Athabasca
MINERALS INC.

FINANCIAL STATEMENTS

Year Ended November 30, 2009 and
Fourteen Months Ended November 30, 2008

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements have been prepared by and are the responsibility of the management of the Company.

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada, using management's best estimates and judgements based on currently available information.

The Company maintains an appropriate system of internal controls to provide reasonable assurance that financial information is accurate and reliable and that the Company's assets are appropriately safeguarded.

The Board of Directors carries out its responsibility for the financial statements principally through its Audit Committee, comprised of independent directors. The Audit Committee reviews the Company's annual financial statements and recommends their approval to the Board of Directors. The Company's auditors have full access to the Audit Committee, with and without management being present.

The financial statements have been audited by Stout & Company LLP, Chartered Accountants. Their report outlines the scope of their examination and opinion on the financial statements.

"Udomdej Kriangkum"
Udomdej Kriangkum
Chief Executive Officer
Edmonton, Alberta
March 29, 2010

"Kevin Spitzmacher"
Kevin Spitzmacher
Chief Financial Officer
Edmonton, Alberta
March 29, 2010

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AUDITORS' REPORT

To the Shareholders of **Athabasca Minerals Inc.**

We have audited the balance sheet of **Athabasca Minerals Inc.** as at November 30, 2009 and the statements of net income (loss), comprehensive income (loss) and deficit and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at November 30, 2009, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements of the company as at November 30, 2008 and for the fourteen month period then ended, prior to adjustments for the accounting error as described in Note 23, were audited by other auditors whose report dated March 18, 2009 expressed an opinion without reservation on those statements. We have audited the adjustments to the 2008 financial statements and in our opinion, such adjustments, in all material respects, are appropriate and have been properly applied.

Edmonton, Canada
March 19, 2010

Signed "Stout & Company LLP"
Chartered Accountants

ATHABASCA MINERALS INC.

Balance Sheets
November 30, 2009 and 2008

	2009	2008 Restated (Note 23)
ASSETS		
CURRENT		
Cash	$ 2,077,716	$ 1,226,211
Accounts receivable	1,769,709	5,141,211
Prepaid expenses	121,861	72,926
Prepaid stripping costs	339,602	-
Short- term investment (Note 6)	603,000	-
	4,911,888	6,440,348
LONG -TERM INVESTMENT (Note 6)	-	603,000
LONG -TERM DEPOSIT (Note 7)	50,000	-
PROPERTY AND EQUIPMENT (Note 8)	828,881	924,591
RESOURCE PROPERTIES (Note 9)	2,999,617	2,511,401
INTANGIBLE ASSETS (Note 10)	7,139,013	8,076,585
GOODWILL (Note 11)	2,537,701	2,537,701
	$ 18,467,100	$ 21,093,626
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 1,073,593	$ 3,273,840
Demand loans (Note 12)	7,383,146	9,000,000
Advance from related party (Note 13)	-	250,000
Income tax payable	41,757	-
Current portion of long-term debt (Note 14)	60,000	-
	8,558,496	12,523,840
LONG-TERM DEBT (Note 14)	-	600,000
ASSET RETIREMENT OBLIGATION (Note 15)	213,169	196,345
FUTURE INCOME TAX (Note 16)	2,505,772	1,979,185
	11,277,437	15,299,370
COMMITMENTS AND CONTINGENCIES (Notes 9, 15 and 22)		
SHAREHOLDERS' EQUITY		
SHARE CAPITAL		
Common shares (Note 17 b)	6,610,693	6,331,823
Warrants (Note 17 d)	176,164	455,034
	6,786,857	6,786,857
CONTRIBUTED SURPLUS (Note 18)	598,763	536,679
DEFICIT	(195,957)	(1,529,280)
	7,189,663	5,794,256
	$ 18,467,100	$ 21,093,626

Approved by the Board of Directors

Signed: "Udomdej Kriangkum", Director *Signed: "Theodore Rousseau ", Director*

The accompanying notes are a part of these financial statements.

ATHABASCA MINERALS INC.

Statements of Net Income (Loss), Comprehensive Income (Loss) and Deficit
Year Ended November 30, 2009 and Fourteen Months Ended November 30, 2008

	2009	2008
AGGREGATE MANAGEMENT FEE REVENUE	$ 9,710,008	$ 447,457
ROYALTIES	3,139,513	28,165
	6,570,495	419,292
AGGREGATE MANAGEMENT OPERATING EXPENSES	1,764,450	383,517
	4,806,045	35,775
EXPENSES		
Accretion (Note 15)	16,824	-
Amortization of property and equipment	184,537	25,171
Amortization of intangible assets	937,572	24,760
General and administrative	1,319,849	1,099,877
Interest on long-term debt	28,959	1,356
Interest on credit facility and demand loan	342,544	18,934
Stock-based compensation (Note 18)	62,084	347,578
	2,892,369	1,517,676
INCOME (LOSS) BEFORE OTHER ITEMS	1,913,676	(1,481,901)
OTHER INCOME (LOSS)		
Interest income	37,680	11,481
Loss on disposal of property and equipment	(1,270)	-
	36,410	11,481
INCOME (LOSS) BEFORE INCOME TAXES	1,950,086	(1,470,420)
INCOME TAXES		
Current income tax (Note 16)	90,176	-
Future income tax expense (recovery) (Note 16)	526,587	(205,815)
	616,763	(205,815)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	**$ 1,333,323**	**$(1,264,605)**
DEFICIT, BEGINNING OF PERIOD	(1,529,280)	(264,675)
DEFICIT, END OF PERIOD	**$ (195,957)**	**$(1,529,280)**
BASIC AND DILUTED INCOME (LOSS) PER COMMON SHARE (Note 17 e)	**$ 0.05**	**$ (0.06)**
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	**27,978,165**	**20,035,908**

The accompanying notes are a part of these financial statements.

