MANAGEMENT'S DISCUSSION & ANALYSIS

Athabasca
MINERALS INC.

FOR THE YEAR ENDED NOVEMBER 30, 2012

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For the Year Ended November 30, 2012

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 13, 2013 and is intended to supplement and complement the Corporation's audited financial statements and the notes thereto for the years ended November 30, 2012 and November 30, 2011. 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").

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. COMPANY PROFILE

On February 15, 2013 the Corporation announced it has been included in the TSX Venture 50, a measure of strong performing companies listed on the TSX Venture Exchange ("TSX Venture"). The TSX Venture 50 was determined based on equal weighting of market capitalization growth, share price appreciation, trading volume and analyst coverage. Athabasca is one of ten companies in the mining subsector of the TSX Venture 50.

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:

- Management of aggregate resources
- Exploration, acquisition and development of other aggregate resources and companies
- Identification, exploration and development of various industrial minerals to support oil sands development

Management of aggregate resources focuses primarily on supplying our aggregate management expertise to clients who either own or hold aggregate properties. 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 metre / 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 with identifying, exploring and developing aggregate resources. On December 11, 2012 the Corporation announced the appointment of Mr. Michael Peck to the Board of Directors. Mr. Peck has over 30 years of executive management experience in the mining industry. Mr. Peck replaces Mr. Dale Nolan, who retired from the Board and the management team at the end of November 2012. Mr. Peck is currently employed with Sherritt International Corporation as Senior General Manager, Mining Operations in the Sherritt Coal Edmonton Division. He is responsible for all mining operations activities at their nine coal mines, having extensive experience in surface mining in both hard rock and coal.

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 implemented a significant number of aggregate exploration programs on public land, and following review of the test programs, four aggregate mining applications have been submitted and have received approval from the Alberta Government. During fiscal 2012, the Corporation initiated aggregates sales production from its corporate-owned House River pit. Over a quarter-million tonnes of asphalt aggregate were supplied to a major road builder during the year from this pit. At its corporate-owned Kearl pit a crushing spread and related equipment was purchased with crushing operations having commenced in October 2012. Aggregate sales from the Kearl pit commenced during Q4 2012 with 63,945 tonnes sold during fiscal 2012. At its corporate-owned Logan pit, approximately 60 acres of land has been cleared and stripped. 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 has been contracted for, with the Corporation responsible for product, processing and delivery. Athabasca is currently actively fulfilling this contract.

Presently, the Corporation holds Alberta Metallic and Industrial Minerals Permits on 538,385 hectares (1,330,378 acres) largely located in the Fort McMurray region in northeast Alberta. A rich variety of industrial minerals has been identified in this region including silica sand 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 airborne magnetic surveys, stream sediment and outcrop sampling and deep well drilling.

Currently, the Corporation also holds Alberta Metallic and Industrial Minerals Leases on seven mineral leases covering 12,800 hectares (31,629 acres) containing silica sand, and Alberta Metallic and Industrial Minerals Leases on four mineral leases covering 5835.5 hectares (14,420 acres) containing salt.

B. AGGREGATE MANAGEMENT

The Corporation 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.

Susan Lake Aggregate Operation

The aggregate operation is located approximately 85 Km north of Fort McMurray. It is approximately 9,260 acres (3,750 hectares) in size. Approximately 1,259 hectares or 33.6% of the pit has been developed. Approximately 76.1 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. As at November 30, 2012 there are 60 months remaining on a ten year contract with the Alberta Government.

Between 2003 and 2012 sales from Susan Lake averaged 6.64 million tonnes per annum. In 2009 the Susan Lake pit was named the top aggregate supplier in Canada for the amount of aggregate sold totaling 6.59 million tonnes. During 2010, 2011 and 2012 Susan Lake Pit sales increased to 7.13 million tonnes, 7.75 million tonnes and 10.60 million tonnes respectively. The aggregate was utilized by oil sands companies and for other infrastructure projects in the Fort McMurray area.

Operations in the pit are year round, however there is a seasonal nature to the operations, due largely to construction projects starting up in the spring and summer seasons, with the majority of revenue earned in the 3rd and 4th quarters. In 2012 this pattern was not observed as the year began at a record pace then slowed during the remainder of the year, although remaining consistently above the quarterly levels of 2011. During Q1 2012 the Corporation reported a record high sales volume with unusually strong demand for aggregates. During Q2 2012, public pit aggregate demand surpassed Q2 2011 by 68.9%, and during Q3 2012 public pit aggregate demand surpassed Q3 2011 by 32.5%. During Q4 2012 public pit aggregate demand slowed to a level of 5.1% above Q4 2011. For the year ending November 30, 2012 public pit sales on which aggregate management fees are earned were 10,619,322 tonnes. This is a 36.9% or 2,860,711 tonne increase over 7,758,612 tonnes sold during fiscal 2011.

During Q1 2013, Susan Lake volume was lower than Q1 2012, when record high Q1 aggregate demand was achieved. However, the Q1 2013 tonneage sales at Susan Lake remained well above the Q1 2011 level.

Poplar Creek Aggregate Operation

The aggregate operation is located approximately 30 Km north of Fort McMurray. It is approximately 3,680 acres (1,490 hectares) in size. Approximately 1.5 million tonnes of aggregate has been removed from this pit since 2003.

The Poplar Creek management contract expired February 28, 2013. The expiry is not viewed to negatively impact the operations of the Corporation as the pit's operation had effectively ceased during fiscal 2011 due to the depletion of aggregate. 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 which expired February 28, 2013. The renewal is seeking approval to operate the land as a lay-down storage yard, and as a camp facility to accommodate our employees.

Poplar Creek Land Use Agreement

The Corporation and a work camp provider have a long term land use agreement enabling that company to operate a work camp at Poplar Creek on leased property that was previously held by Athabasca. During fiscal 2011 the Corporation entered into a long-term land use agreement with a camp provider to transfer a 42 acre parcel of developed land out of the depleted portion of the Corporation's current miscellaneous lease at Poplar Creek to the camp provider. On this land a work camp was constructed primarily to serve the accommodation needs of 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.

During April 2011, the camp provider commenced operations of a first lodge constructed on the lease that can accommodate approximately 500 oil sands industry workers. In determining the carrying value of the land use agreement receivable, and the gain on land use agreement, an estimate of total future monthly and daily accommodation receipts under the land use agreement is required. An assumption used in valuing the land use agreement receivable was revised at November 30, 2012 and is further described as follows. At November 30, 2011, the prevailing historic monthly average occupancy rate was projected to remain constant throughout the agreement's current term ending October 19, 2015; however, the average occupancy rate has increased over time. Through further experience observing actual occupancy rates, management has determined the carrying value of the land use agreement was understated due to the increasing average occupancy rate. At November 30, 2012 management revalued the portion of the land use agreement receivable attributable to the first lodge at $697,220. The revaluation was determined with reference to the monthly average accommodation rate experienced since inception at the first lodge, covering the period April 2011 through November 30, 2012, resulting in an increase of $193,922 in carrying value of the land use agreement receivable, and was taken into income at November 30, 2012. The future accommodation rate was projected to remain constant through October 19, 2015 at the actual historic level.

During June 2012, the camp provider commenced operations of a second lodge, constructed on the same 42 acre property, with accommodation for approximately 500 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. The Corporation will not receive an increased fixed monthly fee; however, the Corporation will receive proceeds for actual daily accommodation at the second lodge at the same daily rate received at the first 500 worker lodge. The work camp provider's contribution toward the estimated cost of decommissioning and restoration is unaffected by the addition of the second lodge, remaining in aggregate, not to exceed $300,000.

A valuation of the estimated future cash flow from the second lodge was made at August 31, 2012 and again at November 30, 2012. At November 30, 2012 management revalued the portion of the land use agreement receivable attributable to the second lodge at $923,640. The actual accommodation receipts from the second lodge were $297,048 during its first six months ended November 30, 2012. The combined actual accommodation receipts from both lodges were $609,536 during the year ended November 30, 2012, compared to $166,523 received in the prior year when only the first lodge was in operation.

The land use agreement receivable combined current and long-term carrying value of $1,620,860 at November 30, 2012 is the estimated future discounted receipts from both lodges subsequent to November 30, 2012.

Composition of the $1,400,573 Gain on Land Use Agreement reported at November 30, 2012 is provided below.

Components of Gain on Land Use Agreement- Year ended November 30, 2012:

Lodge 2: Valuation of estimated future discounted receipts	$1,026,938
Actual receipts over estimated receipts at lodge 2 through November 30, 2012	192,081
Lodge 1: Revaluation of estimated future discounted receipts	193,922
Increased future reclamation costs attributable to the land use agreement	(12,368)
Gain on Land Use Agreement	$1,400,573

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.

