MANAGEMENT'S DISCUSSION & ANALYSIS

Athabasca MINERALS INC.

FOR THE YEAR ENDED NOVEMBER 30, 2013

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GENERAL

This Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Athabasca Minerals Inc. ("Athabasca" or the "Corporation") as of March 20, 2014 and is intended to supplement and complement the Corporation's audited financial statements for the year ended November 30, 2013 and November 30, 2012. Readers are cautioned that this MD&A contains forward looking statements and that actual events may vary from management's expectations. The forward looking information should be read in conjunction with the risk factors described in "Financial Instruments", "Risks and Uncertainties" and "Forward Looking Information" at the end of this MD&A.

All amounts have been expressed in Canadian dollars (except where noted), and have been prepared in accordance with International Financial Reporting Standards ("IFRS") (except where noted).

Management is responsible for the financial statements referred to in this MD&A and provides officers' disclosure certifications filed with securities commissions on SEDAR.

Additional information about Athabasca Minerals Inc. may be found at the Corporation's website at www.athabascaminerals.com or within the Corporation's SEDAR profile at www.sedar.com.

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A. OVERVIEW

During fiscal 2013 Athabasca continued its transition to supplying sand and gravel from its corporate-owned aggregate operations, while maintaining management activities at the Susan Lake public pit. Corporate-owned pits in fiscal 2013 accounted for 5.6% of our total tonnes sold while generating 58.5% of total revenue. While fiscal 2013 revenue increased significantly, net income and income per share declined. The increase in revenue came from increased sales volume at corporate-owned pits, where higher prices are charged for custom materials produced and delivered from these pits. The corporate pits revenue increase was offset by related high aggregate operating expenses associated with opening up new pits, the cost of aggregates processing and significant hauling cost on customer contracts.

Prior to fiscal 2012, the Corporation generated comparatively little of its annual revenue during the first and second quarters. Beginning with fiscal 2012, the Corporation has begun to have some success in securing aggregate supply contracts through its corporate-owned pits for delivery during winter months in the first and second quarters.

Athabasca's operations are conducted primarily in northeastern Alberta and susceptible to seasonal weather impacts. Q1 2013 was subject to frozen conditions and periods of extreme cold and ice, resulting in poor road conditions that delayed the Logan pit project start-up. These conditions impeded accomplishment of more successful operations, including hauling on the icy winter roads. Unseasonably warm and wet weather conditions in the second quarter further delayed contract hauling of processed aggregate.

These same extreme weather factors caused challenging work conditions at the Kearl pit during the first two quarters of fiscal 2013. A harsh winter and very wet spring conditions were followed by unusually heavy rainfall that was recorded for the entire region. This resulted in a significant dewatering challenge at the pit, a situation that had largely continued through much of July, thus significantly hampering the Corporation's production capability. During the third quarter, Athabasca implemented a dewatering process at the pit which significantly improved operating access to aggregate for extraction; as well, the Corporation had mined the pit to a depth where a significantly richer proportion of gravel to sand was attained. Successful aggregate production at Kearl pit improved as a result.

Aggregate production further improved at the Kearl pit during Q4 2013 as a result of the maintained improvement in the dewatering process and access to richer gravel content. In fact, the fourth quarter accounted for over 62% of the total gravel tonnage produced during the entire fiscal 2013. Unfortunately, while Q4 aggregate production was significantly improved, Kearl pit sales were negatively impacted during Q4 as the major Kearl pit customer had postponed gravel delivery for the remainder of the year.

Other significant factors that contributed to the decrease in net income for the year ended November 30, 2013 as compared to the prior year were: the decrease in aggregate sales from the Susan Lake Gravel Pit; the loss on the Poplar Creek land use agreement; and increases in each of- depreciation of property and equipment, general and administrative expenses, finance costs, and share-based compensation.

B. OUTLOOK

AGGREGATES:

- Corporate-Owned Pits

Currently, processed and stockpiled inventory includes approximately 600,000 tonnes of gravel and 400,000 tonnes of sand located across Athabasca's corporate pits and stockpile sites. In conjunction with its transition to corporate-owned aggregate operations, by fiscal 2013 year-end, Athabasca had successfully processed and stockpiled nearly $7.5 million of crushed gravel and sand inventory. These aggregate finished products are available for sale without further production cost to be incurred.

Near the end of Q4 2013, Athabasca announced the resumption of gravel delivery from its Logan pit to a regional customer. Gravel hauling continued for a period of time until the customer suspended the operation once they put their project on hold. The undelivered quantity is fully processed and is available to be hauled pending contract resumption from the customer. Meanwhile, this processed gravel is also being marketed for sale to other regional customers. A portion of the gravel has been hauled from the Logan pit to Athabasca's Conklin stockpile site in preparation for year round sales and delivery. Management is focused on marketing this undelivered inventory to serve regional demand. Since the haul road from the Logan pit is accessible only during the winter months, the Corporation is considering improving the existing road to be an all season road, should demand justify the activity.

Through a joint venture agreement with a First Nation's company, Athabasca opened up its new "Cowpar" gravel pit during Q1 2014. Sales to regional customers were billed during Q1 and Q2 and the Corporation is currently hauling the remaining processed aggregate to a stockpile site near a major highway north of Conklin, Alberta for year round sales. The Cowpar pit has been depleted of gravel, and pit reclamation is in progress at this time. Under the same joint venture agreement, the Corporation is awaiting approval from the Alberta Government to open a second new pit later this year.

Significant quantities of processed sand and gravel inventory are stockpiled at the Kearl pit. The Corporation anticipates sales and delivery of sand and gravel from these stockpiles to a major customer beginning in Q2 2014 and throughout the remainder of the year. The Corporation's crushing spread is to be mobilized to the Kearl pit, with scheduled production at that location to begin in Q3 2014, for additional sand and gravel processing for regional customers.

During fiscal 2014 Athabasca seeks to improve its corporate pit cost efficiencies, through its improved Kearl pit dewatering method, and other experience gained during its first year of operation within the pit, which should improve the overall rate of aggregate processing, resulting in a reduction in production cost per tonne. Other primary targeted cost reductions are with equipment repair and maintenance costs, work crew accommodation costs, and reduced hauling rates for aggregates delivery.

- Susan Lake Public Pit

Q1 2014 was subject to frozen conditions and periods of extreme cold and snow resulting in very little construction activity requiring sand and gravel. Despite the soft first quarter in 2014, the Corporation anticipates that the activities in the Susan Lake gravel pit will ramp up during Q2 and become increasingly active during the third and fourth quarters. The Corporation has recently received sand and gravel orders from existing users for significant quantities to be fulfilled during fiscal 2014. Management also received substantial gravel requests from new customers who are bidding on works for a new oil sands project at the north end of the Susan Lake pit.

INDUSTRIAL METALLIC MINERALS PROJECTS:

- Firebag Project (Silica Sand)

The Firebag silica sand was tested and found to be suitable as frac sand for the oil and gas industry. In February 2014 the Corporation received notification from Alberta Environment and Sustainable Resources Development ("ESRD") that the department has completed its review of Athabasca's silica sand surface material lease application at the Firebag Project. The notice confirms that ESRD has, in principle, completed its review of the lease boundary that is approximately 80 acres in size, and forms a part of the larger Firebag Project. Athabasca previously submitted a technical memo documenting development and reclamation and will now provide a Conservation and Reclamation Business Plan ("CRBP") to ESRD for their review before receiving final approval. The CRBP is a normal course requirement of the approval process.

Future plans include the completion and submission of the Firebag CRBP in the second quarter of 2014 and progress towards the completion of a National Instrument 43-101 resource report in respect of the Firebag Project.

The Corporation has also been in discussion with a major railway company for developing its future frac sand trans-loading facility in Fort McMurray.

- Richardson Project (Granite and Dolomite)

In search of locating a suitable long term aggregates source for the oil sand industry, the Corporation has identified an area 70 kms north of the Susan Lake Gravel pit to contain suitable bedrock for a quarry operation. In March 2014 the Corporation announced the completion of its Richardson Project winter drilling program. A total of eight vertical core holes were drilled for a total of 843 metres over a 20 square km area. All holes successfully cored the dolomite and all but one intersected the granite basement rocks. All holes were drilled to a maximum depth of 144 metres. The dolomite and granite were penetrated at similar depth levels attesting to the uniformity of the units across the Richardson property area that was tested by drilling.

Future plans include the detailed core logging and sampling which will commence shortly at Athabasca's Edmonton facility, to be followed up by independent analytical test work. These 2014 drill holes coupled with additional drilling from the same area in 2013 will provide the information necessary to complete a National Instrument 43-101 resource estimate for the Richardson granite and dolomite in fiscal 2014.

C. AGGREGATE SALES ANALYSIS: PUBLIC and CORPORATE-OWNED PITS (by TONNES and REVENUE)

	Public Gravel Pits			**Corporate-Owned Pits**		
	FISCAL 2013	**FISCAL 2012**	**% Change**	**FISCAL 2013**	**FISCAL 2012**	**% Change**
Q1						
Tonnes Sold	1,329,430	1,768,326	(24.8)	186,794	198,653	(6.0)
Revenue	$1,489,017	$2,022,509	(26.4)	$5,194,379	$1,607,110	223.2
Q2						
Tonnes Sold	2,200,426	2,475,056	(11.1)	157,352	54,847	186.9
Revenue	$2,427,022	$2,765,778	(12.2)	$3,851,656	$443,705	768.1
Q3						
Tonnes Sold	3,259,127	3,315,751	(1.7)	73,951	-	-
Revenue	$3,620,506	$3,582,344	1.1	$1,954,643	$ -	-
Q4						
Tonnes Sold	2,567,308	3,060,189	(16.1)	136,993	63,945	114.2
Revenue	$2,882,736	$3,311,716	(13.0)	$3,698,041	$989,513	273.7

Public and Corporate-Owned Pits	**COMBINED Fiscal 2013**	**COMBINED Fiscal 2012**	**% Change**
Tonnes Sold	9,911,381	10,936,767	(9.4)
Revenue	$25,118,000	$14,722,675	70.6

D. CORPORATE PROFILE

Athabasca is a management and exploration company specializing in developing, producing, and exploring for aggregates and industrial minerals in Alberta. The business strategies to grow the Corporation are two-fold: firstly to manage and secondly to develop 100% corporate-owned aggregate projects as follows:

- Ongoing management of aggregate resources
- Exploration and discovery, acquisition and development of other aggregate resources and companies
- Identification, exploration and development of various industrial minerals as needed to support the expanding oil sands mining and development sector.