ATHABASCA MINERALS INC.

Statements of Cash Flows
Year Ended November 30, 2009 and Fourteen Months Ended November 30, 2008

	2009	2008
OPERATING ACTIVITIES		
Net Income (loss)	$ 1,333,323	$(1,264,605)
Adjustments for non-cash items:		
Amortization and accretion	1,138,933	49,931
Future income tax expense (Note 16)	526,587	(205,815)
Stock-based compensation (Note 18)	62,084	347,578
Loss on disposal of equipment	1,270	-
	3,062,197	(1,072,911)
Net changes in non-cash working capital balances		
Accounts payable and accrued liabilities	(2,200,247)	(772,995)
Accounts receivable	3,371,502	1,650,316
Income tax payable	41,757	-
Prepaid expenses	(48,935)	(29,997)
Prepaid stripping costs	(339,602)	-
Share subscriptions receivable	-	7,500
	3,886,672	(218,087)
INVESTING ACTIVITIES		
Long-term deposit	(50,000)	-
Proceeds on disposal of equipment	1,906	-
Purchase of AMI (net of cash acquired)	-	(7,692,064)
Purchase of long-term investment	-	(603,000)
Purchase of property and equipment	(92,003)	(24,251)
Resource properties	(488,216)	(1,656,811)
	(628,313)	(9,976,126)
FINANCING ACTIVITIES		
Advances from related parties (Note 13)	100,000	250,000
Proceeds from credit facility	-	9,000,000
Proceeds from demand loan	37,000	-
Proceeds from issuance of shares	-	473,534
Proceeds from options exercised	-	336,665
Repayment of advances from related parties (Note 13)	(350,000)	-
Repayment of bank loans	(1,653,854)	-
Repayment of long term debt	(540,000)	-
	(2,406,854)	10,060,199
NET INCREASE (DECREASE) IN CASH	851,505	(134,014)
CASH, BEGINNING OF PERIOD	1,226,211	1,360,225
CASH, END OF PERIOD	$ 2,077,716	$ 1,226,211

Supplemental cash flow information (Note 21)

The accompanying notes are a part of these financial statements.

Note 1 - Incorporation and Nature of Business

Athabasca Minerals Inc. (the "Company") was formed by amalgamation under the laws of the Province of Alberta. The Company manages two aggregate (sand and gravel) pits on behalf of the Province of Alberta for which management fees are earned. In addition to these management contracts, the Company explores and develops land for the purposes of establishing Company owned gravel pits producing aggregate for a variety of purposes. The Company also acquires, explores and develops mineral claims in the Fort McMurray area for the purpose of extracting salt, gypsum, and silica sand.

The Company changed its year-end from September 30 to November 30 after the acquisition of Aggregates Management Inc. (see Note 5). Accordingly, presentations and disclosures herein are as of November 30, 2009 and for the fourteen month period ended November 30, 2008.

Note 2 - Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and in management's opinion have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

Use of Estimates and Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

Significant areas where management’s judgement is applied include: estimated lives of property and equipment, future income tax balances and rates, asset retirement obligation, collectibility of accounts receivable, warrant valuation assumptions, stock based compensation valuation assumptions and asset impairments related to property and equipment, resource properties, intangible assets and goodwill.

Revenue Recognition

The Company derives it revenues through the management of aggregrate pits where a management fee is earned based on the volume extracted from the pits. The Company recognizes revenue at the point that the aggregrate material leaves the pit.

Stripping Costs

Stripping costs are expensed as incurred except when an area within the pit is stripped before that area has been opened for extraction, these costs are recorded as prepaid stripping costs until extraction commences in this area. Once extraction commences in the area stripped, all stripping costs related to that area will be expensed.

Note 2 - Significant Accounting Policies (continued)

Long-lived Assets and Intangibles Assets

The Company reviews and evaluates the recoverability of its resource properties and related expenditures, intangible assets and its property and equipment on a periodic basis and when events and circumstances indicate that an impairment event may have occurred. If impairment is determined to exist, the carrying values will be written down to their fair values.

Property and Equipment

Property and equipment are recorded at cost less accumulated amortization. The Company provides for amortization on its property and equipment using the following methods and rates:

	Method	Rate
On-site buildings and fences	Straight line	10 years
Scale and scale house	Straight line	10 years
Equipment		
Computer software	Straight line	1-3 years
Computer hardware and office equipment	Straight line	3 years
Large equipment	Declining balance	20%
Mobile home	Straight line	10 years
Vehicles	Declining balance	30%

Repairs and maintenance expenditures are charged to operations as incurred. Major improvements and replacements, which extend the useful life of an asset, are capitalized.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets of the acquired business. Goodwill is carried at initial cost less writedowns for impairment. Goodwill is tested for impairment annually or more often, when an event occurs or circumstances arise that could indicate a reduction in its fair value. Any impairment in the value of goodwill is expensed in the period it occurs.

Income (Loss) Per Common Share

Income (loss) per common share is calculated by dividing the net income (loss) for the year by the weighted average number of common shares outstanding during the year. Diluted income (loss) per common share is calculated using the treasury stock method which, for purposes of determining the weighted average number of shares outstanding, assumes that the proceeds to be received on the exercise of the stock options and warrants are applied to repurchase common shares at the average market price for the year.