C. 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 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.

House River Pit

The House River pit is located approximately 11 km east of highway 63 on the House River. In addition to supplying the oil sands market, this location is ideally situated to supply gravel for the highway 63 twinning project. 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 road. During fiscal 2013 the Corporation anticipates upgrading the winter road to an all-season road. The development of an all season road would enable the Corporation to operate the House River pit on a year-round basis, should demand warrant the activity.

On October 19, 2012 the Alberta transportation minister announced that the province will twin a 240-kilometre stretch of Highway 63, which is to be completed within four years, at an estimated cost of $778 million. Management anticipates its House River pit is well-situated to potentially provide further supply of aggregates, as it has done so successfully in the past, for the Highway 63 twinning project.

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 aggregate operation to a number of major oil sands operations surrounding the pit. As a result the Kearl pit is able to undertake year-round aggregate extraction and sales. On February 21, 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 it 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 hauling costs can be a significant portion of the total landed cost for aggregate supply, customers may be able to source aggregate from the Kearl pit at more favorable prices as a result of reduced hauling distances.

In bringing this pit into operation, management determined that 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, compared to subcontracting the work, 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 demand for processed high quality aggregate from this pit. The Corporation took delivery of a new crushing spread and related machinery late in September 2012. The crushing spread was assembled and tested for operations during the month following delivery.

The Corporation initiated crushing operations using its own equipment and labor in Q4 2012 and successfully prepared 49,217 tonnes of gravel and a further supply of sand by year end 2012. All stockpiled gravel inventory on hand at November 30, 2012 had been sold during Q1 2013 as well as further sand sales. Challenging work conditions at the Kearl pit during start up, primarily due to winter weather conditions, resulted in a slower start up than anticipated. We feel the experience gained during the early operations at the Kearl pit have allowed us to further develop plans for future operations at the pit. We anticipate increased production of commercial grade aggregate and improvements in efficiencies as we move forward towards achieving daily operations.

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 road. 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 early 2010. On February 21, 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. The Corporation has stripped approximately 60 acres of this property to prepare the site for gravel extraction.

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 has been contracted for, with the Corporation responsible for product, processing and delivery. At this time, all aggregate crushing necessary to satisfy the contract has been performed. Winter weather conditions and poor road conditions delayed activity and made operations challenging once the project commenced. Although delays have been experienced, adjustments have been made to address the challenges and it is anticipated the remaining aggregate will be delivered to the customer in the coming months.

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

In April 2007, Athabasca signed a gravel lease agreement with a private pit operator in the Grimshaw, Alberta area northwest of Peace River, Alberta to take over the pit operation (the Warrensville pit) and the marketing of gravel in northwest Alberta.

Over the course of the lease agreement $150,000 had been recorded as prepaid expense, entitling the Corporation to 300,000 cubic yards (equal to 375,000 tonnes) of pit run aggregate. 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. During the third quarter of 2011 the lease expired. The Corporation remains entitled to obtain and sell the prepaid aggregate; however, due to the uncertainty of its future salability, the Corporation wrote off the amount paid for the gravel as a charge against income during fiscal 2011.

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. The carrying value of the acquired land is $157,100. Management is of the opinion there has not been impairment to the carrying value of this property.

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.

D. MINERAL PROPERTIES

As at March 13, 2013 the Corporation holds Alberta Metallic and Industrial Minerals Permits for 538,385 hectares (1,330,378 acres) of land and Alberta Metallic and Industrial Minerals Leases for 18,635.5 hectares (46,049 acres) of land in northern Alberta. Mineral permits are maintained in good standing by making allowable exploration assessment expenditures. Minerals leases are maintained in good standing by paying 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 or equity.

The following is the land area covered by the Corporation's mineral permits:

	March 13, 2013 (hectares)	November 30, 2012 (hectares)	November 30, 2011 (hectares)
Balance at beginning of period:	439,331	227,282	504,584
Mineral permits acquired during the period:	109,934	264,181	22,817
Mineral permits relinquished during the period:	(10,880)	(52,132)	(300,119)
Balance at end of period:	538,385	439,331	227,282

The following is the land area covered by the Corporation's mineral leases:

	March 13, 2013 (hectares)	November 30, 2012 (hectares)	November 30, 2011 (hectares)
Balance at beginning of period:	18,635.5	18,635.5	18,635.5
Mineral leases acquired during the period:	-	-	-
Mineral leases relinquished during the period:	-	-	-
Balance at end of period:	18,635.5	18,635.5	18,635.5

The Corporation holds Alberta Metallic and Industrial Minerals Leases on seven mineral leases covering 12,800 hectares (31,629 acres). The leases, collectively referred to by the Corporation as the Firebag property, are situated in the Wood Buffalo region of Alberta, and contain silica sand, a portion of which the Corporation plans to develop for the production of frac sand. Extensive independent laboratory testing has been performed to date on the silica sand, testing for its appropriateness in use as frac sand. The results are encouraging as the Corporation's frac sand was found to comply favorably with specifications and technical standards used in the fracking industry.

Athabasca also holds four mineral leases covering 5,835.5 hectares (14,420 acres) containing salt in the northeast area of Boyle, Alberta, which the Corporation is considering development for the production of salt.

<u>Salt</u>

The Corporation has mineral lease holdings on 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. Athabasca also has mineral permits totaling 13,481 hectares adjacent to and directly north and east of the Boyle leases and north of the Athabasca River. The Corporation maintains a 100% interest in these salt leases and permits.

The Corporation holds mineral permits on 39,536 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.

<u>Silica Sand</u>

The Corporation holds a 100% interest in Alberta Metallic and Industrial Minerals Leases on its Firebag property covering 12,800 hectares (31,629 acres) in the Fort McMurray region of northeast Alberta which contain silica sand. The property is accessible via Highway 63 and is near water and power sources.

Extensive testing of the silica sand deposit on the Corporation's Firebag property has been conducted. Testing for frac sand suitability was performed by Stim-Lab Inc of Oklahoma.

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.

Athabasca is currently evaluating strategies to bring its Firebag property to commercial production.

The Corporation is in discussions with the provincial government in order to obtain approvals for the development of a portion of this property for the production of frac sand. The Corporation made application in March 2013 to the Alberta Government for an 80 acre parcel of land contained on a portion of the Corporation's existing Firebag property, in conjunction with an earlier land package application near Fort McMurray adjacent to a regional rail line. With this application, the Corporation intends to develop this initial 80 acre parcel for mining of frac sand, and haul for processing at the land package currently under application.

The Corporation intends to later develop a larger area of an additional 500 acres which will require an EIA as frac sand depletes from the 80 acre parcel. In addition, the Corporation has commissioned an NI 43-101 report covering a total of 500 acres at the Firebag property.

Athabasca anticipates receiving government approvals for the existing applications for the 80 acre SML and for the land package adjacent to the rail yard during Q3 2013. Management anticipates initial frac sand production from the Firebag property deposit during fiscal 2014.

Minerals Exploration Update

During fiscal 2012 the Corporation identified a granite outcrop located approximately 70 kilometers north of the Susan Lake pit. 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. These results are of keen interest to the Corporation. Additional testing and drilling is planned for this area during fiscal 2013, with an NI 43-101 report expected to be commissioned.

E. SELECTED ANNUAL INFORMATION

The following information has been prepared in accordance with IFRS for years beginning December 1, 2010, the date of transition to IFRS. The year ended November 30, 2010 continues to be reported under Canadian generally accepted accounting principles ("CGAAP"). Revenue refers to aggregate management fee revenue, and commencing with the year ended November 30, 2012, also includes revenue from private pit gravel sales.

	Year Ended	Year Ended	Year Ended
	Nov 30/12	**Nov 30/11**	**Nov 30/10**
Revenue	$14,722,675	$8,691,784	$7,844,781
Aggregate operating expenses	$4,712,285	$1,521,181	$2,464,261
Gross profit	$10,010,390	$7,170,603	$5,380,520
Other expenses	$4,324,280	$3,184,742	$2,906,512
Other income (loss)	$794,304	$(112,242)	$(33,411)
Net Income and Comprehensive Income	$4,710,409	$2,780,791	$1,681,808
Basic income per common share	$0.171	$0.103	$0.06
Diluted income per common share	$0.170	$0.102	$0.06
Total Assets	$33,278,023	$20,197,714	$18,680,984
Property and equipment	$9,168,090	$734,034	$858,911
Resource Properties	$5,895,745	$4,694,489	$3,445,276
Callable debt	$-	$3,883,479	$5,723,729
Long-term debt	$3,548,430	$-	$-
Lease obligation	$5,614,501	$-	$-
Dividends declared	$-	$-	$-

F. 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, with applicable prior period amounts restated under IFRS (for periods beginning December 1, 2010, the date of transition to IFRS). Revenue refers to aggregate management fee revenue, and commencing with the period ending February 29, 2012, also includes revenue from private pit gravel sales.