Management of aggregate resources focuses primarily on supplying our aggregate management expertise to clients who either own or hold aggregate properties such as the Government of Alberta. This service includes, but is not limited to, clearance of trees, removal and conservation of top soil and overburden, exploration for usable material, identification of the types and qualities of aggregate available to maximize the utilization of the resource, coordination of clients' orders for specific aggregate with available material, organization and direction of contractors in the applicable pit, quantity assured supervision of clients' orders via weighing and / or surveying all aggregate extracted, and reclamation of the site in compliance with government standards after the applicable pit is depleted. For these services, the Corporation receives a fee for each cubic yard / tonne of aggregate material removed from the pits for the duration of the contracts. Currently, the Corporation manages the Susan Lake pit north of Fort McMurray, Alberta for the Alberta Government.

The Corporation has employees, consultants and directors with many decades of combined experience in the aggregates industry and with identifying, exploring and developing aggregate resources. Our team members have been involved with numerous acquisitions of aggregate resources and operations in Alberta. To date, the Corporation has acquired two 160-acre properties near Grimshaw, Alberta, and has purchased Aggregates Management Inc., the company that managed the Susan Lake and Poplar Creek public pits north of Fort McMurray for the Alberta Government.

The Corporation has successfully completed a number of aggregate exploration programs on public land, and following review of the test programs, four aggregate mining applications have received approval from the Alberta Government. Athabasca's four corporate-owned aggregate pits are as follows:

- Logan pit- 10- year surface material lease ("SML") approval received 2010; sales from pit operations commenced during fiscal 2013;
- Kearl pit- 10- year SML approval received 2011; sales from pit operations commenced during fiscal 2012;
- House River pit- 10- year SML approval received 2011; sales from pit operations commenced during fiscal 2012;
- Pelican Hill pit- 10-year SML approval received 2011; pit operations have not yet commenced.

During January 2014 Athabasca initiated aggregate production from its Cowpar aggregate operation, located 95 km southeast of Fort McMurray. Sales and delivery from this location commenced during Q1 fiscal 2014.

Presently, the Corporation holds Alberta Metallic and Industrial Minerals Permits on 522,426 hectares (1,290,942 acres) of land, largely located in the Fort McMurray region in northeast Alberta. A variety of important industrial minerals have been identified as essential in this region including silica sand, granite and salt. These minerals are key ingredients for many products used to support the oil sands industry and Alberta infrastructure projects. The Corporation continues to assess its permitted land holdings for development based on mineral exploration programs that employ such methods as surface sampling, outcrop sampling and drilling.

As well, the Corporation also presently holds fifteen Alberta Metallic and Industrial Minerals Leases covering 21,579.5 hectares (53,324 acres) of land, largely located in the Fort McMurray region within Alberta. These mineral leases contain silica sand, salt and conglomerate.

E. AGGREGATE MANAGEMENT

The Corporation has held two management contracts with the Alberta Government for the management of aggregate operations in the Fort McMurray area. The Corporation's mandate is to operate the aggregate resources for public use and generates its revenue from the management of the aggregate operation.

The Oil Sands Community Alliance (www.oscaalberta.ca) advises that Canada's oil reserves are the third largest in the world ranking only behind Venezuela and Saudi Arabia. Oil sands, primarily situated near the Fort McMurray area in Alberta, anticipated at 170 billion barrels, represent 98% of Canada's total oil reserves. The additional construction necessary to develop these reserves requires an abundance of aggregates for new and existing oil sands projects and regional infrastructure. Much of the Corporation's aggregate supply and industrial minerals are strategically situated nearby the expected demand for these resources. Oil sands projects typically consume 5 to 8 million tonnes of aggregates for plant construction and another 0.5 to 1.0 million tonnes annually to maintain roads and other infrastructure.

The supply and utilization of aggregates will lie at the very foundation of Athabasca's future economic growth. With our focus on the strategic supply of aggregates and its goal to provide key industrial minerals in support of oil sands development, management views the Corporation as being well positioned now and into the future.

Susan Lake Aggregate Operation

The Susan Lake aggregate operation is located approximately 85 km north of Fort McMurray. It is approximately 9,260 acres (3,750 hectares) in size. Approximately 1,375 hectares or 36.7% of the pit has been developed. Approximately 85.5 million tonnes of sand and gravel have been removed from this pit since 1998. The majority of its sales were to neighboring oil sands companies and also in supplying the expanding City of Fort McMurray. As at November 30, 2013 there are 48 months remaining on a ten year contract with the Alberta Government.

Operations in the pit are active year round, however there is a seasonal nature to the operations, due largely to construction projects starting up in late spring through late summer seasons, with the majority of demand and associated revenue earned in the 3rd and 4th quarters.

Between 2009 and 2013 aggregate sales from Susan Lake averaged 8.29 million tonnes per annum. The aggregate was utilized by oil sands companies and for other infrastructure projects in the Fort McMurray area.

Since 2009, the average annual sales tonneage at Susan Lake has trended upward as follows:

Fiscal Year	Aggregate Tonnes Sold	Cumulative Average Annual Sales
2009	6,589,828	6,589,828
2010	7,136,653	6,863,240
2011	7,749,617	7,158,699
2012	10,603,447	8,019,886
2013	9,356,291	8,287,167

Poplar Creek Aggregate Operation

The aggregate operation is located approximately 30 Km north of Fort McMurray. The Poplar Creek management contract expired February 28, 2013. The expiry is due to the natural progression of a pit due to the depletion of the aggregate resource since fiscal 2011 and is not viewed to negatively impact the operations of the Corporation but as the natural progression of an aggregate deposit. As a result of pit depletion management wrote off the unamortized balance of the related Poplar Creek intangible assets at November 30, 2011. The Corporation is currently awaiting approval of its submitted application to renew its 124 acre miscellaneous lease in order to create a camp and operations node at the location of the Poplar Creek pit. The renewal includes a lay-down storage yard, and a camp facility to accommodate our employees. As of this date the filed application is considered to be completed and we are awaiting final approval. The Corporation has been able to maximize the previously mined area to include a carve-out to create the Poplar Creek work camp as explained in the following section that discusses the Land Use Agreement.

Poplar Creek Land Use Agreement

In 2011 the Corporation signed a long-term land use agreement with a work camp provider enabling that company to operate a work camp at Poplar Creek on leased property that was previously held by Athabasca. The agreement permitted the transfer of a 42 acre parcel of developed land from the depleted aggregate mine of the Corporation's miscellaneous lease at Poplar Creek to the camp provider. On this land a work camp was constructed primarily to serve the accommodation needs for the oil sands industry workers. Pursuant to the land use agreement, the camp provider pays monthly fees and daily accommodation fees to the Corporation. The camp provider also contributes toward the cost of future reclamation, in total not to exceed the non-refundable amount of $300,000, which the Corporation will maintain in a restricted cash account to be first applied toward any costs for reclamation of the Poplar Creek site. The land use agreement commenced on March 1, 2011 and expires on October 19, 2015. The agreement will automatically renew for an equivalent term period, under same terms and conditions, subject to amendments agreed to in writing by both parties, unless otherwise terminated earlier by written mutual agreement by both parties.

In determining the carrying value of the land use agreement receivable, and any gain or loss on land use agreement, an estimate of total future cash receipts under the land use agreement is required. The total estimated proceeds receivable by the Corporation under the agreement include both a fixed monthly component and estimated proceeds for daily work camp accommodation. When estimating future daily accommodation receipts, management takes into account the historic monthly average accommodation rates experienced since inception of the agreement, and other factors that are expected to influence future occupancy at the lodge.

During April 2011, the camp provider commenced operations of a first lodge constructed on the lease to accommodate approximately 500 oil sands industry workers. During June 2012, the camp provider commenced operations of a second lodge, constructed on the same 42 acre property, with accommodation for approximately 600 further oil sands industry workers. This second lodge is also governed pursuant to the land agreement entered in 2011 between the Corporation and the work camp provider.

Due to delayed project initiatives by local oil sands development operators, during fiscal 2013 the work camp provider's main tenant decreased accommodation requirements for its workforce. As a result the work camp provider dismantled the first lodge, leaving the second lodge in operation during Q3 and Q4 2013. Subsequent to fiscal 2013, on January 23, 2014 the work camp provider advised the Corporation of its intention to close operations at the second lodge for an estimated period of between three to six months beginning February 2014 due to low current occupancy. During the period of closure the work camp provider will market the facility in an attempt to reopen the lodge at an acceptable level of occupancy, or may explore options to relocate the lodge. The Corporation will continue to receive fixed monthly proceeds during the period of closure.

At November 30, 2013 management valued the portion of the land use agreement receivable attributable to the first lodge at $109,797 (2012- $697,220). The valuation was determined with reference to the monthly fees that are payable by the work camp provider, through October 19, 2015. Total future cash flow from estimated future receipts was then discounted at a rate of 3.10%. The actual accommodation receipts and monthly fees from the first lodge were $181,092 during the year ended November 30, 2013.

At November 30, 2013 management valued the portion of the land use agreement receivable attributable to the second lodge at $329,985 (2012- $923,639). The 2013 valuation was determined with reference to the monthly average accommodation rate experienced since inception at the second lodge, covering the period June 2012 through November 2013. Management has estimated the lodge will remain closed for a period of five months and will reopen in July 2014. The future accommodation rate is projected to remain constant through October 19, 2015 at 75% of the actual historic level. Total future cash flow in the amount of $341,498 from estimated receipts for daily occupancy at the second lodge was discounted at a rate of 3.10%.The actual accommodation receipts from the second lodge were $344,332 during the year ended November 30, 2013.

Components of (Loss) Gain on Land Use Agreement	For the Year Ended November 30, 2013		2012	
Lodge 1: Revaluation of estimated future discounted receipts	$	(407,181)	$	193,922
Lodge 2: Revaluation of estimated future discounted receipts		(254,329)		1,219,019
Decreased (increased) future reclamation costs attributable to land use agreement		63,053		(12,368)
	$	(598,457)	$	1,400,573

Despite the non-cash accounting loss reported with the land use agreement during fiscal 2013, the land use agreement has been a very productive asset for the Corporation; cash received under the land use agreement was $525,424 during YE 2013 with a further $609,536 cash received during YE 2012.