Note 2 - Significant Accounting Policies (continued)

Asset retirement obligation

The Company recognizes liabilities for statutory, contractual or legal obligations associated with the retirement of property and equipment and management agreements. The Company records the fair value of any asset retirement obligations as a long-term liability in the period in which the related environmental disturbance occurs, based on the net present value of the estimated future costs. The liability is accreted over time through periodic charges to operations and it is reduced by actual costs of decommissioning and reclamation. The fair value of the liability is added to the carrying amount of the asset. This capitalized amount is amortized over the estimated useful life of the asset. The obligation is adjusted at the end of each fiscal period to reflect the passage of time and changes in the estimated future costs underlying the obligation.

Stock Based Compensation

The fair value of stock option grants is recorded as an expense and credited to contributed surplus as the options vest and is subsequently transferred to share capital on exercise of the related option. Stock-based compensation relating to options granted to non-employees is recorded as an expense and the credit recorded to contributed surplus at the earlier of completion of performance or upon vesting of the options granted, using a fair value based method. For options issued to agents in connection with share offerings, the stock based compensation is recorded as share issuance costs with a credit recorded to contributed surplus, using a fair value based method. The Company has not incorporated an estimated forfeiture rate in determining fair value but rather forfeitures are accounted for as they occur.

Flow-through Financing

Canadian tax legislation permits the Company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the investors. Share capital is reduced and a future tax liability is recorded equal to the amount of future income taxes payable by the Company when the expenditures are renounced to the holders of these shares. Where at the time of renouncement the Company has unrecorded net future assets exceeding the income tax effect of the deduction renounced, a corresponding future tax asset will be recognized through the income statement.

Future Income Taxes

Future income tax assets and liabilities are calculated using the asset and liability method of accounting for all temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Future income tax assets attributable to temporary differences and unused tax losses are recognized only to the extent that it is more likely than not that the asset will be realized. Future income tax assets and liabilities are measured using the substantively enacted rates and laws that are expected to apply when these assets and liabilities will be either realized or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period in which they occur.

Note 2 - Significant Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents are defined as cash in bank and highly liquid short-term investments that have maturity of three months or less.

Financial Instruments

The Company has designated its financial assets and liabilities as follows:

Financial statement item	Classification	Measurement
Cash	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Short-term/long-term investment	Held to maturity	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Demand loans	Other financial liabilities	Amortized cost
Advances from related parties	Other financial liabilities	Amortized cost
Long-term debt	Other financial liabilities	Amortized cost

Loans and receivables, held to maturity and other financial liabilities are accounted for on the initial recognition at fair value and subsequent to initial recognition at amortized cost using the effective interest method. Transaction costs incurred to acquire financial instruments other than those classified as held for trading are added to the initial carrying amount. Normal course purchases and sales of financial assets are accounted for on the trade date.

Note 2 - Significant Accounting Policies (continued)

Resource Properties and Related Expenditures

Direct mineral exploration, evaluation and development costs are capitalized until such time as a resource is defined or the project is abandoned and the estimated fair value of any related asset retirement obligations are capitalized on an individual project basis. Costs for properties that are abandoned are written off. The capitalized costs will be amortized on the basis of units produced in relation to the proven and probable reserve available on the related property following commencement of production.

The capitalized costs do not necessarily reflect the current or future values since the recoverability of the amounts capitalized for undeveloped mineral properties is dependent upon the determination of economically recoverable resource, confirmation of the Company's interest in the underlying mineral properties, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently unreliable conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, all of its properties are in good standing.

Note 3 - Changes in Accounting Policies

Effective October 1, 2007 the Company adopted the Canadian Institute of Chartered Accountants ('CICA") standards; Section 3862 Financial Instruments - Disclosures; and Section 3863 Financial Instruments - Presentation, which replaced Section 3861 Financial Instruments - Disclosure and Presentation. The new disclosure standards increases the emphasis on risks associated with both recognized and unrecognized financial instruments and how those risks are managed. The new presentation standard carries forward the former presentation requirements.

The CICA amended Section 3862, "Financial Instruments - Disclosures", to include additional disclosures about fair value measurements of financial instruments and to enhance liquidity risk disclosure. The Company has adopted the amendments to this standard beginning December 1, 2008. The new disclosure requirements are presented in note 19.

Effective October 1, 2007, the Company adopted the CICA Section 1535 - Capital Disclosures which requires the disclosure of the Company's objectives, policies and processes for managing capital. In addition, disclosures will include whether companies have complied with externally imposed capital requirements. The new disclosure requirements are presented in Note 20.

The CICA amended Section 1400 "General Standards of Financial Presentation" to include requirements to assess and disclose an entity's ability to continue as a going concern. The Company has adopted the amendments to this standard beginning December 1, 2008.

Note 3 - Changes in Accounting Policies (continued)

The CICA issued EIC-174, replacing CICA Emerging Issues Committee Abstract No. 126, "Accounting by Mining Exploration Enterprises for Exploration Costs", to provide additional guidance for mining exploration enterprises on when an impairment test is required. The company adopted the new standard beginning December 1, 2008.

The CICA issued a new accounting standard, Section 3064 "Goodwill and Intangible Assets" which establishes standards for the recognition, measurement, and disclosure of goodwill and intangible assets. Section 1000 "Financial Statement Concepts" was also amended to provide consistency with this new standard. The Company has adopted the new standards beginning December 1, 2008.

The adoption of these standards had no material impact on the Company's financial statements.