	Prepared using International Financial Reporting Standards ("IFRS")			
	Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended
	Nov 30/12	**Aug 31/12**	**May 31/12**	**Feb 29/12**
Revenue	$4,301,229	$3,582,344	$3,209,483	$3,629,619
Aggregate operating expenses	$1,328,540	$689,516	$1,155,809	$1,538,420
Gain on land use agreement	$588,262	$812,311	$-	$-
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	$0.074	$0.026	$0.029
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

	Prepared using International Financial Reporting Standards ("IFRS")			
	Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended
	Nov 30/11	**Aug 31/11**	**May 31/11**	**Feb 28/11**
Revenue	$3,390,705	$2,613,379	$1,696,004	$991,696
Aggregate operating expenses	$657,430	$292,436	$271,447	$299,868
Gain on land use agreement	$646,517	$-	$58,450	$-
Write down of prepaid gravel	$-	$(150,000)	$-	$-
Write down of intangible assets	$(218,176)	$-	$-	$-
Write down of resource properties and exploration costs	$(447,906)	$(2,500)	$-	$(1,250)
Net income (loss) and comprehensive income (loss)	$1,309,901	$1,108,065	$364,715	$(1,890)
Basic net income (loss) per common share	$0.048	$0.041	$0.014	$(0.000)
Diluted net income (loss) per common share	$0.047	$0.041	$0.014	$(0.000)
Total Assets	$20,197,714	$18,842,510	$17,867,911	$17,895,817
Resource Properties	$4,694,489	$5,304,669	$4,586,374	$3,486,185

The Corporation derives the majority of its revenues from managing the production of and producing various types of aggregates in Northern Alberta. The ability to remove gravel from its gravel pits is hampered by cold and wet weather conditions. As a result, winter and spring are traditionally the slowest time for the Corporation. However, during Q1 2012 the Corporation reported its record high sales volume for the first three months of a fiscal year, with unusually increased demand for aggregates experienced during the first quarter. During Q2 2012, aggregate demand from the public pits surpassed Q2 2011 by 68.9%. During Q3 2012, aggregate demand from the public pits surpassed Q3 2011 by 32.5%. During Q4 2012, aggregate demand from the public pits surpassed Q4 2011 by 5.1%. The Corporation's fiscal 2012 public pit tonneage sales exceeded fiscal 2011 by 36.9%, with 10,619,322 tonnes sold compared to 7,758,612. During fiscal 2012, aggregate sales from the Corporation's private pits generated a further 317,445 tonnes sold (2011- nil). Combined public and private pits sales totaled 10,936,767 tonnes during fiscal 2012, an increase of 3,178,155 tonnes or 41.0% over 7,758,612 tonnes sold during fiscal 2011.

As various oil sands companies have announced plans to increase their production, management anticipates strong continuing demand for aggregate.

G. OUTLOOK

The Oil Sands Developers Group ("OSDG") advises that Canada's oil reserves are the second largest in the world ranking only behind Saudi Arabia. Oil sands, primarily situated near the Fort McMurray area in Alberta, anticipated at 170 billion barrels, represent 97% 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 this future economic growth. With its 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.

Although The Alberta oil sands industry environment is currently subject to different influences that have resulted in a greater than normal price differential between West Texas Intermediate crude (WTI) and Western Canadian Select (diluted bitumen), the impact is not expected to result in significant changes to construction activity in the Canadian oil sands environment. This is supported by information provided by OSDG in March 2013, when compared to similar information released six months earlier, as there is not an apparent decline in construction spending expected. In September 2012 OSDG advised in their project status reporting that oil sands and in-situ projects totaling 6,000,220 barrels per day capacity were in these categories:

- Projects with Regulatory approval
- Projects under Regulatory Review
- Projects Announced/ Disclosed

In March 2013 OSDG reports a total of 6,198,171 barrels per day comparative capacity, an increase of 3.3%.

During Q4 2012 the Corporation experienced a 5.1% increase in aggregate demand at Susan Lake pit over Q4 2011. During Q1 2013, Susan Lake volume was lower than Q1 2012, when record high Q1 aggregate demand was achieved. However, the Q1 2013 tonneage sales at Susan Lake remained well above the Q1 2011 level.

For fiscal 2013 the Corporation has planned various activities and initiatives for its exploration and aggregates programs, which include:

- Obtain government approvals for plans involving Firebag project silica production; receive and release NI 43-101 final report. Athabasca anticipates receiving government approvals for the existing applications for the 80 acre SML and for the land package adjacent to the rail yard during Q3 2013. Management anticipates initial frac sand production from the Firebag property during fiscal 2014;
- Perform additional drilling and testing on its permit property located north of Susan Lake. Q1 2013 initial drilling on this property confirms the presence of granite and dolomite. Complete an NI-43-101 report to confirm in-house data and establish quantities;
- Continue to realize efficiency improvements with Corporate owned crushing equipment at Athabasca's Kearl pit;
- Complete delivery of the current 375,000 tonne gravel sale from the Logan pit, and secure new sales orders for Logan;
- Construct an all-weather road for its House River pit, enabling pit access for full year sales potential at this producing pit. As a result Athabasca would be in position to supply gravel for the Highway 63 twinning project, as well as to nearby oil sands facilities, throughout the year.

Aggregate Management

The volume of aggregate extracted from the aggregate operations is subject to the demands of oil sands and construction companies in the Wood Buffalo and surrounding regions, which is dependent upon a number of factors. These factors include oil price, labour costs, government infrastructure spending, major (greater than $5 million) and minor construction project requirements, weather and road quality.

The Corporation determines demand for the year by discussing expected aggregate requirements with its major customers. On May 1, 2012, the Corporation announced that demand for aggregates for fiscal year ended November 30, 2012 is anticipated to exceed 7,758,612 tonnes, which was the volume of aggregate it had sold during fiscal year ended November 30, 2011. Fiscal 2012 tonneage sales exceeded management's forecast as annual sales reached 10,936,767, a 41.0% improvement over 2011 sales of 7,758,612 tonnes.

Despite recent declines in oil prices, oil sands companies have announced continued plans to increase their production, and as a result strong continuing demand for aggregate is anticipated by management.

Other Aggregate Resources

The retail price of aggregate is made up of a number of components including extraction and processing costs, haul distance, quality of aggregate, and order volume. The largest component in the price of aggregate is transportation. Pricing in respect of gravel resources becomes more competitive the closer they are to the end user. Aggregate sales from Susan Lake have been transported as far away as two hundred kilometers, which bodes well for the Corporate-owned pits the Corporation has placed into production during fiscal 2012. The Logan pit is much closer to a number of oil sand developments south of Fort McMurray. During Q4 2012, the Corporation began stripping a portion of the Logan pit to prepare the site for gravel extraction, and contract sales beginning Q1 2013.

During the six months ended May 31, 2012, the House River pit initiated production and completed a 253,500 tonnes asphalt aggregates sale to a major road builder. Alberta's Department of Transportation intends to twin a 240-kilometre stretch of Highway 63, to be completed by fall 2016 at an estimated cost of $778 million. Management anticipates its House River pit is well-situated to potentially participate in further supply of aggregates for the Highway 63 twinning project as well as for other prospective demands. The Kearl pit is located approximately 60 kilometers east of the Susan Lake aggregate operation and in the immediate vicinity of major oil sands operations surrounding the project area. During Q3 2012 approximately 44,338 tonnes of crushed gravel and an additional quantity of stockpiled sand was produced from the Corporation's Kearl pit. All gravel and an amount of sand was sold during Q4 2012. The Corporation initiated crushing operations at Kearl pit using its own equipment and labor in Q4 2012 and successfully prepared 49,217 tonnes of gravel and a further supply of stockpiled sand by year end 2012. All stockpiled gravel inventory on hand at November 30, 2012 had been sold during Q1 2013 as well as sales of sand. Management feels the experience gained during the early operations at the Kearl pit have allowed us to further develop plans for future operations at the pit. It is anticipated that increased production of commercial grade aggregate and improvements in efficiencies will be realized as we move forward towards achieving daily operations.

Public Land

The Corporation continues with its aggregate exploration programs. If sites prove to contain sufficient quantity and quality of aggregates, the Corporation will proceed with obtaining approval for Surface Material Lease Applications on suitable properties.

Private Land

The Corporation will continue to look for a market and customers for its 300,000 cubic yards (375,000 tonnes) of purchased pit run from the Warrensville pit. Since there are other gravel pits in the area and competing for the same market, a concerted effort will be required to sell the aggregate on economic terms.

Mineral Properties

The Corporation continually assesses its mineral exploration program.