The land use agreement receivable combined current and long-term carrying value of $439,782 at November 30, 2013 is the estimated future discounted receipts subsequent to November 30, 2013.

The actual occupancy rate is likely to be largely dependent on oil sands development activity in the Fort McMurray region of Alberta. The average daily work camp occupancy rate used in the determination of total future proceeds is an estimate; therefore actual future proceeds under the land use agreement could vary significantly. Future changes in land use agreement receivable, if any, could have a material impact and would be reflected prospectively, as a change in accounting estimate.

F. OTHER AGGREGATE RESOURCES

Public Land

The Corporation already possesses or is actively pursuing approval of various Surface Materials Leases (SML's) on public lands for the purpose of extracting sand and gravel from these properties. These aggregate operations are to be fully controlled by Athabasca, enabling the Corporation to benefit from the full market value on all sales of aggregates, including when applicable, its processing and delivery (in contrast to a per tonne fixed fee the Corporation receives for managing the Susan Lake pit). The services and products provided by the Corporation, and therefore their pricing, may vary by customer contract. Sales invoicing follows aggregate delivery to the customer.

The SML's are strategically pursued and situated near existing major oil sands, oil and gas, government and municipal projects. The status of the Corporation's surface materials leases on public land is as follows.

Kearl Pit

The Kearl pit is located approximately 60 km east of the Susan Lake gravel pit. During March 2011 the Corporation received SML approval from the Government of Alberta to develop an open pit aggregate operation on the leased land for a term of ten years. The Corporation completed construction of an all-weather road linking the Kearl aggregate operation to a number of major oil sands operations. As a result the Kearl pit is able to undertake aggregate extraction and processing during much of the year, and sell its aggregates year-round. During February 2012 the Corporation announced the receipt of a National Instrument 43-101 for the Kearl aggregate deposit. The "indicated" mineral resource aggregates include 3,770,330 tonnes of gravel and 7,636,390 tonnes of sand. Also reported is an "inferred" mineral resource quantity of a further 434,000 tonnes of gravel, and that the quality of the aggregate materials is suitable for road construction and maintenance.

Management anticipates the availability of processed and stockpiled aggregates at this strategic location may provide Athabasca with a logistical competitive advantage. The rationale supporting this expectation is the location of the pit and its close proximity to potential customers who may have previously sourced aggregate from more remote locations. Since Kearl is located proximal to several oil sand development projects and since hauling costs for aggregate can be a significant portion of the total landed cost for aggregate supply, customers may be able to source aggregate from the nearby Kearl pit at more favorable prices due to decreased hauling distances.

As part of the Corporations' overall business strategy, it was determined that by bringing Kearl into operation, it would be economically beneficial to the Corporation to own rather that subcontract its crushing operations at the Kearl pit. By owning the crushing operations the Corporation could benefit from increased margins. The decision to own and operate our own crushing operation was primarily due to the anticipated year round customer local demand for processed high quality aggregate from this pit. The Corporation took delivery of its crushing spread and related machinery in Q3 2012 and completed full commissioning in Q4 2012.

The Corporation experienced challenging work conditions at the Kearl pit, particularly during the first two quarters of fiscal 2013. This was primarily due to winter weather conditions, later by very wet spring conditions, and then followed by unusually heavy rainfall that was recorded for the entire region. This resulted in a significant dewatering challenge at the pit, a situation that had largely continued through much of July, resulting in a condition which had significantly hampered the Corporation's production capability. During Q3 Athabasca implemented a dewatering process at the pit which significantly improved operating access to aggregate for extraction; as well, the Corporation had mined the pit to a depth where a significantly richer proportion of gravel to sand was attained.

During Q4 2013, as a result of the maintained improvement in the dewatering process and access to richer gravel content, the Corporation was able to increase total processed aggregate production to over 430,000 tonnes during the quarter, a significant improvement over any prior quarter at the Kearl pit. Processed gravel accounted for over 307,000 tonnes of total Q4 production (more than 71% of the total). In fact, Q4 accounted for over 62% of the total gravel tonneage produced during the entire fiscal 2013. As a result of the increased level of production, combined with improved cost efficiencies, Q4 aggregate production cost per tonne had declined by nearly 40% from Q3 YTD aggregate average cost per tonne. With the increased inventory of aggregate on hand resulting from strong Q4 production, improved gross margin on future sales is anticipated.

In advance of this year's temporary winter closure of its Kearl pit crushing operation, a suitable quantity of processed gravel and sand has been stockpiled for future sale until aggregate processing at Kearl pit resumes in 2014. Temporary closure of crushing operations took effect during mid-December; crushing at Kearl pit is expected to resume in approximately June 2014 once spring wet conditions and dewatering activities are addressed.

More than 92,000 tonnes of gravel and a further 30,000 tonnes of sand was sold from Kearl pit during Q4, accounting for more than 29% of the total 415,170 tonnes of Kearl pit aggregate that was sold during fiscal 2013. During fiscal 2013, approximately 70% of Kearl pit tonneage sold was gravel, with sand accounting for the remaining 30%.

In step with the low regional demand for aggregate in the early months of fiscal 2014, this has also been the case at the Kearl pit. However, Athabasca's main Kearl pit customer has made very recent inquiry into Athabasca's current inventory on hand. Based on the discussion of upcoming aggregate demand with this major customer, management anticipates strong overall fiscal 2014 sales at Kearl pit.

Logan Pit

The Logan pit is located approximately 160 km south of Fort McMurray. The Logan pit is a winter access only pit due to access limitations with a seasonal winter road. Athabasca renewed our winter road use agreement with the two municipalities and had discussions on a collaborative future plan to upgrade the winter-only haul road to an all-season road in the case that Athabasca's plan includes all season hauling. The development of an all-season road would enable Athabasca to operate the Logan pit on a year-round basis, should demand justify the activity.

The Corporation received SML approval from the Government of Alberta to develop an open pit aggregate operation on the leased land for a term of ten years in 2010. During February 2012 the Corporation announced the receipt of a National Instrument 43-101 for the Logan aggregate deposit. The "indicated" mineral resource aggregate included 1,357,000 tonnes of gravel. Also reported is an "inferred" mineral resource quantity of 662,600 tonnes of gravel, and that the quality of the aggregate materials is suitable for road construction and maintenance.

The area of the Logan pit contains very little vegetation, topsoil and overburden. Access to the Logan pit is provided via an existing county winter road that runs through the site. Aggregate from this pit will be supplied primarily to oil sands and government infrastructure projects in the area that otherwise brings aggregate from as far away as Susan Lake.

During January 2013, the Corporation announced its first sales contract for aggregate to be supplied from the Logan pit. A total of 375,000 tonnes of gravel had been contracted for, with the Corporation responsible for product, processing and delivery. Adverse winter weather conditions leading to poor road conditions delayed start-up and made operations such as winter road trucking challenging once the project commenced. During fiscal 2013, a total of 114,650 tonnes had been delivered under the contract. To date in fiscal 2014, a further 67,430 tonnes had been delivered on the contract, supplied from both from the Logan and Cowpar pits. Athabasca has temporarily suspended Logan aggregate operations and will currently not deliver the remaining 192,920 tonnes of this crushed gravel order as the contract customer has placed their project on hold. This remaining quantity is already processed and is available to be hauled pending contract resumption from the customer. This processed gravel is also being marketed for sale to other regional customers. A portion of the gravel has been hauled from the Logan pit to Athabasca's Conklin stockpile site in preparation for year round sales and delivery.

House River Pit

The House River pit is located approximately 11 km east of Highway 63 on the House River. During August, 2011 the Corporation received SML approval from the Alberta Government, to develop an open pit aggregate operation on the leased land for a term of ten years. During fiscal 2012 the Corporation reported sales of asphalt aggregate from the House River pit totaling 253,500 tonnes to a major road building contractor in connection with the twinning of Highway 63, north of Wandering River, Alberta.

The House River pit is currently a winter access only pit due to access limitations due to a seasonal winter road. Should the Corporation upgrade the winter-only haul road to an all-season road, its development would enable the Corporation to operate the House River pit on a year-round basis, should demand justify the activity.

Pelican Hill Pit

The Pelican Hill pit is located approximately 70 km southeast of the Hamlet of Wabasca, where heavy petroleum is produced. The Corporation received SML approval (10 year term) in June, 2011 on this 79.7 acre mixed sand and gravel pit. While the proposed development of this property has not been established to date, the Corporation expects to supply aggregate from this property primarily to the oil and gas industry, as well as to the government or its partners for use in infrastructure projects in the area. This pit will be available for year-round aggregates extraction and sales if an all-season road of less than two kilometers is developed.

Private Land

Warrensville Pit

The Corporation holds a prepaid entitlement to 300,000 cubic yards (equal to 375,000 tonnes) of pit run aggregate, resulting from a previous lease agreement with a private pit operator in the Grimshaw, Alberta area northwest of Peace River, Alberta. Since 2007, the Corporation has bid on several projects with the objective of utilizing aggregates sourced from this pit. To date the Corporation has been unsuccessful.

The Corporation also purchased two 160-acre parcels of land near the previously leased Warrensville pit property. These lands are located within and underlain by the "Grimshaw Gravels", a pre-glacial sand and gravel deposit. Pre-glacial deposits are known to contain high quality aggregates.

Acquisition and/or Joint Venture

The Corporation continues to pursue existing aggregate operations that are owned or managed by other aggregate suppliers with a view to acquire them or enter into a joint venture agreement with them. Aggregate operations that satisfy due diligence reviews to determine their viability and that support the Corporation's growth strategy are being targeted.

- **Opening of Cowpar Aggregate Operation and Signing of Aggregate Agreement**

  During January 2014, the Corporation initiated aggregate production from its recently opened Cowpar aggregate operation located 95 km southeast of Fort McMurray. Cowpar is governed by an agreement dated January 20, 2014 between Athabasca and DeneCo Aggregates Ltd. ("DeneCo"), a First Nations company. Athabasca serves as the developer and operator for Cowpar in return for a royalty paid to DeneCo. Athabasca has entered into a further agreement with DeneCo for a second nearby aggregate location, where Athabasca would serve as the developer and operator of that location under a similar arrangement. These agreements encourage and promote the participation of First Nations in employment and business opportunities. DeneCo will also assist Athabasca with the marketing of aggregates produced from Cowpar and Athabasca's other regional pits. The Cowpar pit is now depleted of gravel, and pit reclamation is in progress at this time. The Cowpar pit is Athabasca's only depleted corporate-owned pit.

