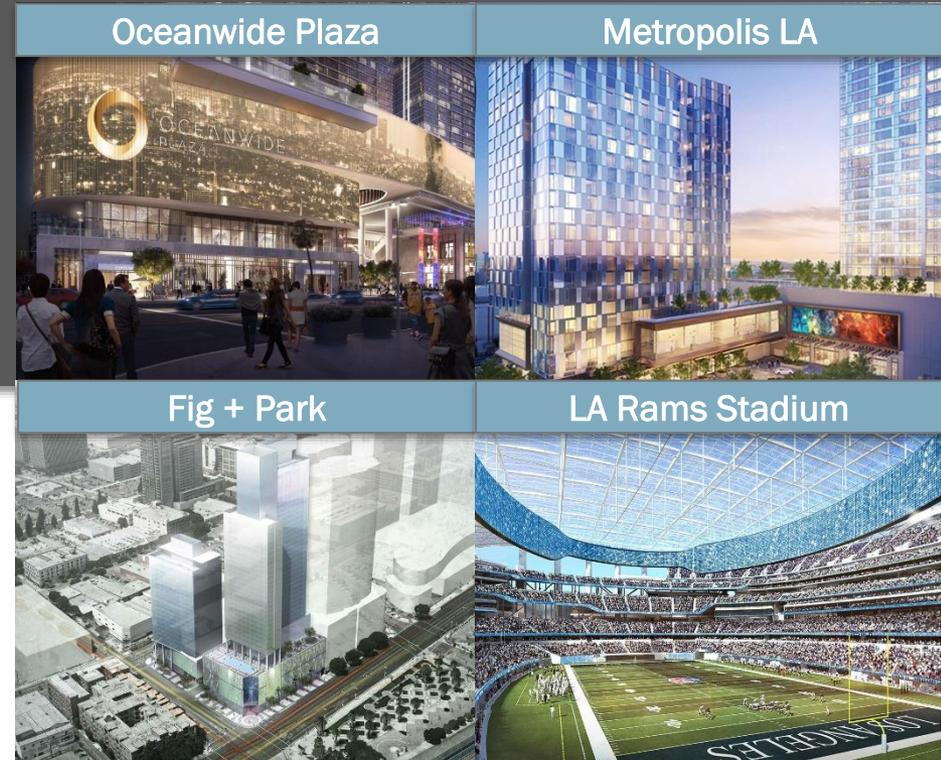


Successful Start-up in 2016



- First year of operations at Long Beach where we met or exceeded customer expectations while building volumes
- Opportunities for operating cost savings as operating practices refined and throughput increases

High Profile Projects in LA



- Polaris' high performance concrete aggregate allows us to create value for our customers and end users through better building designs and greener concrete
- Polaris aggregates can achieve stringent performance standards without use of expensive admixtures

Market Developments



NATIONAL FRAMEWORK:

- Funds from 2015's US\$305 billion US FAST Act now starting to hit the ground
- 2017 forecast of 3.1% growth in U.S. cement consumption (PCA, Dec 2016) and 5% growth in U.S. construction starts (Dodge, Oct 2016) after a relatively slow 2016; wide regional variation dependent on local economic factors

CALIFORNIA MARKETS:

- Ballot measures in Nov 2016 approved over \$1bn in new annual infrastructure funding
- Governor, Senate and Assembly leaders approved Road Repair and Accountability Act in April 2017; \$52 billion over 10 years
- US FAST Act expected to contribute to 9.6% growth in California's cumulative aggregate demand during its life; state funding plans targeted for completion in Q2 2017
- While San Francisco – San Jose corridor ('Silicon Valley') continues to lead regional construction activity, north and east bay markets showing signs of improvement
- Los Angeles seeing highest construction activity levels since 1920s; an increased pool of potential large and high-specification projects



*President Obama signs FAST Act
Credit: Alex Wong, Getty Images*



Salesforce Tower



Logistics

- Logistics cost optimization program commenced in 2015 and was substantially completed by end of 2016
- Improvements identified to date include:
 - Improved communications and coordination with customers' supply chain managers for more predictable cargo order planning
 - Significant reduction of 3rd party contracted barging requirements
 - Continued optimization of delivery port rotational timelines and delays
 - Improved port drafts (water depths) adding greater flexibility to logistical planning
 - Consistent rapid turn-around time saves shipping costs
- Net benefit of \$0.25 - \$0.50/t could be realized in 2017 vs 2016