Increased demand for oil and gas has driven producing companies to stimulate older wells to increase production. One of the methods is hydrofracing, where a combination of frac sand, a viscous gel and other chemicals are forced down the well to prop open fractures. The frac sand used must be high in silica content, with well-rounded grains, a suitable range of fine, medium and coarse grain sizes, clean of other minerals and impurities, and mineable.

The Corporation conducted further exploration and independent testing of its silica sand properties during fiscal 2011. During 2011, the Corporation announced highly reputable, independent laboratory test results were received. These results demonstrate the proppant quality of its Firebag property silica sand compares favorably to the frac sand specifications as set by the International Organization for Standardization (ISO) and American Petroleum Institute (API). The Corporation will pursue development and marketing of opportunities with companies interested in utilizing its high quality silica sand.

The Province of Alberta recently has completed a regional land use study of the Lower Athabasca area that impacts on mineral activities in the area. A plan has been enacted, known as the Lower Athabasca Regional Plan (the "LARP"), which identifies and sets resource and environmental management protocols with respect to air, land, and biodiversity, and will guide future resource management in the region.

The Lower Athabasca area includes several of the Corporation's properties that are proposed for, or had been actively explored by, the Corporation. Although the LARP is now in place, its effects on the current mineral holdings and activities are still under review. However, the plan does not appear to have a significant impact on the Corporation's holdings in the region, as no permit or lease lands were lost, although several mineral permit applications were rejected as a result of LARP.

H. OPERATING RESULTS

	Year Ended November 30, 2012	Year Ended November 30, 2011
Aggregate management fees	$11,682,347	$8,691,784
Net aggregate sales	$3,040,328	$-
Total revenue	**$14,722,675**	**$8,691,784**
Stripping, clearing and crushing expenses	$3,271,468	$336,730
Amortization, depreciation and depletion	$379,082	$-
Other aggregate operating expenses	$1,061,735	$1,184,451
Aggregate operating expenses	$4,712,285	$1,521,181
Gross profit	**$10,010,390**	**$7,170,603**
Other expenses		
Amortization and depreciation	$1,259,611	$1,094,237
General and administrative	$2,331,628	$1,731,697
Finance costs	$263,591	$245,097
Share-based compensation	$469,450	$113,711
Income before other items	$5,686,110	$3,985,861
Other income (loss)		
Interest	$35,523	$8,742
Gain on land use agreement	$1,400,573	$704,967
Write down of prepaid gravel	$-	$(150,000)
Write down of resource properties and exploration costs	$(670,389)	$(451,656)
Recovery (write down) of intangible assets	$17,331	$(218,176)
All other (loss)	$11,266	$(6,119)
Income before income taxes	**$6,480,414**	**$3,873,619**
Income taxes	$1,770,005	$1,092,828
Net income and comprehensive income	**$4,710,409**	**$2,780,791**
Basic income per common share	**$0.171**	**$0.103**
Diluted income per common share	**$0.170**	**$0.102**

Total revenue for the three months ended November 30, 2012 was $4,301,229, comprised of aggregate management fees of $3,311,716 and net aggregate sales of $989,513. This compared to total revenue for the three months ended November 30, 2011 of $3,390,705 comprised solely of aggregate management fees. During the three months ended November 30, 2012 total revenue and aggregate management fees increased by $910,524 or 26.9%, including a reduction in aggregate management fees of $78,989 or 2.3%. Additional fees are charged when the scales are operated beyond normal business hours. In the three months ended November 30, 2012 there was a reduction in requests for over-time scale operations, which resulted in reduced revenue.

Total tonneage sales of aggregate on which aggregate management fees are earned by the Corporation had increased by 5.1%, with 3,060,189 tonnes sold in the three months ended November 30, 2012 compared with 2,911,686 sold in the three months ended November 30, 2011. There were 63,945 additional tonnes sold from Kearl pit during the three months ended November 30, 2012 (2011- nil).

Total revenue for the year ended November 30, 2012 was $14,722,675 comprised of $11,682,347 aggregate management fees and private pit net aggregate sales of $3,040,328. This compared to total revenue for the year ended November 30, 2011 of $8,691,784 comprised solely of aggregate management fees, as sales from private pit gravel operations had not yet commenced. During the year ended November 30, 2012 total revenue had increased by 69.4%, and aggregate management fees increased by 34.4%. 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, contributing to the increase in aggregate management fees. In addition, additional fees are charged when the scales are operated beyond normal business hours. In the year ended November 30, 2012 there was an increase in requests for over-time scale operations, which resulted in increased revenue.

Total tonneage sales of aggregate had increased by 41.0%, with 10,936,767 tonnes sold in the year ended November 30, 2012 compared with 7,758,612 tonnes sold in the year ended November 30, 2011. Aggregate sales on which management fees are earned rose 36.9% on 10,619,322 tonnes sales during the year ended November 30, 2012 compared to 7,758,612 tonnes sales during the year ended November 30, 2011. There were 317,445 tonnes sold from private pits during the year ended November 30, 2012 (2011- nil).

Aggregate operating expenses for the three months ended November 30, 2012 were $1,328,540 representing an increase of $671,110 or 102.1% from $657,430 for the three months ended November 30, 2011. Stripping, clearing and crushing expenses of $1,434,784 were incurred during Q4 2012 (Q4 2011- nil). Amortization, depreciation and depletion expense was $310,005 during Q4 2012 (Q4 2011- nil). All other aggregate operating expenses decreased by 229.8% during Q4 2012, down $736,949 to $(416,249) compared to $320,700 during Q4 2011. A Q4 2012 credit of $(416,249) in all other aggregate operating expenses resulted from aggregate operating expenses being capitalized as aggregate inventory available for sale. Q4 2012 cost increases in other aggregate operating expenses primarily involved increased fuel costs, hauling costs on aggregate sales, and increased aggregate operations payroll costs.

Aggregate operating expenses for the year ended November 30, 2012 were $4,712,285 representing an increase of $3,191,104 or 209.8% from $1,521,181 for the year ended November 30, 2011. Stripping, clearing and crushing expenses of $3,271,468 were incurred during the year ended November 30, 2012 compared to $336,730 in the comparative period, an increase of $2,934,738 or 871.5%. Amortization, depreciation and depletion expense for the year ended November 30, 2012 was $379,082 (2011- nil). All other aggregate operating expenses decreased by 10.4% during the year ended November 30, 2012, down $122,716 to $1,061,735 compared to $1,184,451 during the year ended November 30, 2011. Cost increases in other aggregate operating expenses primarily involved $467,511 increased fuel costs, $377,286 increased aggregate operations payroll costs, $179,340 hauling costs on aggregate sales, and $81,866 increased testing and drilling expense.

Depreciation of property and equipment rose by $188,388 to $222,556 during Q4 2012 due to the substantial increase in property and equipment acquired by the Corporation. A $68,625 reduction in amortization during Q4 2012, from $238,514 to $169,889 was primarily due to there not being further amortization of the Poplar Creek management contract or reclamation cost asset, as these assets were written off during fiscal 2011 due to pit depletion.

For the year ended November 30, 2012 depreciation of property and equipment rose by $251,484 to $392,944 up from $141,460 during fiscal 2011 due to the substantial increase in property and equipment acquired by the Corporation during the year. Amortization of intangible assets declined by $86,110 during the year primarily due to there not being further amortization of the Poplar Creek management contract or reclamation asset, as these assets were written off during fiscal 2011 due to pit depletion.

General and administrative expenses for the three months ended November 30, 2012 increased by $186,499 or 25.1% to $928,834 up from $742,335 for the three months ended November 30, 2011. The increase is primarily due to $103,144 increased G&A payroll cost, an increase in bad debt expense provision of $119,207, increased director fees of $29,375, and increased office rent of $15,900.

General and administrative expenses for the year ended November 30, 2012 increased by $599,931 or 34.6% to $2,331,628 up from $1,731,697 for the year ended November 30, 2011. The increase is primarily due to $236,325 in increased G&A payroll costs, $132,251 in increased consulting fees, split roughly equally between silica activities for which there were no corresponding costs in the comparative period, and other costs of a non-repetitive nature. Increased accounting and legal fees during 2012 represented $67,015 of the total increase. Increased bad debt expense provision was $119,717 and office rent increased by $37,700 which includes the opening of the Corporation's Calgary office space during fiscal 2012.

Finance costs were $101,526 for the three months ended November 30, 2012, up $46,859 from $54,667 for the three months ended November 30, 2011. The increase primarily results from increased interest costs arising from fiscal 2012 finance leases and debt refinancing. In particular, additional interest arose on the leases advanced during Q3 and Q4 2012. The lease proceeds were used exclusively to finance the purchase of property and equipment.