  The Corporation's crushing spread was moved on a temporary basis from its Kearl pit to Cowpar in order to process aggregate for regional customers. Sales and delivery of gravel from Cowpar commenced during Q1 fiscal 2014, to meet regional demands. The Cowpar pit is a winter access only pit due to access limitations due to a seasonal winter road. Gravel processed at Cowpar will be stockpiled at a strategic location for year round delivery.

- **Joint Venture Agreement with Wood Buffalo Métis Corporation**

  Athabasca entered into a joint venture agreement with the Wood Buffalo Métis Corporation on January 31, 2014. for the purposes of exploring for and developing and marketing aggregates, including industrial minerals such as granite, dolomite, limestone and silica sand, and for extracting, processing and selling aggregates from within the boundaries of the Regional Municipality of Wood Buffalo. Athabasca has the exclusive support of Wood Buffalo to drill, explore, produce and market aggregates for a period of ten years, with an option to renew, upon mutual agreement of the parties, for an additional ten years.

G. MINERAL PROPERTIES

Mineral permits are maintained in good standing by making allowable exploration assessment expenditures. Minerals leases are maintained in good standing by incurring land rental and royalties on annual minerals sales production to the Alberta Government. The Corporation continuously evaluates its mineral permit holdings, relinquishing and/or acquiring permits as dictated by its exploration and strategic priorities, as well as financial considerations. The mineral permits are located largely in the Fort McMurray area.

Financing potential exploration and development opportunities may be done by way of internally generated working capital or by debt, equity, and strategic partnering.

The following is the land area covered by the Corporation's mineral permits, located largely in the Fort McMurray area:

	March 20, 2014 (hectares)	November 30, 2013 (hectares)	November 30, 2012 (hectares)
Balance at beginning of period:	488,952	439,331	227,282
Mineral permits acquired during the period:	35,056	125,934	264,181
Mineral permits relinquished during the period:	(1,582)	(76,313)	(52,132)
Balance at end of period:	522,426	488,952	439,331

The following is the land area covered by the Corporation's mineral leases, located largely in the Fort McMurray area:

	March 20, 2014 (hectares)	November 30, 2013 (hectares)	November 30, 2012 (hectares)
Balance at beginning of period:	21,579.5	18,635.5	18,635.5
Mineral leases acquired during the period:	-	2,944	-
Mineral leases relinquished during the period:	-	-	-
Balance at end of period:	21,579.5	21,579.5	18,635.5

The Corporation's fifteen Alberta Metallic and Industrial Minerals Leases are maintained in good standing by the payment of annual lease payments. Estimated costs associated with maintaining these mineral permits and leases appear in section N (Liquidity and Capital Resources).

Salt

- **Boyle Project**

The Corporation has four mineral lease holdings covering 5,835.5 hectares (14,420 acres) of property overlying the Lotsberg salt formation in the area of Boyle, Alberta. Management is of the opinion the salt is of a high quality and is attractively situated nearby roadway, rail, power and water resources. The Corporation is of the opinion that this salt would provide a suitable feedstock for a Chlor-Alkali chemical plant. The Corporation maintains a 100% interest in these salt leases. During Q1 fiscal 2014 the Corporation acquired three additional Industrial and Metallic Mineral permits adjacent to the Boyle leases (27,392 hectares).

- **Dover Project**

The Corporation holds one mineral lease covering 256 hectares in the Wood Buffalo region of Alberta in the Birch Mountain area approximately 150 kilometers north of Fort McMurray. On the property is a salt formation which the Corporation has identified and evaluated. The Corporation drilled a salt test well that terminated at a depth of 490 meters. Studies have indicated that this salt would provide a suitable feedstock for a Chlor-Alkali chemical plant to supply the oil sands. Management feels the property may be usable for housing industrial waste products or for storage of petroleum products, and is assessing its strategic options for this project. Athabasca also holds mineral permits totalling 31,616 hectares on property adjacent to this mineral lease. The Corporation holds a 100% interest in both the mineral lease and mineral permits with this project. During Q1 fiscal 2014 the Corporation acquired one additional Industrial and Metallic Mineral permit adjacent to the Dover lease (7,664 hectares).

Silica Sand

- **Firebag Project**

The Corporation has been evaluating its 100% owned silica sand Firebag Project (located 139 km north of Fort McMurray, and is accessible via Highway 63 and near water and power sources). The Corporation made application in March 2013 to the Alberta Government for a surface material lease application for an 80 acre SML for the development of a silica sand mining operation. The planned operation is for the production of industrial proppant for use in the fracking industry. Further application was made for a 27 acre miscellaneous lease to support project infrastructure. The Corporation's plan for the silica sand is to haul the material offsite for processing at a land package currently under application by Athabasca adjacent to rail access.

The Corporation has completed extensive testing, including 39 test holes and test pitting, to provide samples for independent laboratory testing. Independent testing was performed by Stim-Lab Inc of Oklahoma on the silica sand in order to test for its appropriateness in use as frac sand. The results indicated the silica sand meets API/ISO specifications for proppants used in Hydraulic Fracturing and Gravel Packing Operations, and are well within the ranges of frac sands currently used as industry standards. In addition, the Corporation has commissioned a National Instrument 43-101 report covering both SML applications at the Firebag property.

The Corporation's second phase of development includes planning to develop a larger adjacent 500 acre SML for which applications have been submitted. This development will require a voluntary EIA by the Corporation. Preliminary meetings with the government and various consultants have been made in order to identify the potential scope of such a study. During Q1 fiscal 2014, the Corporation reduced the 500 acre SML application to 420 acres, now making the entire planned project total 500 acres, including the 80 acre SML.

Surrounding Athabasca's proposed silica sand development project on the two SML development applications, the Corporation holds 100% rights to seven Industrial and Metallic mineral leases covering 12,800 hectares (31,629 acres) in the Fort McMurray region of northeast Alberta.

In February the Corporation received notification from Alberta Environment and Sustainable Resources Development ("ESRD") that the department has completed its review of Athabasca's silica sand surface material lease application at the Firebag Project. The notice confirms that ESRD has, in principle, completed its review of the lease boundary that is approximately 80 acres in size, and forms a part of the larger Firebag Project. Athabasca previously submitted a technical memo documenting development and reclamation and will now provide a Conservation and Reclamation Business Plan ("CRBP") to ESRD for their review before final approval. The CRBP is a normal course requirement of the approval process.

Next steps include the completion and submission of the Firebag CRBP in the second quarter of 2014 and progress towards the completion of a National Instrument 43-101 resource report in respect of the Firebag Project.

- **Birch Mountain Project**

The Corporation holds two mineral leases covering 2,432 hectares (6,010 acres) situated in the Wood Buffalo region, in northeast Alberta which contain silica sand. Athabasca also holds mineral permits on 16,000 hectares on land adjacent to its two mineral leases. Based on testing performed to date, the Corporation is of the opinion that silica sand found on this property would be suitable for use as frac sand.

<u>Granite and Dolomite</u>

- **Richardson Project**

During fiscal 2012 the Corporation identified a granite outcrop located approximately 70 kilometers north of the Susan Lake pit that is accessible by winter road. During Q1 2013 initial drilling in this area was performed and in-house testing of samples was conducted. The drilling program encountered granite and dolomite, confirming that granite extends beyond the granite outcrop. Initial observations indicate both the granite and dolomite appear to be of high quality for use as aggregate. The Richardson Project is of priority to the Corporation in order to secure a future supply of aggregate to the Fort McMurray market.

In March 2014 the Corporation announced the completion of a winter drilling program at the Richardson Project located 130 km north of Fort McMurray. A total of eight vertical core holes were drilled for a total of 843 metres over a 20 square km area. All holes successfully cored the dolomite and all but one intersected the granite basement rocks. All holes were drilled to a maximum depth of 144 metres. The dolomite and granite were penetrated at similar depth levels attesting to the uniformity of the units across the Richardson Property area that was tested by drilling.

Next steps include the detailed core logging and sampling which will commence shortly at Athabasca's Edmonton facility, to be followed up by independent analytical test work. These 2014 drill holes coupled with additional drilling from the same area in 2013 will provide the information necessary to complete a National Instrument 43-101 resource estimate for the Richardson granite and dolomite. Following completion of the 43-101 the Corporation intends to apply for a mineral lease on a portion of the Richardson Project currently held by Athabasca under mineral permits; and subsequently, the submission of a development application to operate a hard rock quarry.

<u>Minerals Exploration Update</u>

As explained in greater detail within their sections above, recent minerals exploration activities have included:

- Boyle Project- Q1 fiscal 2014 acquisition of three additional Industrial and Metallic Mineral permits surrounding the Boyle leases (27,392 hectares);

- Dover Project- Q1 fiscal 2014 acquisition of one additional Industrial and Metallic Mineral permit surrounding the Dover lease (7,664 hectares);

- Firebag Project- completion, in principle, by ESRD of its review of the lease boundary that is approximately 80 acres in size; also, planned project total now at 500 acres, previously discussed at 580 acres;

- Richardson Project- March 2014 announced completion of its winter drilling program.

Subsequent to fiscal 2013, mineral permit property totaling 1,582 acres was relinquished, pertaining to the Canadian Shield project which the Corporation had previously written off in fiscal 2012.

H. SELECTED ANNUAL INFORMATION

The following information has been prepared in accordance with IFRS. Revenue refers to aggregate management fees, and commencing with the year ended November 30, 2012, also includes net aggregate sales from corporate-owned aggregate operations.

	Year Ended **Nov 30/13**	Year Ended **Nov 30/12**	Year Ended **Nov 30/11**
Revenue	$25,118,000	$14,722,675	$8,691,784
Aggregate operating expenses	$16,606,177	$4,915,191	$1,708,246
Gross profit	$8,511,823	$9,807,484	$6,983,538
Other expenses	$4,970,399	$4,121,374	$2,997,677
Other (loss) income	$(713,365)	$794,304	$(112,242)
Net Income and Comprehensive Income	$1,921,640	$4,710,409	$2,780,791
Basic income per common share	$0.068	$0.171	$0.103
Diluted income per common share	$0.067	$0.170	$0.102
Total Assets	$35,718,827	$33,278,023	$20,197,714
Property and equipment	$9,764,819	$9,168,090	$734,034
Resource Properties	$5,821,161	$5,895,745	$4,694,489
Callable debt	$-	$-	$3,883,479
Long-term debt	$2,557,552	$3,548,430	$-
Lease obligation	$5,282,353	$5,614,501	$-
Dividends declared	$-	$-	$-

As described in H- Operating Results, current reporting reflects a retroactive reclassification of various expenses that were previously treated as general and administrative in nature. These reclassified costs are now included within other aggregate operating expenses. The reclassification of expenses is reported retroactive to fiscal 2011.