Note 4 - Future Changes in Accounting Policies

International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that outlined the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over an expected five year transitional period. In February 2008, the AcSB announced that publicly-listed companies will be required to follow IFRS starting for fiscal years beginning on or after January 1, 2011. The transition to IFRS will be applied retroactively and, accordingly, will require the restatement of the amounts reported by the Company for the year ended November 30, 2011. While the Company has begun a preliminary assessment of the effect of the adoption of IFRS on the financial statements, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business Combinations

In January, 2009 the CICA issued Section 1582 "Business Combinations". This section applies prospectively to business combinations for which the acquisition date is on or at the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier application is permitted. This section will become effective for the Company in fiscal 2012. This section replaces Section 1581 "Business Combinations" and harmonizes the Canadian standards with IFRS. The Company does not expect that the adoption of this new section will have an impact on its financial statements.

Consolidated Financial Statements and Non-controlling Interests

In January, 2009 the CICA issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests". These sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier application is permitted at the beginning of a fiscal year. Sections 1601 and 1602 together replace Section 1600 "Consolidated Financial Statements". These sections are to be implemented concurrently with section 1582. The Company does not expect that the adoption of this new section will have an impact on its financial statements.

Note 5 - Acquisition of Aggregates Management Inc.

On November 20, 2008, the Company completed the non-arm's length acquisition of Aggregates Management Inc. ("AMI") by effectively acquiring all of the common shares of AMI. The transaction was measured at the exchange amount, which was the amount of consideration established and agreed to by the related parties. Following the acquisition, Aggregrates Managements Inc. was amalgamated with Athabasca Minerals Inc. AMI held the management contracts to operate, on behalf of the Province of Alberta, two aggregate pits in the Fort McMurray area of Alberta.

The consideration paid for the acquisition was $8,400,000 in cash and $600,000 in promissory notes due to the vendors along with the issuance of 7,500,000 common shares of the Company to the vendors. The cash portion of the transaction was funded by a $9,000,000 credit facility from a Canadian chartered bank. The value ascribed to the common shares issued in the transaction is based on the weighted average of the quoted trading price two days prior to the announcement of the transaction through to two days after the announcement of the transaction.

The cost of the transaction was $13,252,609 inclusive of transaction costs of $352,609. The transaction has been accounted for using the purchase method and details of the determination of fair value of the net assets acquired are as follows:

Cash	$ 1,060,545
Accounts receivable	6,762,927
Prepaid expenses	10,992
Equipment and buildings	901,150
Management contracts	7,905,000
Goodwill	2,537,701
Accounts payable	(3,912,706)
Future income taxes	(2,013,000)
	$ 13,252,609

Note 6 - Short-Term Investment/Long-Term Investment

	2009	2008
Term deposit bearing interest at 4% per annum, maturing on November 22, 2010.	$ 603,000	$ 603,000

The Company has a letter of commercial credit outstanding of $603,000 to the benefit of the Province of Alberta for reclamation of Susan Lake pit. The letter of commercial credit is secured by the term deposit in the amount of $603,000.

Note 7 - Long-Term Deposit

Pursuant to an option and lease agreement with a private land owner, the Company paid $50,000 to the owner as a prepayment on the purchase of 83,333 cubic yards of gravel. Management does not expect to obtain the gravel in the next 12 months. Accordingly, the prepayment has been treated as a long term deposit.

Note 8 - Property and Equipment

	Cost	Accumulated Amortization	2009 Net Book Value
Equipment	$ 685,267	$ 178,484	$ 506,783
Onsite buildings and fences	86,562	9,028	77,534
Scales and scale houses	273,051	28,487	244,564
	$ 1,044,880	$ 215,999	$ 828,881

	Cost	Accumulated Amortization	2008 Net Book Value
Equipment	$ 596,438	$ 29,907	$ 566,531
Onsite buildings and fences	86,562	372	86,190
Scales and scale houses	273,051	1,181	271,870
	$ 956,051	$ 31,460	$ 924,591

Amortization provided for in the current year totaled $184,537; (2008 - $25,171).

Note 9 - Resource Properties

	2009	2008
Land	$ 157,100	$ 157,100
Mineral permits	69,575	63,325
Exploration costs	2,772,942	2,290,976
	$2,999,617	$2,511,401

The land is located near Peace River, Alberta and was purchased as a potential gravel resource property.

Note 9 - Resource Properties (continued)

The mineral permits are for use in the Fort McMurray area. They have a term of 14 years covering seven assessment periods of two years each. The spending commitment to retain the existing permits is $5 per hectare for the first two year period, $10 per hectare for the second two year period, $10 per hectare for the third two year period, $15 per hectare for the fourth two year period, $15 per hectare for the fifth two year period, $15 per hectare for the sixth two year period and $15 per hectare for the seventh two year period.

The Company holds mineral permits covering 504,280 hectares. Mineral permits covering 121,743 hectares are in the first, two year assessment period which has a spending commitment of approximately $608,000 due in fiscal 2011. Further mineral permits covering 382,537 hectares are in their second, two year assessment period which have spending commitments of approximately $3,457,000 due in fiscal 2010 and approximately $369,000 due in fiscal 2011. In total, the Company has spending commitments of $3,457,000 in fiscal 2010 and $977,000 in fiscal 2011 to retain the Company's mineral permits held at November 30, 2009. In managing the exploration permits, the Company relinquishes mineral permits in areas that the exploration activities indicate have a low potential of discovering mineral reserves. As the permits are relinquished, the spending commitment is reduced.

The following provides the land area covered by the Company's mineral permits:

	2009 (hectares)	2008 (hectares)
Balance at beginning of period	491,727	819,213
Mineral permits acquired during the period	121,743	-
Mineral permits relinquished during the period	109,190	327,486
Balance end of the period	504,280	491,727

Subsequent to November 30, 2009, the Company relinquished 103,557 hectares.