Quarry Operations

- Quarry operations review commenced in early 2017
- Opportunities include:
 - Purchase of high-utilization rental equipment
 - Process optimization to reduce waste and water utilization
- Targeted cost reductions could provide benefit of \$0.25/t

Recent Financial Results



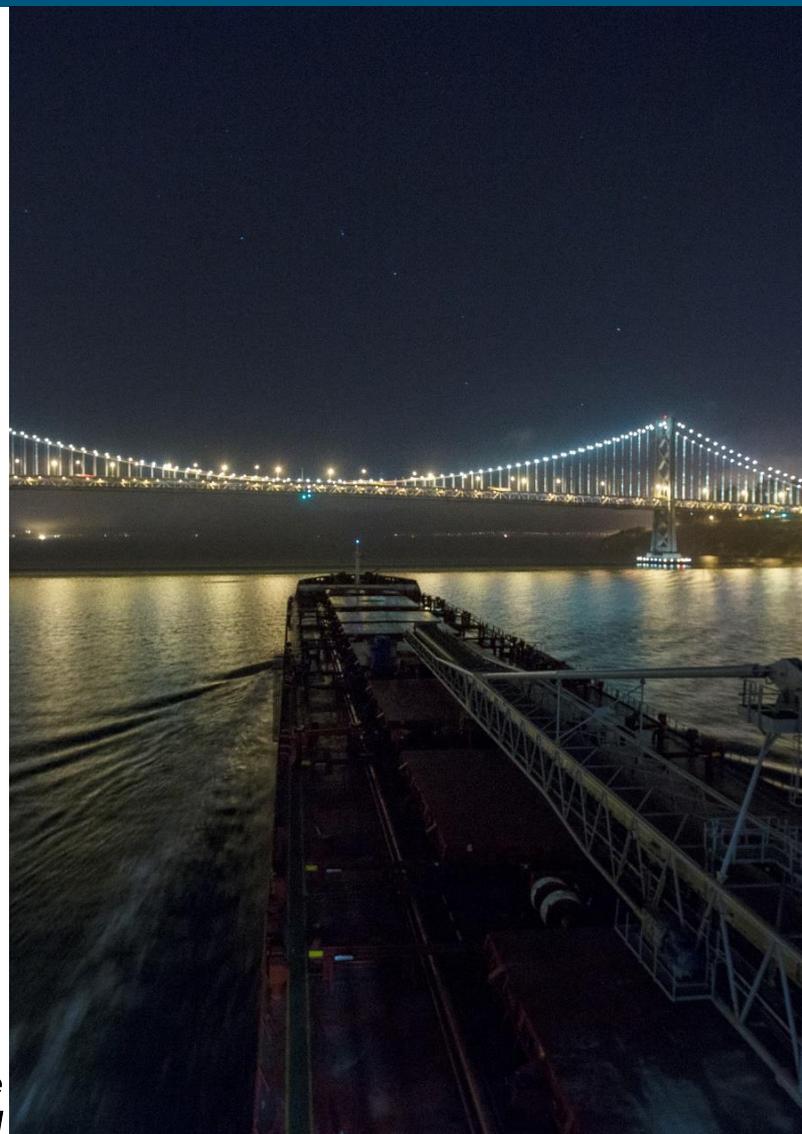
IMPROVEMENT IN Q1 2017 OVER Q1 2016

- **\$1.6 million improvement in Adjusted EBITDA versus Q1 2016** to \$0.3 million
- **LTM Adjusted EBITDA of \$3.9 million**
- **\$1.18/ton gross profit, improved \$1.78/ton versus Q1 2016;** volume, mix and unit cost savings all contributed

FREE CASH FLOW IN 2016

- **\$2.4 million increase in cash and free cash flow of \$2.6 million** versus decrease of cash of \$3.7 million and free cash flow usage of \$2.7 million in 2015
- **2016 revenue increased 5% to \$45.2 million** versus \$43.1 million in 2015, driven by sales mix and start-up of Long Beach
- **Gross profit for 2016 of \$2.9 million**, compared to \$4.9 million in 2015 and gross profit per ton of \$0.96 versus the \$1.65/ton recorded in 2015
- Four consecutive years of **positive adjusted EBITDA; \$2.4 million in 2016** compared with \$5.7 million in 2015; Foreign exchange largest impact
- Net loss of \$4.0 million in 2016, compared to income of \$0.9 million in 2015, driven by the above factors as well as certain one-time costs related to management transition and accruals