A non-IFRS performance measure provided by the Corporation is the measure of cash flow generated per common share (net income adjusted for non-cash items per common share), calculated as follows:

	Fiscal 2013	**Fiscal 2012**	**Q4 2013**	**Q4 2012**
Net income adjusted for non-cash items (per Statements of Cash Flows)	$6,082,206	$6,355,892	$1,808,316	$1,943,763
Weighted average number of common shares outstanding	28,179,596	27,502,403	28,271,566	27,828,104
Net income adjusted for non-cash items per common share	$0.216	$0.231	$0.064	$0.070

I. SUMMARY OF QUARTERLY RESULTS

The following selected information is derived from unaudited financial statements of the Corporation. The information has been prepared by management in accordance with IFRS. Revenue refers to aggregate management fees and net aggregate sales from corporate-owned aggregate operations.

	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Revenue	$6,580,777	$5,575,149	$6,278,678	$6,683,396
Aggregate operating expenses	$3,774,203	$3,190,078	$3,831,299	$5,810,597
(Loss) gain on land use agreement	$(258,810)	$49,454	$(104,827)	$(284,274)
Recovery (write down) of intangible assets	$117,930	$4,327	$(7,016)	$41,371
Write down of resource properties and exploration costs	$(352,750)	$-	$-	$-
Net income (loss) and comprehensive income (loss)	$389,315	$1,059,462	$847,445	$(374,582)
Basic net income (loss) per common share	$0.014	$0.038	$0.030	$(0.013)
Diluted net income (loss) per common share	$0.013	$0.037	$0.029	$(0.013)
Total assets	$35,718,827	$35,497,497	$35,678,173	$36,851,458
Resource properties	$5,821,161	$6,328,154	$6,229,445	$6,085,698

	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Revenue	$4,301,229	$3,582,344	$3,209,483	$3,629,619
Aggregate operating expenses	$1,429,184	$699,902	$1,195,616	$1,590,489
Gain on land use agreement	$588,262	$812,311	$-	$-
Recovery (write down) of intangible assets	$37,337	$(20,006)	$-	$-
Write down of resource properties and exploration costs	$(670,389)	$-	$-	$-
Net income and comprehensive income	$1,160,601	$2,044,148	$721,252	$784,408
Basic net income per common share	$0.042	$0.074	$0.026	$0.029
Diluted net income per common share	$0.041	$0.072	$0.026	$0.028
Total Assets	$33,278,023	$26,786,736	$21,938,045	$21,800,778
Resource Properties	$5,895,745	$5,724,550	$5,435,173	$5,042,386

The following selected information is derived from unaudited financial statements of the Corporation, and provides a non-IFRS presentation of the after-tax net income (loss) effect of the land use agreement, separate from the after-tax net income (loss) from aggregate operations, for each reported fiscal period:

	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Net (loss) income from land use agreement	($143,127)	$35,904	($71,627)	($227,796)
Net income (loss) from aggregate operations	$532,442	$1,023,558	$919,072	($146,786)
Net income (loss) and comprehensive income (loss)	$389,315	$1,059,462	$847,445	($374,582)
Basic net income (loss) per common share attributed to:				
Land use agreement	$(0.005)	$0.001	$(0.003)	$(0.008)
Aggregate operations	$0.019	$0.037	$0.033	$(0.005)
Combined	$0.014	$0.038	$0.030	$(0.013)

	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Net income from land use agreement	$467,119	$550,899	$-	$-
Net income from aggregate operations	$693,482	$1,493,249	$721,252	$784,407
Net income and comprehensive income	$1,160,601	$2,044,148	$721,252	$784,407
Basic net income per common share attributed to:				
Land use agreement	$0.017	$0.020	$-	$-
Aggregate operations	$0.025	$0.054	$0.026	$0.029
Combined	$0.042	$0.074	$0.026	$0.029

The Corporation derives revenues from managing the supply of, and from the production of, various types of aggregates in Northern Alberta. All operations are dependent on the ability to remove gravel from its gravel pits, which can often be hampered by the cold, by rain, or by melting weather conditions Most construction projects and oil sands projects, to which the Corporation supplies aggregate, typically start up and focus on their busiest time of year later in the summer and fall when ground conditions improve and are typically drier. As a result, there is a seasonal nature to operations, with winter and spring traditionally being the slowest time for the Corporation.

J. OPERATING RESULTS

	Q4 2013	Q4 2012	% CHG	YE 2013	YE 2012	% CHG
Aggregate management fees	$ 2,882,736	$ 3,311,716	-13.0%	$ 10,419,281	$ 11,682,347	-10.8%
Net aggregate sales	$ 3,698,041	$ 989,513	273.7%	$ 14,698,719	$ 3,040,328	383.5%
Total revenue	**$ 6,580,777**	**$ 4,301,229**	53.0%	**$ 25,118,000**	**$ 14,722,675**	70.6%
Stripping, clearing and crushing expenses	$ 496,993	$ 1,434,783	-65.4%	$ 3,011,390	$ 3,271,468	-7.9%
Amortization, depreciation and depletion	$ 449,590	$ 310,005	45.0%	$ 1,471,558	$ 379,082	288.2%
Other aggregate operating expenses	$ 2,827,621	$ (315,604)	-995.9%	$ 12,123,229	$ 1,264,641	858.6%
Aggregate operating expenses	**$ 3,774,204**	**$ 1,429,184**	164.1%	**$ 16,606,177**	**$ 4,915,191**	237.9%
Gross profit	**$ 2,806,573**	**$ 2,872,045**	-2.3%	**$ 8,511,823**	**$ 9,807,484**	-13.2%
Depreciation of property and equipment	$ 152,100	$ 222,556	-31.7%	$ 543,877	$ 392,944	38.4%
Amortization of intangible assets	$ 216,667	$ 169,889	27.5%	$ 866,667	$ 866,667	0.0%
General and administrative	$ 1,087,185	$ 928,834	17.0%	$ 2,471,311	$ 2,128,722	16.1%
Finance costs	$ 91,448	$ 101,526	-9.9%	$ 390,513	$ 263,591	48.2%
Share-based compensation	$ 174,281	$ 275,119	-36.7%	$ 698,031	$ 469,450	48.7%
Other expenses	**$ 1,721,681**	**$ 1,697,924**	1.4%	**$ 4,970,399**	**$ 4,121,374**	20.6%
Income before other items	$ 1,084,892	$ 1,274,765	-14.9%	$ 3,541,424	$ 5,686,110	-37.7%
Interest	$ 6,297	$ 10,053	-37.4%	$ 28,538	$ 35,523	-19.7%
(Loss) gain on land use agreement	$ (258,810)	$ 588,262	-144.0%	$ (598,457)	$ 1,400,573	-142.7%
Write down of resource properties and exploration costs	$ (352,750)	$ (670,389)	-47.4%	$ (352,750)	$ (670,389)	-47.4%
Recovery of intangible assets	$ 117,930	$ 37,337	215.9%	$ 156,612	$ 17,331	803.7%
All other income	$ 52,692	$ 11,266	367.7%	$ 52,692	$ 11,266	367.7%
Other income (loss)	**$ (434,641)**	**$ (23,471)**	1751.8 %	**$ (713,365)**	**$ 794,304**	-189.8%
Income before income taxes	$ 595,405	$ 1,246,161	-52.2%	$ 2,828,059	$ 6,480,414	-56.4%
Income taxes	$ 206,090	$ 85,560	140.9%	$ 906,419	$ 1,770,005	-48.8%
Net income and comprehensive income	**$ 389,315**	**$ 1,160,601**	-66.5%	**$ 1,921,640**	**$ 4,710,409**	-59.2%
Basic income per common share	**$ 0.014**	**$ 0.042**	-66.7%	**$ 0.068**	**$ 0.171**	-60.2%
Diluted income per common share	**$ 0.013**	**$ 0.041**	-68.3%	**$ 0.067**	**$ 0.170**	-60.6%

The management contract with the Government of Alberta allows for an annual increase in the management fee based on the Alberta consumer price index increase of the preceding year. Additional fees are charged when the Susan Lake scales are operated beyond normal business hours.

Total revenue for the three months ended November 30, 2013 was $6,580,777, comprised of aggregate management fees of $2,882,736 and net aggregate sales of $3,698,041. This compared to total revenue for the three months ended November 30, 2012 of $4,301,229 comprised of aggregate management fees of $3,311,716 and net aggregate sales of $989,513. During the three months ended November 30, 2013 revenue increased by $2,279,548 or 53.0%, including a decrease in aggregate management fees of $428,980 or 13.0% and an increase in net aggregate sales of $2,708,528 or 273.7%. In the three months ended November 30, 2013, there was a decrease in requests for over-time scale operations versus the comparative period, contributing to decreased aggregate management fees.

Total tonneage sales of aggregate on which aggregate management fees are earned by the Corporation had decreased by 16.1%, with 2,567,308 tonnes sold in the three months ended November 30, 2013 compared with 3,060,189 sold in the three months ended November 30, 2012. During the three months ended November 30, 2013 there were 136,993 tonnes sold from corporate-owned pits, versus 63,945 in the comparative period, an increase of 73,048 or 114.2%. The Kearl pit had initiated sales during Q4 2012 while the Logan pit and the Conklin stockpile site had not yet commenced sales, whereas all three locations had generated sales by Q4 2013.

Total revenue for the year ended November 30, 2013 was $25,118,000, comprised of aggregate management fees of $10,419,281 and net aggregate sales of $14,698,719. This compared to total revenue for the year ended November 30, 2012 of $14,722,675 comprised of aggregate management fees of $11,682,347 and net aggregate sales of $3,040,328. During the year ended November 30, 2013 total revenue increased by $10,395,325 or 70.6%, including a decrease in aggregate management fees of $1,263,006 or 10.8% and an increase in net aggregate sales of $11,658,391 or 383.5%. The significant increase in net aggregate sales in fiscal 2013 was due to both the increase in tonnes sold from corporate-owned pits, and as well, the higher prices per tonne charged for crushing and hauling services provided on much of fiscal 2013 sales. In the year ended November 30, 2013, there was a decrease in requests for over-time scale operations versus the prior year, which along with decreased tonneage volume, contributed to decreased aggregate management fees.