The exploration costs were incurred primarily in the Fort McMurray area and are comprised of:

	2009	2008
Balance at beginning of period	$ 2,290,976	$ 636,140
Additions:		
Consulting fees	133,943	198,055
Drilling costs	77,833	784,518
Equipment rentals, including aircraft	13,616	127,237
Geophysical survey	12,367	368,889
Other	38,264	62,933
Salaries and employee benefits	175,290	77,086
Travel	30,653	36,118
Balance at end of period	$ 2,772,942	$ 2,290,976

Note 10 - Intangible Assets

	2009	2008
Management contracts	$ 7,905,000	$ 7,905,000
Reclamation costs	196,345	196,345
Total	8,101,345	8,101,345
Accumulated amortization	962,332	24,760
Net book value	$ 7,139,013	$ 8,076,585

Intangible assets consist of two management contracts acquired in the AMI acquisition. The management contracts are amortized on a straight-line basis over the lives of the respective contract. As at November 30, 2009 the remaining terms of the contracts are 39 and 96 months.

Amortization provided for in the current year totaled $937,572; (2008 - $24,760).

The Company is party to management contracts with the Province of Alberta relating to the management of aggregate pits at Susan Lake, Alberta and Poplar Creek, Alberta. The terms of the contracts give the Province of Alberta the right to terminate the contracts without cause upon three months written notice. The contracts provide that the Province of Alberta may at any time during the term of the agreement require the Company to operate the tender location in cooperation with oilsand lease development. The Province of Alberta also has the right to withdraw any portion of the lands from the contracts and those lands withdrawn shall cease to be the responsibility of the Company with respect to reclamation. As at November 30, 2009 the contracts are in effect, and no portions of the lands have been withdrawn for oilsand lease development (see note 19c).

Note 11 - Goodwill

	2009	2008
Balance at the beginning of the period	$ 2,537,701	$ -
Business acquisition (Note 5)	-	2,537,701
Balance at the end of the period	$ 2,537,701	$ 2,537,701

The goodwill arose as a result of the AMI transaction that closed on November 20, 2008. No goodwill impairment test was performed as there has not been a significant change to the Company since AMI was acquired. The fair value determination of the transaction at that time resulted in an amount that exceeded the carrying value of the transaction by a substantial margin and no events have occurred or circumstances changed that would suggest there could be impairment.

Note 12 - Demand Loans

	2009	2008
Bank loan, repayable in monthly instalments of $150,000 plus interest at the bank's prime lending rate plus 1.875%, due December 31, 2013.	$7,350,000	$9,000,000
Bank loan, repayable in monthly instalments of $771 plus interest at the bank's prime lending rate plus 2%, due June 30, 2013.	33,146	-
	$ 7,383,146	$ 9,000,000

The bank loans have been classified as current liability since the lender has the right to demand repayment at any time. The principal repayment requirements for the subsequent five years are expected to be as follows:

2010	$ 1,809,250
2011	1,809,250
2012	1,809,250
2013	1,805,396
2014	150,000
	$ 7,383,146

The following security is provided for the demand loans and the following additional credit facilities:

- general security agreement
- mortgage over half of a section of land located near Peace River, Alberta (see Note 9)
- withhold of management compensation
- assignment of investment at a minimum of $600,000

The Company has a letter of commercial credit for $603,000 to the benefit of the Province of Alberta for reclamation at the Susan Lake pit. A cost of 1.75% per annum is charged for the letter of commercial credit.

The Company has access to a corporate credit card facility, up to a maximum of $50,000 of which $30,000 has been utilized.

The Company has access to a letter of commercial credit, for which the maximum of $250,000 is available at a cost of 1.75% per annum relating to reclamation. As at November 30, 2009, a letter of commercial credit of $248,760 has been issued to the benefit of the Province of Alberta in relation to a miscellaneous lease for a storage yard located at the Poplar Creek site.

As at November 30, 2009, the Company is in compliance with the lender's financial covenants.

Note 13 - Related Party Transactions

During the year ended November 30, 2009 the Company incurred expenses of $681,089 (2008 - $308,655) in consulting, director fees, letter of credit fees, interest expense, and rental fees from certain directors and officers and certain companies controlled by certain officers and directors of the Company.

These fees are recorded in the financial statements as follows:

	2009	2008
Directors and officers:		
Consulting fees	$ 27,966	$ 74,832
Director fees and expenses	83,282	5,238
Interest	1,952	-
	113,200	80,070
Companies controlled by directors and officers:		
Consulting fees	466,247	177,239
Interest	33,642	7,346
Letter of credit fees	20,000	-
Rent	48,000	44,000
	567,889	228,585
	$ 681,089	$ 308,655

There is $48,289 related to these expenses recorded in accounts payable and accrued liabilities at November 30, 2009 (2008 - $13,956).

During the twelve months ended November 30, 2009, the Company had exploration costs of $12,010 (2008 - $nil) from directors and officers.

During the twelve months ended November 30, 2009, the Company had exploration costs of $54,741 (2008-$19,138) from companies controlled by directors and officers.

During the twelve months ended November 30, 2009 (2008 - $nil), there was a $36,000 promissory notes repayment to directors and officers and a $396,000 promissory notes repayment to companies controlled by directors and officers. As at November 30, 2009, $4,000 (2008 - $40,000) in promissory notes are due to directors and officers and $44,000 (2008 - $440,000) in promissory notes are due to companies controlled by directors and officers.

During the twelve months ended November 30, 2009, the Company received $100,000 (2008 - $250,000) in advances and repaid $350,000 (2008 - $nil) in advances from a company controlled by a director. The advances were unsecured, bearing interest at 7.5% and payable upon demand.