CSL Tacoma passes under the Golden Gate Bridge with Polaris aggregates aboard



Strong Balance Sheet and Simple Capital Structure



US\$ as at March 31, 2017 except market capitalization

WORKING CAPITAL:		\$16.0M including cash of \$13.5M
DEBT:		No long term debt
FINANCE LEASES:		The Company leases certain mobile and quarry equipment. Finance lease payments in 2017 will be approximately \$500,000
CAPITAL STRUCTURE:	Common shares:	88.4 million (fully diluted 94.0 million)
	Stock options:	5,363,833; weighted average exercise price \$3.40
	DSUs outstanding:	260,000
MARKET CAPITALIZATION:		LTM High: C\$132m LTM Low: C\$87m Recent (May 23, 2017): C\$90m

Sunrise at the Orca Quarry Shiploader

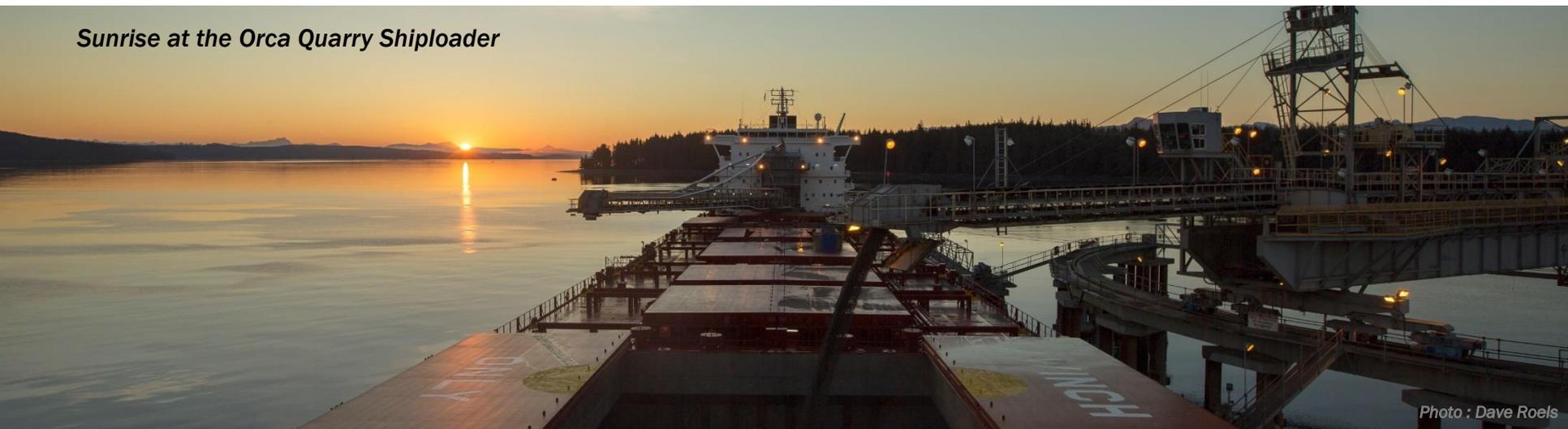


Photo : Dave Roels

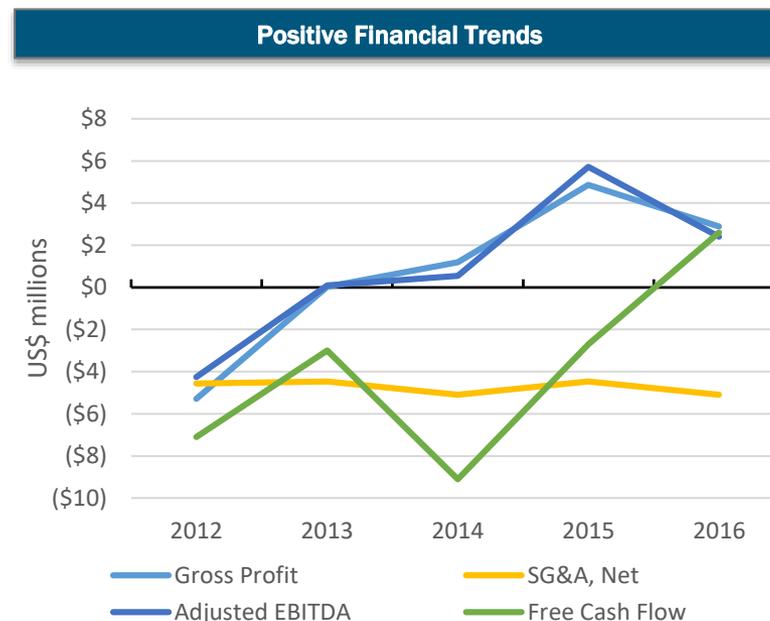
5 Year Financial Snapshot



Highlights

- Sales volumes up 0.8 million over the period
- Gross Margin and EBITDA improvement of \$8.2 million and \$6.6 million, respectively, in the period
- \$13 million increase in revenue as well as stable SG&A
 - Cash SG&A has remained in the range of 10% of revenue
- \$10 million improvement in free cash flow generation

Year:	2012	2013	2014	2015	2016	Change 2012 - 2016
	<i>000s Tons</i>					
Sales Volumes:	2,236	3,364	3,434	2,946	3,023	+787
	<i>\$m</i>					
Revenue	32.2	44.9	45.2	43.1	45.2	+13.0