Total tonneage sales of aggregate on which aggregate management fees are earned by the Corporation had decreased by 11.9%, with 9,356,291 tonnes sold in the year ended November 30, 2013 compared with 10,619,322 sold in the year ended November 30, 2012. During the year ended November 30, 2013 there were 555,090 tonnes sold from corporate-owned pits versus 317,445 in the prior year, an increase of 237,645 tonnes, or 74.9%.

Current reporting reflects a retroactive reclassification of various expenses that were previously treated as general and administrative in nature. These reclassified costs are now included within other aggregate operating expenses, and represent equipment repair and maintenance, and utilities and related services associated with aggregate operations. Q4 2012 as currently reported includes $53,586 in other aggregate operating expenses that were previously included in general and administrative expenses. YE 2012 as currently reported includes $202,906 in other aggregate operating expenses that were previously included in general and administrative expenses. Management has reclassified these expenses in order to more accurately their nature.

Aggregate operating expenses for the three months ended November 30, 2013 were $3,774,203 representing an increase of $2,345,021 or 164.1% from $1,429,184 for the three months ended November 30, 2012. Stripping, clearing and crushing expenses of $496,993 were incurred during Q4 2013, which primarily consisted of crushing related payroll costs at the Kearl pit and stripping expense at Susan Lake. During Q4 2012 $1,434,783 was spent on stripping, clearing and crushing expenses, which primarily consisted of sub-contractor crushing expense with both the Kearl and Logan pits. Amortization, depreciation and depletion expense was $449,590 during Q4 2013 compared with $310,005 during Q4 2012. The increase was primarily due to increased property and equipment depreciation expense at corporate-owned pits. All other aggregate operating expenses increased by 995.9% during Q4 2013, up $3,143,225 to $2,827,621 compared to $(315,604) during Q4 2012. The cost increases involved: accommodation and meal costs for work crews- $452,079; aggregate payroll costs- $524,242; hauling costs on corporate-owned pit aggregate sales- $917,926; diesel and other fuel costs- $578,611; equipment repairs and rentals- $859,378; and other less significant cost increases totaling $194,878. These cost increases were decreased by $383,889, representing the net change in the cost of goods produced less the costs of goods sold between the comparative quarters.

Aggregate operating expenses for the year ended November 30, 2013 were $16,606,177 representing an increase of $11,690,986 or 237.9% from $4,915,191 for the year ended November 30, 2012. Stripping, clearing and crushing expenses of $3,011,390 were incurred during YE 2013, which primarily consisted of subcontractor crushing expense at the Logan pit, and crushing related payroll costs at the Kearl pit. During YE 2012 $3,271,468 was spent on stripping, clearing and crushing expenses. Amortization, depreciation and depletion expense was $1,471,558 during YE 2013 compared with $379,082 during YE 2012. The increase was due to increased property and equipment depreciation expense at corporate-owned pits, and increased corporate pit production, thus increasing depletion of corporate-owned pit setup costs and amortization of decommissioning and restoration costs. All other aggregate operating expenses increased by 858.6% during YE 2013, up $10,858,588 to $12,123,229 compared to $1,264,641 during YE 2012. $6,433,145 of this increase was due to hauling costs for corporate-owned pit sales. YE 2013 additional cost increases in other aggregate operating expenses involved: diesel and other fuel costs- $1,609,636; aggregate operations payroll costs- $1,957,490; accommodation and meal costs for work crews- $1,319,091; equipment repair and maintenance and rentals- $2,230,686; and other less significant cost increases totaling $742,704. These cost increases were decreased by $3,434,164, representing the net change in the cost of goods produced less the costs of goods sold between fiscal 2013 and fiscal 2012.

Depreciation of property and equipment decreased by $23,678 to $152,100 during Q4 2013 due to a decrease in carrying value in property and equipment located at Susan Lake versus the comparative period. Amortization of the Susan Lake management contract during Q4 2013 remained consistent with the comparative period at $216,667.

Depreciation of property and equipment rose by $150,933 to $543,877 during YE 2013 due to the increased carrying value in property and equipment located at Susan Lake compared to the prior year. Amortization of the Susan Lake management contract during YE 2013 remained consistent with the prior year at $866,667.

General and administrative expenses for the three months ended November 30, 2013 increased by $258,996 or 31.3% to $1,087,185 up from $828,189 in Q4 2012. The increase is primarily due to $140,302 in increased bad debt expense and $96,783 in increased G&A payroll and related costs. Other cost increases and cost decreases account for the remaining net increase of $21,911.

General and administrative expenses for the year ended November 30, 2013 increased by $342,588 or 16.1% to $2,471,311 up from $2,128,722 in YE 2012. The increase is primarily due to $139,792 in increased bad debt expense, $57,858 in increased truck leasing costs, $113,118 in increased G&A payroll and related costs, and $25,900 increased office rent. Other cost increases and cost decreases account for the remaining net increase of $5,920.

Finance costs were $91,448 for the three months ended November 30, 2013, down $10,078 from $101,526 for the three months ended November 30, 2012. The decrease primarily results from $12,083 in decreased interest expense on long-term debt due to a declining principal balance outstanding. Finance costs also include $5,678 accretion expense, up $1,707 from $3,971 for the three months ended November 30, 2012.

Finance costs were $390,513 for the year ended November 30, 2013, up $126,922 from $263,591 for the year ended November 30, 2012. The increase primarily involves $149,462 in increased interest expense arising from equipment finance leases. Finance costs also include $17,405 accretion expense, up $2,434 from $14,971 for the year ended November 30, 2012. The increase primarily involves accretion on decommissioning and restoration costs from increased stripping activities at more corporate-owned pits than in the prior year. During YE 2013 interest on long-term debt increased by $62,417 and interest on callable debt decreased by $90,168.

Share-based compensation decreased by $100,839 during the three months ended November 30, 2013, to $174,281 from $275,120 due to lower vesting expense during Q4 2013 than during the comparative quarter.

Share-based compensation increased by $228,581 during the year ended November 30, 2013, to $698,031 from $469,450 due to higher vesting expense during YE 2013 than during the prior year.

Interest income during the three months ended November 30, 2013 totalled $6,297 as compared to $10,053 for the comparative period, a decrease of $3,756. The decrease is primarily due to decreased interest charged on overdue accounts receivable, and decreased cash balances earning interest income. This was partially offset by increased interest on collections received that had been discounted under the land use agreement.

Interest income during the year ended November 30, 2013 totalled $28,538 as compared to $35,523 for the prior year, a decrease of $6,985. The decrease is primarily due to decreased interest charged on overdue accounts receivable, and decreased cash balances earning interest income. This was partially offset by increased interest on collections received that had been discounted under the land use agreement.

Loss on land use agreement during the three months ended November 30, 2013 was $258,810 versus a $588,262 gain in the comparative period, a difference of $847,072. The Q4 2013 loss arose from an adjustment in the estimated future discounted cashflow to be received under the agreement throughout its' initial term which expires October, 2015. The Q4 2013 loss on land use agreement was decreased by $42,877 due to an estimated decrease in decommissioning and restoration costs attributable to the land related to the land use agreement.

Loss on land use agreement during the year ended November 30, 2013 was $598,457 versus a $1,400,573 gain in the prior year, a difference of $1,999,030. The YE 2013 loss arose from an adjustment in the estimated future discounted cashflow resulting from announcements of both permanent and temporary closures of the work camp lodges under the agreement.. The YE 2013 loss on land use agreement was decreased by $63,053 due to an estimated decrease in decommissioning and restoration costs attributable to the land related to the land use agreement.

Cash received from the land use agreement was $525,424 during YE 2013 compared to $609,536 during YE 2012. At November 30, 2013, the land use agreement receivable was valued at $439,782 and represents estimated future discounted cashflow remaining to be received under the agreement through October 2015.

Recovery of intangible assets was $117,930 during the three months ended November 30, 2013, compared to a recovery of $37,337 during the comparative period, and is due to a decrease in estimated decommissioning and restoration costs attributable to the land related to the Corporation's lay down storage yard at the Poplar Creek pit.

Recovery of intangible assets was $156,612 during the year ended November 30, 2013, compared to a recovery of $17,331 during the prior year, and is due to a decrease in estimated decommissioning and restoration costs attributable to the land related to the Corporation's lay down storage yard at the Poplar Creek pit.

During the three months ended November 30, 2013, the Corporation earned net income and comprehensive income of $389,315 or $0.014 basic income per common share. This reflects a 66.5% decrease in net income, down $771,286 from $1,160,601 net income and comprehensive income and $0.042 basic income per share earned during Q4 2012. Changes in the composition of net income include an increase in revenue of $2,279,548, consisting of a $428,980 decrease in aggregate management fees and an increase in net aggregate sales of $2,708,528 over Q4 2012. Increased revenue was offset by $2,345,020 increased aggregate operating expenses during Q4 2013, with a resulting gross profit of $2,806,574, down $65,471 from $2,872,045. Other expenses increased by $124,401 to $1,721,681 from $1,597,280, due to increased G&A expense, which was partially offset by decreased share-based compensation, decreased depreciation on property and equipment, and decreased finance costs. Pre-tax income of $595,405 was earned during Q4 2013 compared to pre-tax income of $1,246,161 in Q4 2012, a decrease of $650,756. Income tax expense of $206,090 was charged during Q4 2013 compared to $85,560 in Q4 2012, an increase of $120,530. A decrease of $460,883 in other income, which primarily includes an $847,072 decreased gain on land use agreement, and a $317,639 decreased write-off of exploration cost, accounts for the remainder of the decrease in Q4 net income.

During the year ended November 30, 2013, the Corporation earned net income and comprehensive income of $1,921,640, or $0.068 basic income per common share. This reflects a 59.2% decrease in net income, down $2,788,769 from $4,710,409 net income and comprehensive income and $0.171 basic income per share earned during fiscal 2012. Changes in the composition of net income include an increase in revenue of $10,395,325, consisting of a $1,263,066 decrease in aggregate management fees and an increase in net aggregate sales of $11,658,391. Increased revenue was offset by $11,690,986 increased aggregate operating expenses, with a resulting gross profit of $8,511,823 in fiscal 2013, down $1,295,661 from $9,807,484 in fiscal 2012. Other expenses increased by $849,025 to $4,970,399 from $4,121,374, due to increased share-based compensation, increased depreciation on property and equipment, increased G&A expense, and increased finance costs. Pre-tax income of $2,828,059 was earned during YE 2013 compared to pre-tax income of $6,480,414 in YE 2012, a decrease of $3,652,355. Income tax expense of $906,419 was charged during YE 2013 compared to YE 2012 income tax expense of $1,770,005, a decrease of $863,586. An increase of $1,507,669 in other loss, which includes a $1,999,030 decreased gain on land use agreement, and a $317,639 decreased write-off of exploration cost, primarily accounts for the remainder of the decrease in fiscal 2013 net income.