Companies controlled by the directors and officers of the Company have provided a $500,000 letter of credit to the benefit of the Province of Alberta for reclamation at the Poplar Creek pit. In exchange, the Company pays letter of credit fees to these related companies in the amount of 4% of the letter of credit amount.

Note 13 - Related Party Transactions (continued)

The Company has entered into consulting agreements with companies controlled by directors and officers and an employment agreement with a director and officer of the Company (see Note 22).

All related party transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Note 14 - Long-Term Debt

	2009	2008
Promissory notes are unsecured and bear interest at 7.5% calculated monthly. Interest is paid monthly with the repayment of the notes due December 31, 2009.	$ 60,000	$ 600,000

Although the promissory notes are not due until December 31, 2009, the Company elected to repay the a portion of notes in advance. During the year ended November 30, 2009, the Company made promissory note repayments of $540,000.

Note 15 - Asset Retirement Obligation

The Company has recognized an asset retirement obligation in connection with the Poplar Creek management agreement and related surface material lease acquired November 20, 2008.

	2009	2008
Obligation - beginning of period	$ 196,345	$ -
Liabilities	-	196,345
Accretion	16,824	-
Obligation - end of period	$ 213,169	$ 196,345

A determination of the fair value of the liability assumes undiscounted estimated future cash flows needed to settle the liability incurred to November 30, 2009 of approximately $278,465 which is expected to be expended at the termination of the management agreement in 2013 (see Note 10). These estimated future cash flows have been discounted at a credit-adjusted risk-free rate of 8.25%. Companies controlled by certain directors of the Company have provided a $500,000 letter of credit to the benefit of the Province of Alberta on behalf of the Company (Note 13) for reclamation in relation to the Poplar Creek management agreement and related surface material lease.

No asset retirement obligation has been provided for the Susan Lake management agreement as either third parties will assume the retirement costs or the specific area of the pit has not been environmentally disturbed (see Note 10). Included in the short term / long term investments is a $603,000 term deposit backing a letter of commercial credit in the same amount to the benefit of the Province of Alberta for reclamation in relation to the Susan Lake management agreement and related surface material lease (Note 12).

Note 15 - Asset Retirement Obligation (continued)

During the year the Company obtained a miscellaneous lease from the Province of Alberta to develop a storage yard within the Poplar Creek pit. Pursuant to lease the Company was required to provide a letter of commercial credit in the amount of $248,760 to the benefit of the Province of Alberta for reclamation at the termination of the lease (Note 12). No asset retirement obligation has been recorded as no environmental disturbance has occurred on the miscellaneous lease.

In view of uncertainties concerning asset retirement obligations, the ultimate costs could be materially different from the amounts estimated. The estimate of future asset retirement liabilities is subject to change based on amendments to applicable laws and legislation. Future changes in asset retirement liabilities, if any, could have a significant impact and would be reflected prospectively, as a change in accounting estimate.

Note 16 - Income Taxes

The estimation of the Company's future tax assets and liabilities involves significant judgment around a number of assumptions. Judgment must be used to determine the Company’s future earning potential, and the expected timing of the reversal of future tax assets and liabilities. Further uncertainties are the result of interpretation of tax legislation which might differ from the ultimate assessment of the tax authorities. These differences may affect the final amount or the timing of the payment of taxes.

Future income taxes reflects the tax effects of non-capital losses carried forward and the effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts recognized for income tax purposes.

The tax effects of temporary differences that give rise to significant portions of the net future income tax liability are:

	2009	2008
Future income tax assets:		
Non-capital losses carried forward	$ -	$ 465,699
Cumulative eligible capital	28,993	42,375
Share issue costs	13,990	17,953
	42,983	526,027
Future income tax liabilities:		
Property and equipment	50,859	37,782
Resource properties	710,629	414,248
Intangible assets	1,787,267	2,053,182
	2,548,755	2,505,212
Future income tax liability	$(2,505,772)	$(1,979,185)

Note 16 - Income Taxes (continued)

Income tax expense varies from the amount that would result from applying the combined federal and provincial income tax rates to income (loss) before income taxes. These variances are presented in the following table.

	2009	2008
Income (loss) before income taxes	$ 1,950,086	$(1,470,420)
Statutory Canadian combined corporate tax rate	29%	29.50%
Expected tax expense (recovery)	565,525	(433,774)
Increase (reduction) in income taxes resulting from:		
Non-deductible stock based compensation	18,004	102,536
Non-deductible tax effect of flow through shares	-	423,000
Change in temporary differences	515,162	(122,321)
Change in income tax rates	(35,596)	(15,739)
Change in valuation allowance	-	(159,517)
Utilization of non-capital losses carried forward	(446,332)	-
	$ 616,763	$ (205,815)

The provision (recovery) for income taxes is comprised of:

	2009	2008
Provision for current income taxes	$ 90,176	$ -
Provision (recovery) for future income taxes	526,587	(205,815)
	$ 616,763	$ (205,815)

During the year, the Company utilized all of its non-capital losses against its taxable income. The difference between the $465,699 recognized as a future income tax asset in the prior year and the $446,332 recognized at current statutory rates against taxable income in the current year relates to a difference in income tax rates.