Gross Profit	(5.3)	0.0	1.2	4.9	2.9	+8.2
SG&A, Net of Stock Based Compensation ¹	(4.6)	(4.5)	(5.1)	(4.5)	(5.1)	-0.5
Adjusted EBITDA ¹	(4.2)	0.1	0.5	5.7	2.4	+6.6
Free Cash Flow	(7.1)	(3.0)	(9.1)	(2.7)	2.6	+9.7



Note 1 – Non-GAAP financial measure, please refer to our financial statements on SEDAR for details

2017 Outlook



▲ Preliminary drilling at Black Bear – Feb 2016



▲ Customer concrete mixer trucks waiting to deliver material
▶ 7 pumps simultaneously delivering concrete made with Polaris aggregates for the Salesforce Tower

- Revenue expected to grow significantly from 2016 as changes in sales mix and same store pricing improvements drive growth in average selling prices
- Current volume outlook for 2017 is 3.0 – 3.2 million tons, 0-5% increased from 2016
 - Significant growth expected in Long Beach, with full year volumes nearly double 2016
 - 5-year agreement signed for sales of fine sand, a product uniquely available on the west coast from Orca
 - San Francisco volumes increased substantially following suspension of production from local quarry and significant customer project wins
- Reduced production and logistics costs expected to benefit margins by \$0.50-\$0.75/ton; increased tonnage can further dilute fixed costs
- Expansion of Orca inventory and stockpiling system completed
- Black Bear permitting targeted for completion by end of 2017