Finance costs were $263,591 for the year ended November 30, 2012, up $18,494 from $245,097 for the year ended November 30, 2011. The increase primarily results from increased interest costs arising from fiscal 2012 finance leases and debt refinancing. In particular, additional interest arose on the leases advanced during Q3 and Q4 2012. The lease proceeds were used exclusively to finance the purchase of property and equipment. $7,767 increased accretion expense during fiscal 2012 ($14,971 compared to $7,204) accounted for the remainder of change in finance costs.

Share-based compensation increased by $265,301 during Q4 2012, to $275,119 from $9,818 due to higher vesting during Q4 2012 than during the comparative quarter. This resulted from stock options granted during March 2012 and August 2012. These latest stock option grants reflect significantly increased estimated average fair value per option than stock option grants expensed in the comparative quarter, primarily due to the increased market price of the Corporation's shares. This will result in comparatively higher non-cashflow share-based compensation over the 18-month vesting period covering the March 2012 and August 2012 stock option grants than with vesting of stock option grants from earlier periods.

Share-based compensation increased by $355,739 during the year ended November 30, 2012, to $469,450 from $113,711 due to higher vesting than during the comparative year. This resulted from stock options granted during March and August 2012. These latest stock option grants reflect significantly increased estimated average fair value per option than stock option grants expensed in the prior year, primarily due to the increased market price of the Corporation's shares. This will result in comparatively higher non-cashflow share-based compensation over the 18-month vesting period covering the March 2012 and August 2012 stock option grants than with vesting of stock option grants from earlier periods.

Interest income during Q4 2012 totalled $10,054 as compared to $2,348 for the comparative period, an increase of $7,706. The increase is due to interest income recognized on collections received that had been discounted when determining the carrying value of the land use agreement receivable; interest charges on overdue accounts receivable; and an increase in the interest rate earned on the short- term investment that had matured during fiscal 2012.

Interest income during year ended November 30, 2012 totalled $35,523 as compared to $8,742 for comparative period, an increase of $26,781. The increase is due to interest income recognized on collections received on the land use agreement receivable; interest charges on overdue accounts receivable; and an increase in the interest rate earned on the short- term investment that matured during fiscal 2012.

Gain on land use agreement during Q4 2012 was $588,262 (Q4 2011- $646,517), arising from adjustment in the estimated future discounted cashflow expected to be received under the agreement beyond fiscal 2012 throughout its' initial term which expires October, 2015, net of revised estimated future reclamation costs attributable to the land use agreement.

Gain on land use agreement during fiscal 2012 was $1,400,573 (fiscal 2011- $704,967), arising from adjustment in the estimated future discounted cashflow expected to be received under the agreement beyond fiscal 2012 throughout its' initial term which expires October, 2015, net of revised estimated future reclamation costs attributable to the land use agreement. Pursuant to the land use agreement, during fiscal 2012 a second lodge was opened. Both the initial lodge and the second lodge experienced increasing average monthly rates of occupancy during fiscal 2012. Cash received from the land use agreement was $609,536 during fiscal 2012 (fiscal 2011- $166,523). At November 30, 2012 the land use agreement receivable was valued at $1,620,860 representing estimated future discounted cashflow for both lodges through October, 2015. At November 30, 2011 the land use agreement receivable was valued at $816,933 when there was only the initial lodge in operation.

During the three months ended November 30, 2012, the Corporation earned net income and comprehensive income of $1,160,601 or $0.042 basic income per common share. This reflects an 11.4% decrease in net income, down $149,300 from $1,309,901 net income and comprehensive income and $0.048 basic income per share earned during Q4 2011. Changes in the composition of net income include an increase in revenue of $910,524, consisting of a $78,989 reduction in aggregate management fees and net aggregate sales of $989,513 (Q4 2011- nil). Increased revenue was partially offset by $671,110 increased aggregate operating expenses during Q4 2012, with a resulting gross profit of $2,972,689, up $239,414 from $2,733,275. Other expenses increased by $618,422 to $1,697,924 from $1,079,502, primarily due to increased share-based compensation, increased depreciation on property and equipment, and increased G&A expense. Pre-tax profitability decreased by $397,369 during the quarter, at $1,246,161 down from $1,643,530, while income taxes decreased by $248,069 during the quarter, to $85,560 down from $333,629. A decrease of $18,361 in other income (loss) during the quarter accounts for the remainder of the $149,300 decrease in net income.

During the year ended November 30, 2012, the Corporation earned net income and comprehensive income of $4,710,409 or $0.171 basic income per common share. This reflects a 69.4% increase in net income, up $1,929,618 from $2,780,791 net income and comprehensive income and $0.103 basic income per share earned during the year ended November 30, 2011. Changes in the composition of net income include an increase in revenue of $6,030,891, consisting of a $2,990,563 increase in aggregate management fees and net aggregate sales of $3,040,328 for which there were no sales in fiscal 2011. Increased revenue was partially offset by $3,191,104 increased aggregate operating expenses during fiscal 2012, with a resulting gross profit of $10,010,390, up $2,839,787 from $7,170,603. Other expenses increased by $1,139,538 to $4,324,280 from $3,184,742, primarily due to increased G&A expense, increased share-based compensation, and increased depreciation on property and equipment. An increase of $906,546 in other income (loss) during fiscal 2012 was primarily the result of the $695,606 increased gain on land use agreement. Pre-tax profitability increased by $2,606,795 during fiscal 2012, at $6,480,414 up from $3,873,619, while income taxes increased by $677,177 during fiscal 2012 to $1,770,005 down from $1,092,828.

I. OPERATING ACTIVITIES

Cash flow from operating activities for the year ended November 30, 2012 was $5,430,761 as compared to $3,734,754 for the year ended November 30, 2011, an increase of $1,696,007. Various factors accounted for the increased cash flow from operating activities. Net income adjusted for non-cash items was $6,355,892 for the year ended November 30, 2012 compared to $3,952,086 for the prior year, a cash increase of $2,403,806. Cash in the amount of $1,572,578 was provided through an increase in trade and other payables during fiscal 2012, compared to an increase of $604,792 during fiscal 2011, an increase in cash provided of $967,786. During fiscal 2012 cash in the amount of $840,786 was used through an increase in accounts receivable compared to an increase in accounts receivable of $567,880 during fiscal 2011, a decrease of $272,906 in cash used. Cash in the amount of $30,749 was provided in fiscal 2012 through an increase in income tax payable compared to a decrease in income tax payable of $429,280 during fiscal 2011, an increase of $460,029 in cash provided. A decrease of $186,730 in prepaid expenses and deposits during fiscal 2012 compared to an increase of $175,036 in prepaid expenses and deposits during fiscal 2011 resulted in $361,766 more cash used for prepaid expenses and deposits. Cash in the amount of $1,500,942 was used during fiscal 2012 to produce inventory (2011- nil).

J. INVESTING ACTIVITIES

		Year Ended November 30, 2012		Year Ended November 30, 2011
Purchase of property and equipment	$	(5,344,737)	$	(16,582)
Restricted cash		(187,493)		(25,522)
Long-term deposits		(260,256)		(81,540)
Development costs related to land use agreement		-		(214,653)
Proceeds from land use agreement		609,536		166,523
Resource properties		(1,524,501)		(1,630,312)
Proceeds from sale and leaseback of property and equipment		2,305,454		$-
Insurance proceeds from loss of property and equipment		4,250		$-
Proceeds on maturity of short-term deposit		603,000		$-
Total	$	(3,794,747)	$	(1,802,086)

During fiscal 2012, the Corporation invested $5,344,737 in the purchase of property and equipment, primarily for the purchase of a crushing spread and related equipment at its Kearl pit, and for equipment used for stripping and other operations at the Kearl, Logan and Susan Lake pits. During fiscal 2011, the Corporation invested $16,582 toward the purchase of property and equipment.

During fiscal 2012, the Corporation invested $137,493 in a restricted cash account, pursuant to its land use agreement with a work camp provider. These funds are invested for the purpose of future funding of Poplar Creek pit reclamation costs. As well, the Corporation invested $50,000 in restricted cash to defray future reclamation costs for land disturbance to date at its House River pit. During fiscal 2011, the Corporation invested $25,522 in a restricted cash account, pursuant to its land use agreement with a work camp provider.

During fiscal 2012 the Corporation invested $110,696 as deposits on its lease obligation, and $149,560 in resource property security deposits. During fiscal 2011 the Corporation invested $81,540 in resource property security deposits.

During fiscal 2012 the Corporation received proceeds of $609,536 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 $166,523 had been received during fiscal 2011.

During fiscal 2012 the Corporation invested $1,441,827 in exploration and development costs with its mineral resource properties, and funded mineral properties applications in the amount of $17,450, and mineral lease rent of $65,224. During fiscal 2011, the Corporation invested $1,549,463 in exploration and development costs with its mineral resource properties, and funded additional mineral properties applications in the amount of $8,750, and mineral lease rent of $72,099.

