Athabasca
MINERALS INC.

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Interim Condensed Consolidated Statements of Financial Position (Unaudited)

	Notes	As at September 30, 2019		As at December 31, 2018
ASSETS				
Current				
Cash		$ 3,986,289	$	5,078,537
Trade and other receivables	3, 18	85,983		1,531,863
Inventory	4	1,112,475		1,311,133
Prepaid expenses and deposits		154,245		116,950
Share purchase options	18	43,928		124,151
Current Assets		5,382,920		8,162,634
Long-term deposits	5	794,462		801,232
Restricted cash	6	862,941		2,155,450
Contract assets	7	179,850		-
Property and equipment	8	1,058,414		1,293,221
Right-of-use assets	9	195,420		-
Resource properties	10	6,272,040		6,212,364
Investments in associates	11	3,569,099		1,646,151
Total Assets		$ 18,315,146	$	20,271,052
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	15, 18	$ 452,589	$	453,081
Deposit liabilities	6, 14	-		858,645
Current portion of lease liabilities	13	94,493		29,284
Current portion of environmental rehabilitation obligations	14	144,188		1,987,677
Current Liabilities		691,270		3,328,687
Lease obligations	13	103,923		-
Environmental rehabilitation and decommissioning obligations	14	2,323,406		2,270,462
Total Liabilities		3,118,599		5,599,149
Shareholders' Equity				
Share capital	15	16,582,442		14,465,325
Contributed surplus		4,939,447		4,908,045
Deficit		(6,325,342)		(4,701,467)
Total Shareholders' Equity		15,196,547		14,671,903
Total Liabilities and Shareholders' Equity		$ 18,315,146	$	20,271,052

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Approved by the Board of Directors

" Don Paulencu "
Director

"Terrance Kutryk"
Director

Interim Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) (Unaudited)

	Notes	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Aggregate sales revenue		$ 78,146	$ 1,769,211	$ 1,058,551	$ 2,023,693
Aggregate management services, net of royalties		-	1,186,218	433,635	2,417,727
Revenue		78,146	2,955,429	1,492,186	4,441,420
Operating costs		(429,289)	(1,380,594)	(2,076,846)	(2,426,376)
Depreciation, depletion, and amortization	8, 9	(92,472)	(66,614)	(238,418)	(367,966)
Royalties and trucking		(1,163)	(235,419)	(27,644)	(324,254)
Cost of sales		(522,924)	(1,682,627)	(2,342,908)	(3,118,596)
Gross profit (loss)		(444,778)	1,272,802	(850,722)	1,322,824
General and administrative		(772,447)	(713,232)	(2,389,525)	(1,962,570)
Share of loss from associates	11	(29,289)	-	(90,176)	-
Share-based compensation	15	(164,765)	(30,712)	(311,407)	(72,564)
Other operating income (expenses)	20	2,159,503	(1,664,336)	1,986,378	(1,896,607)
Reversal of impairment loss on accounts receivable	18	(4)	(9,920)	(2,571)	(10,854)
Operating income (loss)		748,220	(1,145,398)	(1,658,023)	(2,619,771)
Finance costs	13, 20	(251)	(602)	(872)	(8,062)
Other non-operating income (expenses)	20	(18,041)	94,372	(32,068)	481,570
Interest income		18,738	23,942	73,848	45,043
Income (loss) before income taxes		748,666	(1,027,686)	(1,617,115)	(2,101,220)
Income tax recovery (expense)		-	245,538	(1,825)	523,963
Total income (loss) and comprehensive income (loss)		$ 748,666	$ (782,148)	$ (1,618,940)	$ (1,577,257)
Income (loss) per common share - basic	15	$ 0.017	$ (0.023)	$ (0.038)	$ (0.047)
Income (loss) per common share - diluted	15	$ 0.016	$ (0.023)	$ (0.038)	$ (0.047)
Weighted average number of shares outstanding	15	44,682,155	33,303,650	42,803,924	33,303,650