Note 17 - Share Capital

a) Authorized:
An unlimited number of
Class "A" voting common shares
Class "B" non-voting common shares
Class "C" voting, non-cumulative, redeemable, retractable preferred shares
Class "D" non-voting, non-cumulative, redeemable, retractable preferred shares

b) The Company has issued Class "A" shares of its share capital as follows:

	2009		2008	
	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning of period	27,978,165	$ 6,331,823	18,286,500	$ 769,050
Stock options exercised	-	-	1,006,665	588,408
Private placement (1)	-	-	1,185,000	474,000
Consideration for an acquisition (Note 5)	-	-	7,500,000	3,900,000
Share issue costs	-	-	-	(466)
Warrants expired (Note 17e)	-	278,870	-	776,995
Warrants valuation (Note 17e)	-	-	-	(176,164)
	27,978,165	$ 6,610,693	27,978,165	$ 6,331,823

(1) The offering was 1,185,000 units with each unit consisting of one Class A common share and one Class A common share purchase warrant, with each warrant entitling the holder to acquire one common share of the Company at $0.60 per share for a period of 24 months from date of issuance, subject to accelerated expiry. The accelerated expiry of the warrants occurs in the event that the common shares trade on a recognized stock exchange at a closing trading price of $0.80 per share or more for any twenty business day period following which they will expire.

Note 17 - Share Capital (continued)

c) Stock options:

The Company has issued options to directors, officers, employees, consultants and other personnel of the Company as incentives.

The continuity of the Company's outstanding stock options is as follows:

	2009			2008		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Options outstanding, beginning of period	1,937,435	$	0.40	2,229,100	$	0.37
Issued	900,000	$	0.27	1,315,000	$	0.40
Exercised	-		-	(1,006,665)	$	0.33
Cancelled	(300,000)	$	0.40	(600,000)	$	0.40
Options outstanding, end of period	2,537,435	$	0.35	1,937,435	$	0.40

1,662,435 options were exercisable at November 30, 2009 at a weighted average exercise price of $0.40.

The weighted average remaining contractual life of the options is 3.15 years.

The Company’s stock option plan provides that the Board of Directors may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company, or any subsidiary of the Company, the option to purchase common shares. The stock option plan provides for a floating maximum limit of 10% of the outstanding common shares, as permitted by the policies of the TSX Venture Exchange. Options may be exercisable for up to ten years from the date of grant, but the Board of Directors has the discretion to grant options that are exercisable for a shorter period. Options under the stock option plan are not transferable or assignable. Pursuant to the stock option plan, options must be exercised within a reasonable period following termination of employment or cessation of the optionee's position with the Company, or such other period established by the Board of Directors, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death or disability, the option may be exercised within one year, subject to the expiry date.

Note 17 - Share Capital (continued)

c) Stock options (continued):

The following is a summary of the outstanding options:

Expiry Date	Exercise Price	Number of Options Outstanding November 30 2009	Number of Options Outstanding November 30 2008
November 1, 2009	$ 0.40	-	200,000
January 1, 2010	$ 0.40	200,000	200,000
March 26, 2010	$ 0.40	-	100,000
January 8, 2012	$ 0.40	1,022,435	1,022,435
April 4, 2013	$ 0.43	100,000	100,000
May 13, 2013	$ 0.40	75,000	75,000
July 28, 2013	$ 0.40	240,000	240,000
September 21, 2014	$ 0.25	800,000	-
November 2, 2014	$ 0.40	100,000	-
		2,537,435	1,937,435

The fair value of the options granted were estimated on the dates of grant using the Black-Scholes option-pricing model based on the option expiry dates with the following assumptions:

	2009	2008
Dividend yield	Nil	Nil
Expected volatility	176%	75%
Risk free rate of return	2%	5%
Expected life	4.67 years	4.23 years

The weighted average grant date fair value of options issued during the year was $0.21 per option.

Note 17 - Share Capital (continued)

d) Warrants:

A continuity of the Company's outstanding warrants is as follows:

	Weighted Average Exercise Price	Number of Warrants	Amount Price
Balance, October 1, 2007	$ 0.60	6,823,500	$ 1,055,865
Granted	$ 0.60	1,185,000	176,164
Expired	$ 0.60	(4,426,500)	(776,995)
Balance, November 30, 2008	$ 0.60	3,582,000	455,034
Expired	$ 0.60	(2,397,000)	(278,870)
Balance, November 30, 2009	$ 0.60	1,185,000	$ 176,164

The warrant prices and expiry dates of the 1,185,000 warrants outstanding as at November 30, 2009 are as follows:

Expiry Date	Exercise Price	Number of Warrants
January 22, 2010	$ 0.60	506,250
February 4, 2010	$ 0.60	678,750
		1,185,000

The weighted average remaining contractual life of the warrants are 60 days.

e) Diluted income (loss) per common share

All share options and warrants, which potentially could dilute basic earnings per share in the future, have been excluded from diluted earnings per common share as these securities are anti-dilutive for the year ended November 30, 2009. Accordingly, basic and diluted earnings per share are the same amount.

Note 18 - Contributed Surplus

	2009	2008
Balance, beginning of period	$ 536,679	$ 440,843
Stock based compensation expense	62,084	347,578
Stock options exercised	-	(251,742)
Balance, end of period	$ 598,763	$ 536,679

Note 19 - Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, short term investment, long term investment, accounts payable and accrued liabilities, demand loans, advances from related party, and long term debt.

a) Fair Value
Due to the short-term nature of cash, accounts receivable, accounts payable and accrued liabilities and advances from related parties the carrying value of these financial instruments approximate their fair value. The fair value of demand loans, long term debt and short term/long term investment approximates their carrying values as they are at the market rate of interest.

b) Credit Risk
Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of accounts receivable. In the normal course of business the Company evaluates the financial condition of its customers on a continuing basis and reviews the credit worthiness of all new customers. Management assesses the need for allowances for potential credit losses by considering the credit risk of specific customers, historical trends and other information. The maximum credit risk exposure at November 30, 2009 is $1,769,709 representing the Company's accounts receivable. At November 30, 2009, 66% of the Company's accounts receivable were receivable from three customers.