During the year ended November 30, 2012 the Corporation obtained property and equipment in the amount of $6,001,707 by entering into finance leases. Of the 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 acquired property and equipment 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 fiscal 2012 the Corporation received proceeds of $603,000 on maturity of its short-term deposit. This deposit was used as security for a letter or credit. Upon bank refinancing during fiscal 2012 the security was released. Upon maturity the proceeds were used for working capital.

K. FINANCING ACTIVITIES

		Year Ended November 30, 2012		Year Ended November 30, 2011
Repayment of callable debt	$	(3,883,479)	$	(1,840,250)
Issue of share capital		227,117		67,151
Repurchase of share capital		$-		(58,498)
Long-term debt proceeds		4,000,000		$-
Long-term debt transaction costs		(41,250)		$-
Repayment of long-term debt		(416,667)		$-
Repayment of lease obligations		(387,205)		$-
Total	$	(501,484)	$	(1,831,597)

During fiscal 2012 the Corporation received proceeds of $227,117 on the exercise of its stock options, compared with proceeds of $67,151 for stock options exercised during fiscal 2011.

During fiscal 2012 the Corporation received long-term debt proceeds of $4,000,000 with which it repaid all outstanding callable debt and the remainder available to fund long-term debt set up fees and working capital. During fiscal 2012 $416,667 of the $4,000,000 long-term debt had been repaid. There were no long-term debt proceeds during fiscal 2011.

During the year ended November 30, 2012 the Corporation obtained property and equipment in the amount of $6,001,707 by entering into finance leases. Of the total, property and equipment in the amount of $2,305,454 was acquired on a sale and leaseback basis, and a further $3,696,253 of acquired property and equipment 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. Principal repayments of lease obligations totalled $387,205 during fiscal 2012. No finance leases had been entered into during fiscal 2011.

During fiscal 2012 there had been no repurchase of share capital, whereas during fiscal 2011 the Corporation expended $58,498 for the repurchase of its share capital pursuant to a normal course issuer bid that terminated on July 5, 2011.

L. LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2012 the Corporation reported working capital of $4,362,908 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 13, 2013 the Corporation holds mineral permits covering 538,385 hectares (1,330,378 acres). The Corporation has spending commitments totaling approximately $909,000 in fiscal 2013, $3,177,000 in fiscal 2014, and $654,000 in fiscal 2015 to retain these mineral permits held by the Corporation.

As at March 13, 2013 the Corporation holds mineral leases covering 18,635 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 $65,223 over the 15 year life of the mineral leases which expire in 2026.

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 reduced 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.

M. OUTSTANDING SHARE DATA

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 13, 2013:

Number of Common Shares Outstanding	28,117,500
Number of Stock Options Outstanding	1,976,666

The Corporation had 1,976,666 outstanding stock options with the following exercise prices and expiry dates:

Number	Exercise Price	Expiry Date
25,000	$0.40	May 13, 2013
75,000	$0.25	September 21, 2014
220,000	$0.26	October 15, 2015
70,000	$0.35	October 6, 2016
1,051,666	$0.63	March 29, 2017
175,000	$1.04	August 24, 2017
360,000	$1.64	December 11, 2017
1,976,666		

A total of 726,668 stock options were exercisable at a weighted average price of $0.49 per share.

Normal Course Issuer Bid:

During the years ended November 30, 2010 and 2011 the Corporation had in place a normal course issuer bid that commenced on July 5, 2010 and terminated on July 5, 2011. During the year ended November 30, 2011 the aggregate cost of the common shares purchased and cancelled was $58,498 of which $52,154 was recorded as a charge against share capital for the average carrying value of the common shares of approximately $0.24 per share with $6,344 charged to retained earnings.

During the years ended November 30, 2011 and November 30, 2012 the Corporation had in place a normal course issuer bid that commenced on August 12, 2011 and terminated on August 12, 2012 (the "2011 Bid"). During the years ended November 30, 2011 and November 30, 2012 no common shares were repurchased pursuant to the 2011 Bid.

During the year ended November 30, 2012 the Corporation had in place a normal course issuer bid (the "2012 Bid"). In accordance with the terms of the Bid, the Corporation may purchase up to a total of 1,388,625 common shares representing approximately 5% of the common shares of the Corporation issued and outstanding as at August 9, 2012. The Bid commenced on August 14, 2012 and will terminate on August 14, 2013. All acquisitions of common shares by the Corporation pursuant to the 2012 Bid will be made through the facilities of TSX Venture at the market price for the common shares at the time of the acquisition. The purchase and payment for the common shares will be made by the Corporation in accordance with the by-laws and rules of TSX Venture.

There are no persons acting jointly or in concert with the Corporation in respect of the 2012 Bid. The Corporation is making the 2012 Bid in order to stabilize the trading price and provide liquidity in the market for its common shares. During the year ended November 30, 2012 no common shares had been repurchased pursuant to the 2012 Bid.

Purchases on behalf of the Corporation will be made by Wolverton Securities (Alberta) Ltd., 2100-335 8 Avenue S.W., Calgary, Alberta – T3H 4R5. Shareholders of the Corporation can obtain a copy of the Notice of Intention to Make a Normal Course Issuer Bid (Form 5G), which was submitted by the Corporation to TSX Venture in order to obtain the necessary regulatory approval, without charge, by contacting the Chief Financial Officer of the Corporation at (780) 465-5696.

N. RELATED PARTY TRANSACTIONS

During the year ended November 30, 2012, the Corporation incurred expenses of $979,517 (2011 - $513,587) 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:

	2012	2011
Directors and Officers:		
Directors fees and expenses	$ 54,764	$ 33,389
Travel and miscellaneous	31,498	45,857
Exploration and development costs	-	839
	86,262	80,085
Companies controlled by directors and officers:		
Consulting fees for services rendered	263,859	346,399
Travel and miscellaneous	12,822	13,357
Exploration and development costs	548,574	13,746
Rent	68,000	60,000
	893,255	433,502
	$ 979,517	$ 513,587

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.

O. 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:

	2012	2011
Salaries and other benefits	$ 845,629	$ 683,195
Share-based benefits	311,399	80,093
	$ 1,157,028	$ 763,288

P. SIGNIFICANT JUDGEMENTS AND ACCOUNTING ESTIMATES

The preparation of the Corporation's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include:

Judgments

Revenue
Under its aggregate management contracts with the government, the Corporation invoices its customers for any royalties applicable on the sale of aggregates, and is responsible to collect and remit all invoiced royalties. An entity acts as a principal (not as an agent) when it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services. In a principal relationship, billed amounts are reported on a gross basis. In an agency relationship, billed amounts are reported on a net basis as the amounts collected on behalf of the principal are not considered revenue. Determining whether an entity is acting as a principal or agent requires judgment and consideration of all relevant facts and circumstances. Features that indicate that an entity is acting as a principal include:

- The entity has the primary responsibility for providing the goods or services to the customer or for fulfilling the order;
- The entity bears the customer's credit risk for the amount receivable from the customer;
- The entity has latitude in establishing prices, either directly or indirectly, for example by providing additional goods or services; and
- The entity has inventory risk before or after the customer order, during shipping or on return.

It is the judgment of management that in the case of providing aggregate management services, the first two considerations above apply to the Corporation's situation, whereas the remaining two considerations apply less to the Corporation's situation It is therefore management's determination that the Corporation serves a role as principal rather than agent in the aggregate management services it performs.

Impairment of Resource Properties

Mineral properties are reviewed and evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Common indicators of impairment of a mineral property include, but are not limited to: (i) the right to explore in a specific area has expired, or will soon expire, and is not expected to be renewed; (ii) substantive expenditure on further exploration in a specific area is neither budgeted or planned; (iii) exploration in an area has not led to the discovery of commercially viable quantities of mineral resources, or the results are not compelling enough to warrant further exploration, and the Corporation has decided to discontinue activities in the area; or (iv) sufficient data exist to indicate that, although exploration or development in an area is likely to proceed, the carrying amount of the mineral property is unlikely to be recovered in full from successful development or by sale.

Commencement of Commercial Production

The Corporation assesses the stage of each resource property under development to determine when a property reaches the stage when it is substantially complete and ready for its intended use. Criteria used to assess when a property has commenced commercial production includes, among other considerations:

- Capital expenditures incurred relative to the expected costs to complete;
- The completion of a reasonable period of testing of mine plant and equipment;
- The ability to produce saleable aggregates;
- Achievement of production targets;
- Sufficiency of hauling access from the pit,
- The ability to sustain ongoing production.

When management determines that a property has commenced commercial production, costs deferred during development are reclassified as production costs and amortized.