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

	Notes	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance as at December 31, 2017, as previously stated		33,303,650	$ 13,246,758	$ 4,641,313	$ (2,189,402)	$ 15,698,669
Adjustment on initial application of IFRS 9, net of tax of $825		-	-	-	(2,229)	(2,229)
Adjusted balance as at January 1, 2018		33,303,650	13,246,758	4,641,313	(2,191,631)	15,696,440
Share-based compensation		-	-	72,564	-	72,564
Total loss and comprehensive loss for the period		-	-	-	(1,577,257)	(1,577,257)
Balance as at September 30, 2018		33,303,650	$ 13,246,758	$ 4,713,877	$ (3,768,888)	$ 14,191,747
Private placement share issuance	**15**	5,750,000	$ 992,625	$ 157,375	$ -	$ 1,150,000
Share issuance costs, net of tax of $nil	**15**	-	(47,058)	-	-	(47,058)
Shares issued in purchase of investment	**11, 15**	1,186,956	273,000	-	-	273,000
Share-based compensation		-	-	36,793	-	36,793
Total loss and comprehensive loss for the period		-	-	-	(932,579)	(932,579)
Balance as at December 31, 2018, as previously stated		40,240,606	$ 14,465,325	$ 4,908,045	$ (4,701,467)	$ 14,671,903
Adjustment on initial application of IFRS 16, net of tax of $1,825	**2**	-	-	-	(4,935)	(4,935)
Adjusted balance as at January 1, 2019	**2**	**40,240,606**	**$ 14,465,325**	**$ 4,908,045**	**$ (4,706,402)**	**$ 14,666,968**
Shares issued in purchase of investment	**11, 15**	2,100,000	$ 1,129,800	$ -	$ -	$ 1,129,800
Share-based compensation - options	**15**	-	-	204,712	-	204,712
Stock options exercised	**15**	516,667	195,194	(73,935)	-	121,259
Warrants exercised	**15**	1,987,500	795,000	(99,375)	-	695,625
Share issuance costs, net of tax of $nil	**15**	-	(2,877)	-	-	(2,877)
Total loss and comprehensive loss for the period		-	-	-	(1,618,940)	(1,618,940)
Balance as at September 30, 2019		**44,844,773**	**$ 16,582,442**	**$ 4,939,447**	**$ (6,325,342)**	**$ 15,196,547**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Interim Condensed Consolidated Statements of Cash Flows (Unaudited)

	Notes	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
OPERATING ACTIVITIES					
Receipts from customers		$ 1,070,696	$ 2,776,687	$ 3,176,028	$ 5,608,526
Payments to suppliers		(1,253,062)	(1,063,077)	(3,184,402)	(2,860,506)
Payments to employees		(584,474)	(699,781)	(1,920,406)	(1,827,877)
Interest received		18,738	23,942	73,848	45,043
Finance costs paid	13	(251)	(602)	(872)	(8,062)
Net cash from (used in) operating activities		(748,353)	1,037,169	(1,855,804)	957,124
INVESTING ACTIVITIES					
Long-term deposits	5	12,475	30,532	6,770	48,532
Restricted cash	6	973,715	26,062	1,292,509	(386,944)
Spending on contract assets	7	(122,673)	-	(179,850)	-
Proceeds on sale of property and equipment	8	-	45,838	6,700	2,968,461
Purchase of property and equipment	8	(35,946)	(1,430)	(44,824)	(64,807)
Purchase of right-of-use assets, net of lease obligations	9	(12,001)	-	(12,001)	-
Spending on resource properties	10	(20,549)	(8,161)	(57,185)	(22,148)
Proceeds on sale of test samples	10	-	-	-	7,000
Consideration paid for interest in associate	11	-	-	(1,022,000)	-
Net cash from (used in) investing activities		795,021	92,841	(9,881)	2,550,094
FINANCING ACTIVITIES					
Repayment of lease obligations	13	(4,291)	(21,529)	(40,570)	(434,051)
Net proceeds from exercise of warrants and stock options	15	221,840	-	814,007	-
Net cash from (used in) financing activities		217,549	(21,529)	773,437	(434,051)
Net change in cash		264,217	1,108,481	(1,092,248)	3,073,167
Cash, beginning of period		3,722,072	4,594,057	5,078,537	2,629,371
Cash, end of period		$ 3,986,289	$ 5,702,538	$ 3,986,289	$ 5,702,538

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Note 1 - Nature of Business

Athabasca Minerals Inc. (the "Corporation") is a public corporation incorporated under the Business Corporations Act (Alberta) and its shares are listed on the TSX Venture Exchange under the symbol the ABM-V. The Corporation's head office has recently moved to 4409 – 94 Street NW., Edmonton, Alberta, Canada T6E 6T7.