K. OPERATING ACTIVITIES

Cash flow from operating activities for YE 2013 was $1,515,342 as compared to $5,430,761 for the prior year, a decrease of $3,915,419. Various factors accounted for the decreased cash flow from operating activities. Net income adjusted for non-cash items was $6,082,206 in YE 2013 compared to $6,355,892 for the prior year, a cash decrease of $273,686. Cash in the amount of $1,925,196 was provided through an increase in trade and other payables during YE 2013, compared to an increase of $1,572,578 during the prior year, an increase of $352,618 in cash provided. During YE 2013 cash in the amount of $75,064 was provided through an increase in accounts receivable versus a decrease in accounts receivable of $840,786 during the prior year, an increase of $915,850 in cash provided. $302,379 was used in YE 2013 to decrease income tax payable compared to an increase in income tax payable of $30,749 during the prior year, an increase of $333,128 in cash used. During YE 2013 an increase in income taxes recoverable used cash in the amount of $406,251 (2012- $nil). A decrease of $95,608 in prepaid expenses and deposits during YE 2013 compared to an increase of $186,730 in prepaid expenses and deposits during the prior year, provided a cash increase of $282,338 due to decreased prepaid expenses and deposits. Cash in the amount of $5,954,102 was used during YE 2013 to increase the balance of ending inventory versus $1,500,942 used in the prior year, an increase in cash used of $4,453,160.

L. INVESTING ACTIVITIES

		Year Ended November 30, 2013		Year Ended November 30, 2012
Purchase of property and equipment	$	(1,871,548)	$	(5,344,737)
Proceeds from sale and leaseback of property and equipment		401,962		2,305,454
Restricted cash		(123,302)		(187,493)
Long-term deposits		(113,683)		(260,256)
Proceeds from land use agreement		525,424		609,536
Resource properties		(824,739)		(1,524,501)
Insurance proceeds from loss of property and equipment		27,950		4,250
Proceeds on maturity of short-term deposit		-		603,000
Total	$	(1,977,936)	$	(3,794,747)

During the year ended November 30, 2013 the Corporation obtained property and equipment in the amount of $1,871,548 which was purchased for cash and a further $802,169 was acquired by entering into finance leases. Of the leased total, property and equipment in the amount of $401,962 was acquired on a sale and leaseback basis, and reported as proceeds from sale and leaseback of property and equipment. A further $400,207 of property and equipment acquired under a finance lease was not previously owned by the Corporation. During the year ended November 30, 2012 the Corporation obtained property and equipment in the amount of $5,344,737 which was purchased for cash and a further $6,001,707 was acquired by entering into finance leases. Of the leased total, property and equipment in the amount of $2,305,454 was acquired on a sale and leaseback basis, and reported as proceeds from sale and leaseback of property and equipment. A further $3,696,253 of property and equipment acquired under a finance lease was not previously owned by the Corporation. Acquiring assets by entering into a finance lease involves non-cash investing and financing, and accordingly does not appear in the statements of cash flows.

During the year ended November 30, 2013, the Corporation invested $123,302 in a restricted cash account, pursuant to its land use agreement with a work camp provider, compared to $137,493 in the prior year. These funds are invested for the purpose of future funding of Poplar Creek pit reclamation costs. In YE 2012, the Corporation invested a further $50,000 in restricted cash to fund future reclamation costs of its House River pit.

During fiscal 2013 the Corporation invested $14,933 as deposits on its lease obligation, $68,750 in resource property security deposits, and $30,000 on its miscellaneous lease security deposits. During fiscal 2012 the Corporation invested $110,696 as deposits on its lease obligation, and $149,560 in resource property security deposits.

During the year ended November 30, 2013 the Corporation received proceeds of $525,424 under its land use agreement with a work camp provider, consisting of receipts for monthly land access, work camp daily accommodation, and future reclamation funding. Proceeds of $609,536 had been received during the prior year.

During the year ended November 30, 2013 the Corporation invested $741,528 in exploration costs on its mineral resource properties, and funded mineral properties applications in the amount of $2,500 and mineral lease rent of $80,710. During the prior year, the Corporation invested $1,441,827 in exploration and development costs on its mineral resource properties, and funded mineral properties applications in the amount of $17,450, and mineral lease rent of $65,224.

M. FINANCING ACTIVITIES

		Year Ended November 30, 2013		Year Ended November 30, 2012
Repayment of callable debt	$	-	$	(3,883,479)
Issue of share capital		136,650		227,117
Long-term debt proceeds		-		4,000,000
Long-term debt transaction costs		-		(41,250)
Repayment of long-term debt		(1,000,000)		(416,667)
Repayment of lease obligations		(1,134,318)		(387,205)
Total	$	(1,997,668)	$	(501,484)

During fiscal 2012 the Corporation received long-term debt proceeds of $4,000,000 with which it repaid all outstanding callable debt with the remainder available to fund long-term debt set up fees and working capital. During fiscal 2013, $1,000,000 of the $4,000,000 long-term debt had been repaid, compared to $416,667 in the prior year.

During fiscal 2013 the Corporation received proceeds of $136,650 on the exercise of its stock options compared to $227,117 in the prior year.

During fiscal 2013, the Corporation entered into finance leases for the purchase of property and equipment in the amount of $802,168 compared with $6,001,707 during the prior year. Principal repayment of lease obligations totaled $1,134,318 in fiscal 2013 compared to $387,205 in the prior year. Acquiring assets by entering into a finance lease involves non-cash investing and financing, and accordingly does not appear in the statements of cash flows.

N. LIQUIDITY AND CAPITAL RESOURCES

At November 30, 2013 the Corporation reported working capital of $5,800,557 which management feels is sufficient to fund ongoing operations and to meet its liabilities when they come due. The Corporation has access to a $3,000,000 demand operating loan with a sub-limit of $2,000,000 available for letters of commercial credit. No balance was outstanding on the operating loan, apart from letters of credit totalling $1,351,760. Accordingly, the Corporation is not exposed to significant liquidity risk.

The Corporation has no formal commitments for capital expenditures, but is required to make certain expenditures to keep the various project lands in good standing, including minimum exploration expenditures. The minimum exploration expenditures to retain the mineral permits are as follows:

First two year period	$ 5.00 per hectare
Second two year period	$10.00 per hectare
Third two year period	$10.00 per hectare
Fourth two year period	$15.00 per hectare
Fifth two year period	$15.00 per hectare
Sixth two year period	$15.00 per hectare
Seventh two year period	$15.00 per hectare

As at March 20, 2014 the Corporation holds mineral permits covering 522,426 hectares (1,290,943 acres). The Corporation has spending commitments totaling approximately $2,654,000 in fiscal 2014, $578,000 in fiscal 2015, and $4,437,000 in fiscal 2016 to retain these mineral permits held by the Corporation.

As at March 20, 2014 the Corporation holds mineral leases covering 21,579.5 hectares. In order to keep the land under mineral leases in good standing, the Corporation is required to pay annual rental of $3.50 per hectare on the mineral leases. In addition, applicable royalties will be payable to the Alberta Government once sales production on the mineral leases commences. Currently, the Corporation has an annual rental commitment of $65,224 over the 15 year life of the mineral leases which expire in 2026, and an annual rental commitment of $10,304 over the 15 year life of the mineral leases which expire in 2028.

In managing the exploration permits, the Corporation adds mineral permits in areas of interest and relinquishes mineral permits in areas that the exploration activities indicate have a low potential of discovering mineral reserves. As permits are relinquished, the number of hectares is decreased thereby reducing the spending commitment. The Corporation is in the process of exploring aggregate and mineral properties and has not yet determined whether these properties contain deposits that are economically recoverable. The continuing operations of the Corporation to meet its commitments, including the development of the properties, securing and maintaining title and financing exploration and development of the properties is dependent upon the internal generation of cash flow and obtaining necessary financing through debt and public and private share offerings.

O. OUTSTANDING SHARE DATA

Private Placement Financing

Subsequent to the year end, the Corporation announced the closing of a private placement offering of units of the Corporation. Pursuant to the offering, the Corporation issued 3,965,517 units at a price of $1.45 per Unit, for aggregate gross proceeds of $5,750,000.

Each unit consists of one common share in the capital of the Corporation and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $1.75 per share for a period of two years from January 15, 2014.

The underwriter was paid a cash commission equal to 6% of the aggregate gross proceeds of the offering and was granted 237,931 options, with each such option entitling the holder to acquire one Common Share at a price of $1.45 per share for a period of two years from January 15, 2014 the date of the closing of the offering.

Pursuant to applicable securities laws, all securities issued pursuant to the offering will be subject to a statutory hold period which expires on May 15, 2014.
Athabasca is authorized to issue an unlimited number of common shares. The following details the common shares outstanding and securities that are convertible into common shares as at March 20 2014:

Number of Common Shares Outstanding	32,306,350
Number of Stock Options Outstanding	2,681,264
Number of Stock Warrants Outstanding	1,982,758

The Corporation had 2,681,264 outstanding stock options with the following exercise prices and expiry dates:

Number	Exercise Price	Expiry Date
75,000	$0.25	September 21, 2014
160,000	$0.26	October 15, 2015
70,000	$0.35	October 6, 2016
853,333	$0.63	March 29, 2017
150,000	$1.04	August 24, 2017
360,000	$1.64	December 11, 2017
625,000	$1.02	September 6, 2018
150,000	$1.63	January 14, 2019
237,931	$1.45	January 14, 2016
2,681,264		

A total of 1,756,664 stock options were exercisable at a weighted average price of $0.79 per share.

The Corporation had 1,982,758 outstanding stock warrants with a January 14, 2016 expiry date. Each stock warrant allows the holder to purchase one common share of the Corporation at an exercise price of $1.75.

P. RELATED PARTY TRANSACTIONS

During the year ended November 30, 2013, the Corporation incurred expenses of $185,406 (2012 - $979,517) for services provided by certain directors and officers and certain companies controlled by certain directors and officers of the Corporation as further described below.