Collectability of Accounts Receivable

In considering the collectability of accounts receivable, taken into account is the legal obligation for payment by the customer, as well as the financial capacity of the customer to fund its obligation to the Corporation.

Leases

Management uses judgment in determining whether the lease is a finance lease arrangement that transfers substantially all the risks and rewards of ownership. Management evaluates the lease terms and in some cases the lease transaction is not always conclusive in its classification as a finance lease.

Estimates

Useful Economic Life of Property and Equipment

The cost less the residual value of each item of property, plant and equipment is depreciated over its useful economic life. Depreciation is charged to exploration expense over the estimated life of the individual asset. Depreciation commences when assets are available for use. The assets' useful lives and methods of depreciation are reviewed and adjusted if appropriate at each fiscal year end.

Certain property, plant, equipment and other tangible assets used directly in resource production activities are depreciated using the units-of-production ("UOP") method over a period not to exceed the estimated life of the ore body based on recoverable minerals to be mined from proven and probable mineral reserves.

The calculation of the UOP rate, and therefore the annual depreciation expense, could be materially affected by changes in the underlying estimates. Changes in estimates may result from difference between actual future production and current forecast of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of production and differences in mineral prices used in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation and no assurance can be given that the actual useful lives or residual values will not differ significantly from current assumptions.

Impairment of Goodwill and Other Assets

Any goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of property and equipment and intangible assets is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in profit or loss. The assessment of fair values less costs to sell or value in use, including those of the cash-generating units for purposes of testing goodwill, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of goodwill or other assets could impact the impairment analysis.

Mineral Reserves

Proven and probable minerals reserves are the economically mineable parts of the Corporation's measured and indicated mineral resources demonstrated by at least a preliminary feasibility study. The Corporation estimates its proven and probable mineral reserves and measured and indicated and inferred mineral resources based on information compiled by appropriately qualified persons. Geological estimates of the size, depth and shape of the ore body requires complex judgements. The estimation of future cash flows related to proven and probable mineral reserves is based upon factors such as estimates of commodity prices, future capital requirements, mineral recovery factors and production costs along with geological assumptions and judgements made in estimating the size and grade of the ore body. Changes in the proven and probable mineral reserves or measured and indicated and inferred mineral resources estimates may impact the carrying value of mineral properties, property and equipment, decommissioning and restoration provisions, recognition of deferred tax amounts, amortization and depreciation.

Calculation of Share-based Payments

The amount expensed for share-based payments is based on the application of the Black-Scholes option pricing formula, which is highly dependent on the expected volatility of the Corporation's share price and the expected life of the options. The Corporation used an expected volatility rate for its shares based on historical stock trading data adjusted for future expectations; actual volatility may be significantly different.

While the estimate of share-based compensation can have a material impact on the operating results reported by the Corporation, it is a non-cash charge and as such has no impact on the Corporation's cash position or future cash flows.

Decommissioning and Restoration Provision

The Corporation assesses its provision for decommissioning and restoration on an annual basis or when new information or circumstances merit a re-assessment. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and the Corporation has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for decommissioning and restoration obligations required management to make estimates of the future costs the Corporation will incur to complete the decommissioning and restoration work required to comply with existing laws and regulations.

Actual costs incurred may differ from estimated costs. Also, future changes to environmental laws and regulations could increase the extent of decommissioning and restoration work to be performed by the Corporation. Increases in future costs could materially increase amounts expensed and amounts charged to profit or loss for decommissioning and restoration.

The provision, at each reporting date, for decommissioning and restoration provisions represents management's best estimate of the present value of the future decommissioning and restoration obligations. Actual expenditures may differ from the recorded amount.

Inventories

Aggregate work-in-process and finished goods are valued at the lower of average production cost or net realizable value. Net realizable value is the estimated receipt from sale of the inventory in the normal course of business, less any anticipated costs to be incurred prior to its sale. The production cost of inventories is determined on a weighted average basis and includes direct labour, subcontractor production costs, overhead and depreciation, depletion and amortization of resource properties.

Income Taxes

Income taxes in interim reporting periods are measured by applying estimated annual effective income tax rates that are expected to be in effect when the temporary differences that give rise to deferred tax assets and liabilities are expected to reverse or when losses are expected to be utilized. The estimated average annual effective income tax rates are re-estimated at each interim reporting date. Estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Corporation's ability to utilize the underlying future tax deductions against future taxable income before they expire. The Corporation's assessment is based upon existing tax laws, estimates of future taxable income, and the expected timing of taxable temporary difference reversals.

If the assessment of the Corporation's ability to utilize the underlying future tax deductions changes, the Corporation would be required to recognize more or fewer of the tax deductions as assets, which may decrease or increase the income tax expense in the period in which this is determined.

Land Use Agreement Receivable

The average daily work camp occupancy rates used in the determination of the total future proceeds of the land use agreement receivable is an estimate and therefore actual future proceeds under the land use agreement could vary significantly. During the year ended November 30, 2012, a second lodge was constructed in the work camp. The work camp was constructed primarily to serve the accommodation needs of the oil sands industry workers. The actual occupancy rate is largely dependent on oil sands development activity in the Fort McMurray region of Alberta.

Q. 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. The Corporation is currently evaluating the impact of the new standards.

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. The Corporation is currently evaluating the impact of this new standard.

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. The Corporation is currently evaluating the impact of this new standard.

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. The Corporation is currently evaluating the impact of this standard.

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. The Corporation is currently evaluating the impact of these amendments.

vi. Financial instruments classification and measurement

IFRS 9, "Financial Instruments" was issued and will replace IAS 39, "Financial Instruments: Recognition and Measurement." The new standard has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value, and a debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows that represent principal and interest. The new standard is effective for annual periods beginning on or after January 1, 2015. The Corporation is currently evaluating the impact of this new standard.

R. TRANSITION TO IFRS

The Corporation's IFRS accounting policies presented in Note 4 of the November 30, 2012 financial statements have been applied in preparing the financial statements for the year ended November 30, 2012, the comparative information and the opening balance sheet at the Transition Date.

The Corporation has applied IFRS 1, First-time Adoption of International Financial Reporting Standards in preparing these IFRS financial statements. The effects of the transition to IFRS on equity, comprehensive income and reported cash flows are presented in this section and are further explained in the notes that accompany the tables below. There was no significant impact on the statements of cash flows as a result of adopting IFRS.

First time adoption and exceptions applied

Upon transition to IFRS, IFRS 1 mandates certain exceptions and permits certain exemptions from full retrospective application. The Company has applied the mandatory exceptions and elected certain optional exemptions.

Mandatory exceptions to retrospective application

Estimates

Hindsight was not used to create or revise estimates. The Corporation's estimates in accordance with IFRS at the date of transition are consistent with estimates made for the same date in accordance with Canadian GAAP.

Elected exemptions from full retrospective application

Share-based payment transactions

The Corporation has elected under IFRS to not apply IFRS 2 Share-based Payments to stock options that have vested by December 1, 2010, the Transition Date.

Business Combinations

The Corporation has elected not to apply IFRS 3 Business Combinations retrospectively to business combinations that occurred before the date of transition to IFRS.

Borrowing Costs

The Corporation has elected not to capitalize borrowing costs related to any qualifying asset that has started development as at the transition date. The capitalization of borrowing costs will commence following the transition date.

Presentation differences

Some financial statement line items are described differently under IFRS than they were under Canadian GAAP. These line items (with Canadian GAAP descriptions in brackets) are:

- Deferred taxes (Future income taxes)
- Share-based compensation (stock-based compensation)
- The statement of net income, comprehensive income and retained earnings has been replaced by two separate statements: statement of comprehensive income and statement of changes in equity
- Trade and other payables (accounts payable and accrued liabilities)
- Depreciation and amortization (Amortization)
- Decommissioning and restoration provision (asset retirement obligation)
- Finance costs (interest on callable debt and accretion)

Transition to IFRS (continued)