Athabasca Minerals Inc. (or "AMI"), which incorporated in 2006, is an integrated group of companies focused on the aggregates and industrial minerals sectors, including resource development, aggregates marketing and midstream supply-logistics solutions. Business activities include aggregate production, sales and royalties from corporate-owned pits, management services of third-party pits, acquisitions of sand and gravel operations, and new venture development. Athabasca Minerals Inc. is the parent company of Aggregates Marketing Inc. ("Aggregates Marketing"), a midstream technology-based business using its proprietary Rockchain™ digital platform, associated algorithm and QA/QC services to provide cost-effective integrated supply /delivery solutions of industrial minerals to industry, and the construction sector. It is also the parent company of AMI Silica Inc. ("AMI Silica"), a subsidiary positioning to become a leading supplier of premium domestic in-basin sand with regional deposits in Alberta and NE British Columbia. It is the joint venture owner of the Montney In-Basin and Duvernay Basin Frac Sand Projects. Additionally, the Corporation has industrial mineral leases, such as those supporting AMI's Richardson Quarry Project, that are strategically positioned for future development in industrial regions with historically and consistently high demand for aggregates.

The Corporation has managed the Susan Lake aggregate (sand and gravel) pit, an operation covering 5,900 acres on Crown Land, on behalf of the Government of Alberta for over the past 20 years. This contract generated revenues for aggregate management services. The contract technically expired in November 30, 2017, but the Corporation continued to manage the Susan Lake aggregate pit with overholding tenancy and generated revenues into the first quarter of 2019. In the third quarter of 2019, the Susan Lake Closure Plan was approved and finalized by the Government of Alberta. The Corporation will continue its aggregate management services for the Province with its recent award of the Coffey Lake Public Pit contract in March 2019.

The Corporation is strategically focused on growing its three core business units: the base Aggregates division, the AMI Silica sand division, and the Aggregates Marketing division. Management is continually pursuing opportunities for sustained growth and diversification in supplying aggregate products and industrial minerals.

The unaudited interim condensed consolidated financial statements for the three and nine-months ended September 30, 2019 were approved and authorized for issue by the Board of Directors on November 26, 2019.

Note 2 - Basis of Presentation

a) Statement of Compliance

The unaudited interim condensed consolidated financial statements for the three and nine-months ended September 30, 2019, including comparatives, were prepared in accordance with IAS 34 International Accounting Standard – "Interim Financial Reporting" (IAS 34) as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in the annual audited consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") have been condensed or omitted. The significant judgments made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were consistent with those applied to the Corporation's audited annual consolidated financial statements for the year ended December 31, 2018, except as disclosed under changes to significant accounting policies, and should be read in conjunction with those audited annual consolidated financial statements. Actual results may differ from estimated results due to differences between estimated or anticipated events and actual events and results.

Note 2 - Basis of Presentation – continued

b) Basis of Presentation

These unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis except for the share purchase options (Note 18). These unaudited interim condensed consolidated financial statements have been prepared using accounting policies in effect as of December 31, 2018 with exceptions noted here below as well as under Recent Accounting Pronouncements.

The Corporation has changed the presentation of changes in cash from operating activities in its Statements of Cash Flows from the indirect method to the direct method to provide more relevant information regarding receipts from customers and payments to suppliers and employees.

The Corporation recognizes revenue under IFRS 15, which was adopted effective January 1, 2018. The accounting policies in effect as of December 31, 2018 remain in effect for these interim financial statements. In 2019, the Corporation has generated new sales of aggregate to customers sourcing the aggregate from third party sources. The Corporation is recognizing revenue on a gross basis as the principal in the transaction based on the fact that AMI exhibits discretion over the price of the product, carries inventory risk, and has primary responsibility for fulfilling the order with the customer. AMI recognizes revenue for these sales when the Corporation transfers control to the customer, which is the point in time when the aggregate material is delivered and accepted by the customer.

These unaudited interim condensed consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries Aggregates Marketing Inc., which was incorporated on March 19, 2018 and AMI Silica Inc., which was incorporated on May 30, 2018 (the “subsidiaries”). The Corporation also holds a 49.2% ownership interest in a private Alberta corporation that owns the Montney In-Basin frac sand project (Note 11) and a 49.6% ownership interest in a private Alberta corporation that holds the Duvernay frac sand project in Alberta (Note 11). These interests are accounted for using the equity method.

The assets, liabilities, equity, income, expenses, and cash flows of the Corporation and its wholly-owned subsidiaries to the date of these interim consolidated financial statements have been combined and any intercompany investments and transactions have been eliminated upon consolidation. Uniform accounting policies are used by all entities. All transactions in the subsidiaries are reflected in these consolidated financial statements.

c) Functional and Presentation Currency

These unaudited interim condensed consolidated financial statements are presented in Canadian dollars which is the functional currency of the Corporation and its subsidiaries.

d) Recent Accounting Pronouncements

Standards adopted

The accounting policies applied in these unaudited interim condensed consolidated financial statements are the same as those applied in the December 31, 2018 audited consolidated financial statements, except as discussed below.