The Company’s aged accounts receivable are comprised of 70.3% current, 20% past due up to 60 days and 9.7% past due over 60 days. While certain amounts are past due, there is no impairment of the accounts receivable.

c) Liquidity Risk
The Company manages liquidity risk by ensuring sufficient funds are available to meet liabilities when they come due. Under its long term credit facilities, the Company must maintain certain ratios. The Company has complied with all ratios as at November 30, 2009 however the credit facilities are due on demand. The demand feature of the credit facilities increases the Company’s liquidity risk as the bank could demand repayment. Management has assessed this risk and believes that it has sufficient capital through internally generated cash flows or alternate sources of financing to mitigate this risk.

As at November 30, 2009 the Company has sufficient working capital to fund ongoing operations and meet its liabilities when the they come due. Accordingly, the Company is not exposed to significant liquidity risk. The Company has identified its financial liabilities as demand loans and current portion of long-term debt. In aggregate the contractual maturities and amount due at maturity for these financial liabilities should no demand occur are as follows:

2010	$ 1,869,250
2011	1,809,250
2012	1,809,250
2013	1,805,396
2014	150,000

The Company's existing credit facilities and cash flow from operating activities is expected to be greater than anticipated capital expenditures and the contractual maturities of the Company's financial liabilities for 2010. The expectation could be adversely affected by a material negative change in the demand for aggregate or the Company's management contracts (see Note 10).

Note 19 - Financial Instruments (continued)

d) Foreign Currency Risk
The Company has no exposure to foreign currencies as the Company's business is conducted in Canadian dollars.

e) Interest Rate Risk
The Company has an interest bearing term deposit and carries fixed and variable rate debt financing. Given the interest rate is fixed on the term deposit and the long term debt, the Company is not exposed to any interest rate risk on these financial instruments. However, the Company is exposed to interest rate risk on the variable rate demand loans. A 100 basis point increase in interest rate on the demand loans would decrease net income and comprehensive income by approximately $53,000.

The Company's bank loans bear interest at 1.875% and 2% over the bank prime lending rate. As the bank prime lending rate fluctuates so will the cost of borrowing. While exposed to interest rate risk in the short term, the Company has the ability to convert the variable rate financing to fixed rate financing thereby significantly reducing the exposure to interest rate risk. Given the ability to convert to a fixed rate bank loan, the Company is not exposed to significant interest rate risk.

Note 20 - Capital Disclosures

The Company defines capital as shareholders’ equity. The Company's objective when managing capital is to provide sufficient capital to cover normal operating and capital expenditures. In order to maintain or adjust the capital structure, the Company may issue debt, purchase shares for cancellation pursuant to normal course issuer bids or issue new shares. The Corporation is subject to externally imposed capital requirements as discussed below.

To fund the AMI acquisition, the Company obtained a demand loan from a Canadian chartered bank. As a result of the demand loan, the Company is subject to externally imposed capital requirements represented by various bank covenants related to the demand loan. These covenants include restrictions on capital expenditures, minimum debt service coverage, maximum funded debt, minimum working capital ratio and a minimum shareholders' equity. The covenants will result in restrictions on the use of capital. As at November 30, 2009 the Company is in compliance with these covenants.

Note 21 - Supplemental Cash Flow Information

The Company paid or received cash during the period for the following:

	2009	2008
Interest paid	$ 383,903	$ 20,290
Interest received	$ 12,965	$ -

Note 22 - Commitments and Contingencies

The Company has entered into a contractual agreement with a Canadian investor relations firm for assistance with investor relations and marketing services. This agreement is for a 12 month term commencing November 30, 2009 with an option to renew the agreement for an additional 12 month term. Consideration for these services consists of:

- cash payment of $7,500 per month
- granting of 100,000 class "A" common stock options with an exercise price of $0.40 per share
- when options become available in the future, the granting of of an additional 110,000 class "A" common stock options exercisable at $0.40 per share and granting of an additional 210,000 class "A" common stock options exercisable at the higher of $0.80 per share or the prevailing market price at the date of issue

The Company has entered into consulting agreements with two companies controlled by directors and officers of the Company that provide for a consulting fee of $10,000 per month to each of the related companies. Should the Company terminate these agreements without just cause, the agreements provide for a termination fee of $60,000 to each of the related companies or $120,000 in aggregate.

The Company has entered into an employment agreement with a director and officer of the Company that provide for a base annual salary per annum plus bonus and benefits. Should the Company terminate this agreement without just cause, the employee is entitled to be paid a termination fee based on the last three year average of this employee's salary, bonus and benefit package at the time of termination. As at November 30, 2009 the potential termination fee is approximately $298,000.

Note 23 - Restatement

The comparative figures have been restated to include an asset retirement obligation on the Company's Poplar Creek management agreement and related surface material lease. The effect on the 2008 figures was an increase in intangible assets of $196,345 and an equal increase in asset retirement obligation. No amortization or accretion was taken in 2008 as the amount was immaterial.

Note 24 - Segmented Disclosure

The Company operates as a single segment being mining. All Company revenues are derived from external Canadian customers. The Company's capital assets and goodwill are domiciled in Canada. During the year ended November 30, 2009, the Company had four customers that each accounted for 10% or more of the Company's revenues. In aggregate, the revenue from these four customers represented 66% of the Company's revenue in fiscal 2009.

Note 25 - Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.