Reconciliation of balance sheets

		As at December 1, 2010			As at November 30, 2011		
	Note	Canadian GAAP $	Effect of transition to IFRS $	IFRS $	Canadian GAAP $	Effect of transition to IFRS $	IFRS $
ASSETS							
CURRENT							
Cash		1,296,812	-	1,296,812	1,397,883	-	1,397,883
Accounts receivable		3,210,246	-	3,210,246	3,778,126	-	3,778,126
Prepaid expenses		502,546	-	502,546	327,510	-	327,510
Current portion of land use agreement receivable		-	-	-	213,057	-	213,057
Short-term investment		603,000	-	603,000	603,000	-	603,000
		5,612,604	-	5,612,604	6,319,576	-	6,319,576
LONG-TERM DEPOSITS		25,050	-	25,050	106,590	-	106,590
RESTRICTED CASH		-	-	-	25,522	-	25,522
PROPERTY AND EQUIPMENT		858,911	-	858,911	734,034	-	734,034
LAND USE AGREEMENT RECEIVABLE		-	-	-	603,876	-	603,876
RESOURCE PROPERTIES	i	3,445,276	(65,900)	3,379,376	4,729,270	(34,781)	4,694,489
INTANGIBLE ASSETS	ii	6,201,442	33,052	6,234,494	5,175,926	-	5,175,926
GOODWILL		2,537,701	-	2,537,701	2,537,701	-	2,537,701
		18,680,984	(32,848)	18,648,136	20,232,495	(34,781)	20,197,714
LIABILITIES							
CURRENT							
Trade and other payables		871,279	-	871,279	1,476,071	-	1,476,071
Income tax payable		700,910	-	700,910	271,630	-	271,630
Callable debt		5,723,729	-	5,723,729	3,883,479	-	3,883,479
		7,295,918	-	7,295,918	5,631,180	-	5,631,180
DECOMMISSIONING AND RESTORATION	ii	231,436	36,345	267,781	446,032	141,632	587,664
DEFERRED TAX	i, ii, iii	2,357,456	(51,780)	2,305,676	2,341,057	(44,103)	2,296,954
		9,884,810	(15,435)	9,869,375	8,418,269	97,529	8,515,798
EQUITY							
SHARE CAPITAL		6,585,761	-	6,585,761	6,655,116	-	6,655,116
CONTRIBUTED SURPLUS		736,643	-	736,643	795,996	-	795,996
RETAINED EARNINGS		1,473,770	(17,413)	1,456,357	4,363,114	(132,310)	4,230,804
		8,796,174	(17,413)	8,778,761	11,814,226	(132,310)	11,681,916
		18,680,984	(32,848)	18,648,136	20,232,495	(34,781)	20,197,714

Note 27 – Transition to IFRS (continued)

Reconciliation of statement of net income and comprehensive income

	Note	Year ended November 30, 2011 Canadian GAAP $	Effect of transition to IFRS $	IFRS $
AGGREGATE MANAGEMENT SERVICES		12,179,997	-	12,179,997
ROYALTIES		3,488,213	-	3,488,213
AGGREGATE MANAGEMENT FEES		8,691,784	-	8,691,784
Stripping and clearing expenses		336,730	-	336,730
Other aggregate management operating expenses		1,184,451	-	1,184,451
AGGREGATE MANAGEMENT OPERATING EXPENSES		1,521,181	-	1,521,181
GROSS PROFIT		7,170,603	-	7,170,603
OTHER EXPENSES				
Depreciation of property and equipment		141,460	-	141,460
Amortization of intangible assets	ii	937,571	15,206	952,777
General and administrative		1,731,697	-	1,731,697
Finance costs	ii	260,386	(15,289)	245,097
Share-based compensation		113,711	-	113,711
		3,184,825	(83)	3,184,742
INCOME BEFORE OTHER ITEMS		3,985,778	83	3,985,861
OTHER INCOME (LOSS)				
Interest income		8,742	-	8,742
Gain on land use agreement		732,180	(27,213)	704,967
Miscellaneous		(6,496)	-	(6,496)
Foreign exchange		377	-	377
Write down of prepaid gravel		(150,000)	-	(150,000)
Write down of intangible assets		(138,086)	(80,090)	(218,176)
Write down of resource properties and exploration costs		(451,656)	-	(451,656)
		(4,939)	(107,303)	(112,242)
INCOME BEFORE INCOME TAXES		3,980,839	(107,220)	3,873,619
INCOME TAXES				
Current tax		1,101,550	-	1,101,550
Deferred tax expense (benefit)	ii, iii	(16,399)	7,677	(8,722)
		1,085,151	7,677	1,092,828
NET INCOME AND COMPREHENSIVE INCOME		**2,895,688**	**(114,897)**	**2,780,791**

Note 27 – Transition to IFRS (continued)

Reconciliation of equity

	Share Capital $	Contributed surplus $	Retained Earnings $	Total $
December 1, 2010 – Canadian GAAP	6,585,761	736,643	1,473,770	8,796,174
Revaluation of carrying value of exploration costs	-	-	(65,900)	(65,900)
Revaluation of carrying value of resource property decommissioning and restoration assets	-	-	33,052	33,052
Revaluation of carrying value of decommissioning and restoration provision	-	-	(36,345)	(36,345)
Deferred tax impact of changes to carrying amounts	-	-	51,780	51,780
December 1, 2010 – IFRS	6,585,761	736,643	1,456,357	8,778,761
November 30, 2011 – Canadian GAAP	6,655,116	795,996	4,363,114	11,814,226
Revaluation of carrying value of exploration costs			(65,900)	(65,900)
Revaluation of carrying value of resource property decommissioning and restoration assets	-	-	31,119	31,119
Revaluation of carrying value of decommissioning and restoration provision	-	-	(141,632)	(141,632)
Deferred tax impact of changes to carrying amounts	-	-	44,103	44,103
November 30, 2011 - IFRS	6,655,116	795,996	4,230,804	11,681,916

Notes to Reconciliation

i. Resource Properties

IFRS prohibits the capitalization of exploration costs in advance of having the legal right to explore on exploration properties. As a result, the Corporation wrote off $65,900 of capitalized exploration costs as of December 1, 2010, decreasing resource properties and retained earnings by that amount at December 1, 2010, and at November 30, 2011.

For the year ended November 30, 2011 there was a $34,781 decrease in resource properties, comprised of an increase in resource properties decommissioning and restoration assets of $31,119 during the year, less the $65,900 write off of resource properties as of December 1, 2010.

ii. Decommissioning and Restoration Provision

Under Canadian GAAP the rate used to discount decommissioning and restoration provisions is the credit adjusted risk free rate which is set at the time the obligation is established. Under IFRS the discount rate reflects the risks specific to the provision and is updated if conditions change that would require a change in the rate. As well, the accretion expense is classified as a finance cost under IFRS.

The impact on the transition to IFRS was an increase in the decommissioning and restoration provision of $36,345, a $33,052 increase in related decommissioning and restoration assets (included in intangible assets), and a $3,293 reduction in retained earnings resulting from $24,492 reduced accretion expense on the decommissioning and restoration provision and $27,785 increased amortization expense on decommissioning and restoration assets.

For the year ended November 30, 2011 there was an increase in the decommissioning and restoration provision of $141,632, and a $107,220 reduction in income before income taxes. The reduction resulted from $15,289 reduced accretion expense on the decommissioning and restoration provision, $15,206 increased amortization expense on decommissioning and restoration assets, and $107,303 increased impairment charges from write off of decommissioning and restoration assets.

ii. Deferred taxes

The carrying values of resource properties, the decommissioning and restoration provision and related decommissioning and restoration assets had changed from re-measurement under IFRS, resulting in changed deferred tax calculations.

The impact on the transition to IFRS was a $51,780 decrease in deferred tax liability and a corresponding increase in retained earnings.

For the year ended November 30, 2011 there was a $7,677 reduction in net income resulting from a corresponding decrease in deferred tax benefit.

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, callable 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, short-term investment, accounts receivable, long-term deposits and land use agreement receivable. The Corporation's maximum credit risk at November 30, 2012 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, 56.6% of the Corporation's accounts receivable was due from four customers.

The Corporation's aged accounts receivable are comprised of 35.6% current, 45.8% past due up to 60 days and 18.6% 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 $623,002 owed to the Corporation which is under dispute. The Corporation has provided $119,207 as allowance for doubtful accounts, which was expensed to bad debts during fiscal2012. Management expects to collect the unimpaired balance of the receivable during the year ending November 30, 2013.

Credit risk associated with cash, restricted cash and short-term investment 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, 2012.

As at November 30, 2012 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. The following are the timings of the undiscounted cash outflows relating to financial liabilities:

2012 FINANCIAL INSTRUMENTS NOTE 23 C- LIQUIDITY RISK

	0 -1 year	2- 3 years	4 - 5 years	Total
	$	$	$	$
Trade and other payables	3,048,649	-	-	3,048,649
Long-term debt, including interest	1,148,437	2,154,375	592,569	3,895,381
Lease obligation, including interest	1,328,355	2,656,710	2,208,471	6,193,536
Total	5,525,441	4,811,085	2,801,040	13,137,566

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, 2012. The expectation could be adversely affected by a material negative change in the demand for aggregate or the Corporation's management contracts (Note 11).

c) 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, 2012 the Corporation had USD cash on hand in the amount of $10,020 (CAD $9,941), and no USD denominated trade and other payables or receivables. As the amounts involved are unsubstantial management feels risk is minimal.

d) 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 $37,000.

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 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 U. 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.