These fees are recorded in the financial statements as follows:

	For the Year Ended November 30, 2013	2012
Directors and Officers:		
Directors fees and expenses	$ 79,886	$ 54,764
Travel and miscellaneous	10,320	31,498
	90,206	86,262
Companies controlled by directors and officers:		
Consulting fees for services rendered	-	263,859
Travel and miscellaneous	750	12,822
Property and equipment	10,450	-
Exploration and development costs	-	548,574
Rent	84,000	68,000
	95,200	893,255
	$ 185,406	$ 979,517

During the year ended November 30, 2013 rent of $84,000 (2012 - $68,000) was paid or accrued to a company controlled by the Corporation's President and Chief Executive Officer. During the year ended November 30, 2013 property and equipment was purchased for $10,450 (2012 - $nil) from a company controlled by the Corporation's President and Chief Executive Officer.

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

Q. COMPENSATION OF KEY MANAGEMENT

Key management personnel include members of the Board of Directors and the senior leadership team. Compensation for key management personnel, including directors, was as follows:

	For the Year Ended November 30, 2013	2012
Salaries and other benefits	$ 805,888	$ 845,629
Share-based benefits	531,389	311,399
	$ 1,337,277	$ 1,157,028

R. CHANGE IN ACOUNTING POLICIES INCLUDING EARLY ADOPTION

New standards not yet adopted

i. Scope of the reporting entity

IFRS 10, "Consolidated Financial Statements" and IFRS 12, "Disclosure of Interests in Other Entities", were issued and replace IAS 27, "Consolidated and Separate Financial Statements" and Standing Interpretations Committee ("SIC") 12, "Consolidation - Special Purpose Entities" for guidance on the consolidation model which identifies the elements of control and provides a comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. These standards are effective for annual periods beginning on or after January 1, 2013. As no equity interests are currently held in, or joint arrangements held with other entities, this standard has no current effect on the Corporation.

ii. Stripping costs in the production phase of a surface mine

IFRIC 20, "Stripping Costs in the Production Phase of a Surface Mine" considers when and how to account separately for benefits arising from stripping activity, as well as how to measure these benefits both initially and subsequently. In surface mining operations, entities may find it necessary to remove mine waste materials (overburden) to gain access to mineral ore deposits. This waste removal activity is known as 'stripping.' IFRIC 20 only deals with waste removal costs that are incurred in surface mining activity during the production phase of the mine ('production stripping costs'). This standard is effective for annual periods beginning on or after January 1, 2013. From management's perspective, this is anticipated to have minimal impact.

iii. Joint arrangements

IFRS 11, "Joint Arrangements" was issued and supersedes IAS 31, "Interests in Joint Ventures" and SIC 13, "Jointly Controlled Entities-Non-monetary Contributions by Venturers", to establish principles for financial reporting by parties to a joint arrangement. This standard is effective for annual periods beginning on or after January 1, 2013. As no joint venture interests are currently held in or between other entities, this standard has no current effect on the Corporation.

iv. Fair value measurement

IFRS 13, "Fair Value Measurement" was issued to set out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. This standard is effective for annual periods beginning on or after January 1, 2013. From management's perspective, this is anticipated to have minimal impact.

v. Employee benefits

IAS 19, "Employee Benefits", was amended to eliminate the options to defer, or recognize in full in profit or loss, actuarial gains and losses, to streamline the presentation of changes in assets and liabilities arising from defined benefit plans and to enhance the disclosure requirements for defined benefit plans. This amendment is effective for annual periods beginning on or after January 1, 2013. As no employee benefit plans are currently in place to which IAS 19 applies, this standard has no current effect on the Corporation.

vi. Financial instruments classification and measurement

In October 2010, the IASB issued IFRS 9 "Financial Instruments" ("IFRS 9") which proposes to replace IAS 39 "Financial Instruments: recognition and measurement". The replacement standard has the following significant components: establishes two primary measurement categories for financial assets- amortized cost and fair value; establishes criteria for classification of financial assets within the measurement category based on business model and cash flow characteristics; and eliminates existing held to maturity, available-for-sale, and loans and receivable categories.

In November 2013, the IASB issued an amendment to IFRS 9 which includes a new hedge model that aligns accounting more closely with risk management, as well as enhancements to the disclosures about hedge accounting and risk management. Additionally as the impairment guidance in IFRS 9, as well as certain limited amendments to the classification and measurement requirements of IFRS 9 are not yet complete, the previously mandated effective date of IFRS 9 of January 1, 2015, has been removed. Entities may apply IFRS 9 before the IASB completes the amendments, but are not required to. The Corporation will evaluate the impact of the change to its financial statements based on the characteristics of its financial instruments at the time of adoption.

S. FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash, restricted cash, accounts receivable, land use agreement receivable, short-term investment, long-term deposits, trade and other payables, lease obligation and long-term debt.

a) Fair Value

Due to the short-term nature of cash, accounts receivable, trade and other payables the carrying value of these financial instruments approximate their fair value. The fair value of short-term investment, restricted cash and callable and long-term debt approximates their carrying values as they are at the market rate of interest. Long-term deposits are refundable. The fair value of long-term deposits is not materially different from carrying value. The lease obligation is at a fixed rate of interest. The fair value of the lease obligation is not materially different from carrying value as they are at the market rate of interest. Land use agreement receivable is an estimate of discounted future cash flow with carrying value approximating fair value.

b) Credit Risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist primarily of cash, restricted cash, accounts receivable, long-term deposits and land use agreement receivable. The Corporation's maximum credit risk at November 30, 2013 is the carrying value of these financial assets.

In the normal course of business the Corporation 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. At November 30, 2012, 71.7% of the Corporation's accounts receivable was due from four customers.

The Corporation's aged accounts receivable are comprised of 49.6% current, 35.2% past due up to 60 days and 15.2% past due over 60 days. While certain amounts are past due, management considers there is no impairment of the accounts receivable except as provided in the following paragraph.

Included in accounts receivable past due over 60 days is $628,716 owed to the Corporation which is under dispute. The Corporation has provided $378,716 as allowance for doubtful accounts, of which $259,509 was expensed to bad debts during fiscal 2013 and $119,207 during fiscal 2012. Management expects to collect the unimpaired balance of the receivable during the year ending November 30, 2014.

Credit risk associated with cash and restricted cash is minimized substantially by ensuring that these financial assets are placed with major financial institutions that have been accorded strong investment grade rating. Long-term deposits are held with the Government of Alberta thus bear little credit risk.

c) Liquidity Risk

The Corporation manages liquidity risk by ensuring sufficient funds are available to meet liabilities when they come due. Under its long-term credit facilities, the Corporation must maintain certain ratios. The Corporation has complied with all ratios as at November 30, 2013.

As at November 30, 2013 the Corporation has sufficient working capital to fund ongoing operations and meet its liabilities when they come due. Accordingly, the Corporation is not exposed to significant liquidity risk. The Corporation has identified its financial liabilities as trade and other payables, term debt, including interest (excluding deferred transaction costs) and lease obligation, including interest.

	0 -1 year	2- 3 years	4 - 5 years	Total
	$	$	$	$
Trade and other payables	4,973,845	-	-	4,973,845
Long-term debt, including interest	1,096,979	1,639,740	-	2,736,719
Lease obligation, including interest	1,507,544	3,015,087	1,216,309	5,738,940
Total	7,578,368	4,654,827	1,216,309	13,449,504

The Corporation'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 Corporation's financial liabilities as at November 30, 2013. The expectation could be adversely affected by a material negative change in the demand for aggregate or the Corporation's management contracts.

d) Foreign Currency Risk

The Corporation maintains a USD currency bank account with a nominal balance for the infrequent need to fund supplier purchases denominated in USD currency. As at November 30, 2013 the Corporation had USD cash on hand in the amount of $604 (CAD $638), and no USD denominated trade and other payables or receivables. As the amounts involved are unsubstantial management feels risk is minimal.

e) Interest Rate Risk

The Corporation has an interest bearing term deposit and carries variable rate debt financing. Given the interest rate is fixed on the term deposit the Corporation is not exposed to any interest rate risk on this financial instrument. However, the Corporation is exposed to interest rate risk on the variable rate term loan and letters of credit facility. A 100 basis point increase in the interest rate on the term loan and letters of credit facility would decrease net income and comprehensive income by approximately $19,000.

The Corporation's term debt bears interest at 1.75% over the bank's prime lending rate. The Corporation's letters of credit facility bears interest at 2.5% over the bank's prime lending rate. As the bank's prime lending rate fluctuates so will the cost of borrowing.

T. RISKS AND UNCERTAINTIES

The success of Athabasca is subject to a number of factors, including but not limited to those risks normally encountered by junior resource exploration companies, such as exploration uncertainty, operating hazards, increasing environmental regulation, competition with companies having greater resources, fluctuations in the price and demand for aggregates and minerals. The Corporation's on-going ability to finance exploration will depend on, among other things, the viability of the equity market.

The terms of the Susan Lake contract gives the Province of Alberta the right to terminate the contract without cause upon three months written notice. The contract provides that the Province of Alberta may at any time during the term of the agreement require the Corporation to operate the tender location in cooperation with oil sand lease development. The Province of Alberta also has the right to withdraw any portion of the lands from the contract and those lands withdrawn shall cease to be the responsibility of the Corporation with respect to decommissioning and restoration.

The operations of the Corporation are speculative due to the high risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. These risk factors could materially affect the Corporation's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Corporation (see S. Forward Looking Information).

U. FORWARD LOOKING INFORMATION

This document contains "forward looking statements" concerning anticipated developments and events that may occur in the future. Forward looking statements include, but are not limited to, statements with respect to the future price of commodities, the estimation of aggregate and mineral reserves and resources, the realization of aggregate and mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Specifically, such forward-looking statements are set forth under "Liquidity and Capital Resources", "Financial Instruments", "Risks and Uncertainties" and "Outlook". In certain cases, forward looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements in the section entitled "Risks and Uncertainties", there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements. These forward looking statements are made as of the date of this document and, other than as required by applicable securities laws, the Corporation assumes no obligation to update or revise them to reflect new events or circumstances.

V. APPROVAL

The Board of Directors has approved the disclosure in this MD&A.

A copy of this MD&A, the financial statements, and previously published financial statements and MD&A, as well as other filed reporting is available on the SEDAR website at www.sedar.com.