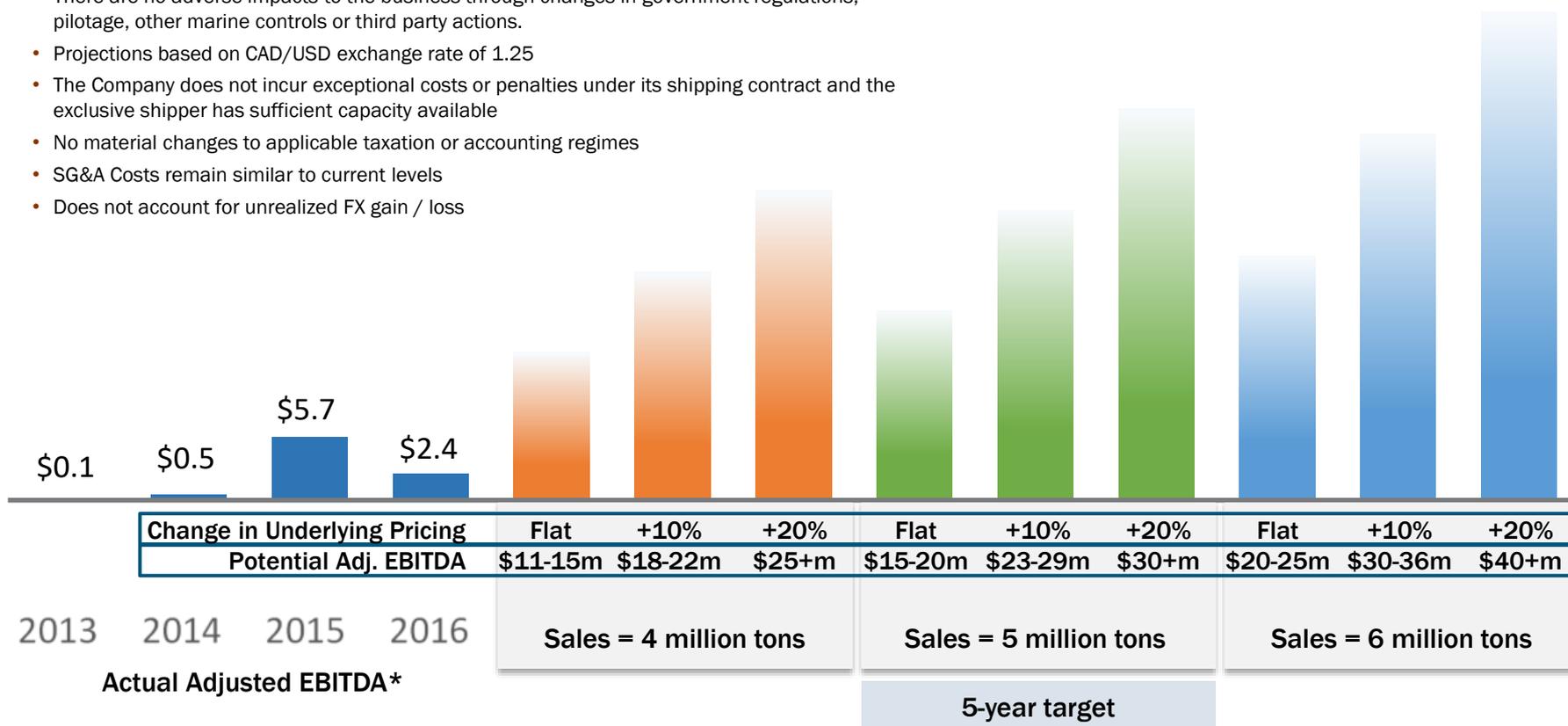


EBITDA Leverage



KEY ASSUMPTIONS:

- Volumes above 4mmtpa result in the addition of a shift to operations at the Orca Quarry (50% increase in fixed quarrying costs)
- Volumes above 5mmtpa result in an increase in variable costs due to increased wear and logistical pressures (10% increase in variable quarrying costs)
- There are no adverse impacts to the business through changes in government regulations, pilotage, other marine controls or third party actions.
- Projections based on CAD/USD exchange rate of 1.25
- The Company does not incur exceptional costs or penalties under its shipping contract and the exclusive shipper has sufficient capacity available
- No material changes to applicable taxation or accounting regimes
- SG&A Costs remain similar to current levels
- Does not account for unrealized FX gain / loss



* Adjusted EBITDA represents net income, excluding interest and income tax expense, depreciation, amortization and accretion, and certain other adjustments. Please see our financial statements on SEDAR for more information.

Potential Game-changer – Black Bear Project



As California recovers, Polaris envisions growth in its established business through development of a coarse aggregate (crushed rock) source to complement the fine aggregate (sand) rich Orca Quarry

In January 2016, we announced that we had secured tenure over the Black Bear Project

Black Bear is a large basaltic deposit located in close proximity to the Orca Quarry

NEAR TERM FOCUS

- Initial development focused on confirmation of material properties and resource
- Evaluating potential for use of Black Bear material as a source of coarse aggregate feed to be blended with Orca material
- Preliminary drilling program completed in Q1 2016
- Material testing results issued in mid-2016
- Maiden Resource Estimate completed in October 2016
- Existing infrastructure significantly reduces capital requirements
- Next steps are to advance consultations, permitting and project evaluation

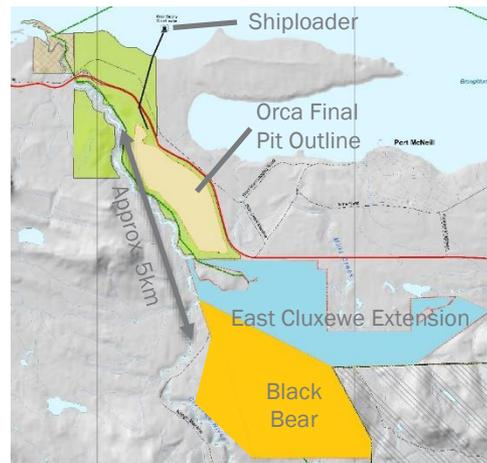
LONG TERM POTENTIAL

- Over the long term, Black Bear has qualities which may be attractive for other markets



▲ Selected Black Bear Core Samples

▼ View of Orca from Black Bear



◀ Indicative location of projects

Black Bear Material Testing Overview



Testing has confirmed that samples from the Black Bear Project demonstrate properties consistent with the materials at our Orca Quarry, and, subject to completion of further testing are expected to be suitable for use in a number of applications, including concrete and hot mix asphalt

Test	Test purpose	# of Samples	Average Result	Relevant Standard ⁽¹⁾	Test Reference
Absorption	Mix design	15	0.77% +/- 0.37%	n/a	ASTM C127
LA Abrasion for large coarse aggregates	Hardness	15	16.4% +/- 4.9%	<50%	ASTM C535
Film Stripping	Asphalt adhesion	3 ⁽²⁾	0-10%	<25%	CT302
Relative Density	Mix design	15	2.94 +/- 0.04	n/a	ASTM C127
Magnesium Sulphate Soundness	Durability	15	1.9% +/- 3.7%	<15%	ASTM C88
Point Load	Strength	15	158 +/- 57 MPa	n/a	Deere and Miller, 1966
Accelerated Mortar Bar	Alkali Silica Reactivity	3 ⁽²⁾	0.05%	<0.1%	ASTM C1260
Neutralization Potential Ratio	Acid Rock Drainage	15	22.3	>4	Price et al., 1997b

(1) Standards for construction aggregate performance other than Neutralization Potential Ratio, which is relevant to evaluation of the deposit for potential risk of acid rock drainage.

(2) Testing performed on composites of holes 02-16, 04-16 and 05-16.

In addition to the favourable material performance results noted above, the Black Bear deposit's Neutralization Potential Ratio indicates that the rock is not acid generating, which supports Polaris' objectives of socially and environmentally responsible operations

Other testing includes 30-element ICP testing and petrographic analysis, both of which confirmed that the material tested did not contain any deleterious elements

The Company plans to undertake additional material testing to confirm suitability of the Black Bear material for use in construction concurrently with partnership consultations, permitting, and further project studies

Growth in California Driven by Major Projects – Public and Private

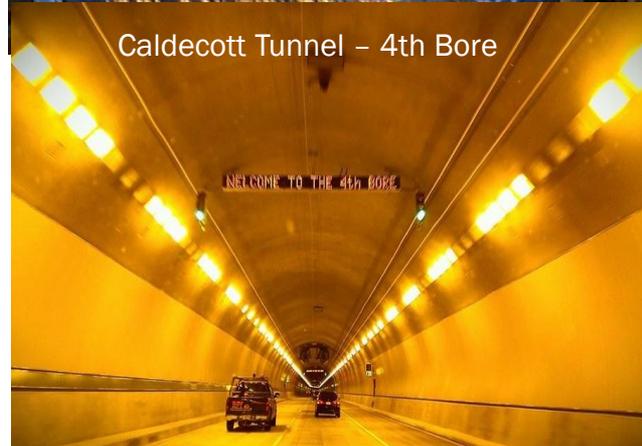


Potential CALTRANS (Public) Infrastructure Projects include:

- Highway Interchanges, Expressways, Overpasses (SFO)
- Gerald Desmond Bridge (LA)
- BART Transit Expansion (SFO), Interstate Route Improvements (SFO, LA)
- High Speed Rail – SFO to LA
- ‘SMART’ rail link North Bay (SFO)



SF/Oakland East Bay Bridge Replacement
(Complete)



Caldecott Tunnel – 4th Bore



University of California, Berkeley Football Stadium Renovation

Various SF Bay Area Projects Utilizing Polaris materials

Growth in California Driven by Major Projects – Public and Private



Potential Commercial/Residential Projects include:

- Treasure Island Development (SFO)
- Hunters Point Development (SFO)
- Candlestick Point Development (SFO)
- Hyatt Regency Century Plaza (LA)
- West LA VA Medical Center (LA)
- New Sports Facilities (SFO, LA)



Apple Campus



Farmer's Field, LA



Treasure Island Development

*Past Project containing Polaris material – Apple Campus
Future Supply Possibilities – Treasure Island Development, Farmer's Field Stadium*

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Photo : Dave Roels



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High Quality, Marine-Exported Construction Aggregates



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