Note 2 - Basis of Presentation – continued

IFRS 16 – Leases (“IFRS 16”)

IFRS 16 requires lessees to recognize right-of-use assets and liabilities for most leases under a single accounting model for which all leases will be accounted for, with certain exemptions. The lease liability is measured as the present value of the remaining lease payments discounted using the Corporation’s incremental borrowing rate. Right-of-use assets are measured at cost, which is calculated as the initial measurement of the lease liability described previously, plus/(minus) any lease payments/(incentives) made prior to the commencement date, plus initial direct costs of entering into the lease, less estimated removal/dismantling costs. Right-of-use assets are depreciated based on their estimated useful life and interest on the lease liability is expensed through the consolidated statements of income (loss) and comprehensive income (loss) as finance costs. On January 1, 2019, the Corporation transitioned to IFRS 16 using the modified retrospective approach, which involved adjusting January 1, 2019 opening retained earnings.

The Corporation has leases for trucks, equipment used in operating activities, office space, and office equipment.

Included in these leases are a few leases for low value assets as well as short-term leases. As such, the Corporation applied the following recognition exemptions available under IFRS 16:

- Electing not to apply IFRS 16 to leases of low dollar value assets, and
- Electing not to apply IFRS 16 to leases with a term of 12 months or less at the commencement date of the lease

The Corporation also applied the following practical expedients to leases previously classified as operating leases under IAS 17:

- Grandfathering existing contracts using the definition of a lease under the previous standard, IAS 17, and applying the new definition of a lease under IFRS 16 to new or modified contracts only,
- Relief in applying IFRS 16 to leases expiring within 12 months of the date of initial application of IFRS 16,
- Applying a single discount rate to leases with similar characteristics,
- Using hindsight in determining lease terms,
- Excluding initial direct costs from the measurement of right-of-use assets, and
- Relief in re-assessing the right-of-use assets for impairment for onerous contracts under the new standard.

The table below summarizes the changes to the statement of financial position as a result of the transition to IFRS 16 as of January 1, 2019:

Financial statement item	As previously stated under IAS 17 as at December 31, 2018	Change on transition to IFRS 16:	Tax	Net of tax
Right-of-use assets	$ -	$ 31,214	$ (8,428)	$ 22,786
Current portion of lease liabilities	$ (29,284)	$ (37,974)	$ 10,253	$ (27,721)
		$ (6,760)	$ 1,825	$ (4,935)

The table below reconciles the additional lease liability upon transition to IFRS 16 on January 1, 2019 to the Corporation’s operating lease commitments as of December 31, 2018:

Operating lease commitments as of December 31, 2018	$ 92,591
Less: exemption for short-term leases	(74,508)
Residual value guarantee	22,000
Effect of discounting	(2,109)
Lease liability recognized upon initial adoption of IFRS 16 on January 1, 2019	$ 37,974

Note 3 – Accounts Receivable

Trade and other receivables are non-interest bearing and are carried at amortized cost, and impaired using the simplified approach which records impairment at the lifetime expected credit losses.

Note 4 – Inventory

Inventory with a production cost of approximately $16,000 and $797,000 respectively was sold and is included in operating costs for the three and nine months ended September 30, 2019 (three and nine months ended September 30, 2018: $1,139,000 and $1,206,000 respectively).

The Corporation recognized a stockpile loss based on aerial drone measurements of stockpile volumes. During the three and nine months ended September 30, 2019, the Corporation recognized a stockpile loss of approximately $11,000 and $26,000 respectively (three and nine months ended September 30, 2018: $15,000 and $35,000), which was included in operating costs.

The inventory balance of $1,112,475 consists of approximately $264,000 of unprocessed gravel and $848,000 of crushed gravel (as at December 31, 2018: $264,000 of unprocessed gravel and $1,047,000 of crushed gravel).

Note 5 – Long Term Deposits

		As at	
	Notes	September 30, 2019	December 31, 2018
Security deposits on gravel leases		**$ 636,942**	$ 639,212
Security deposits on miscellaneous leases		**106,520**	106,520
	14	**743,462**	745,732
Security deposits on exploration leases		**$ 51,000**	$ 55,500
		$ 794,462	$ 801,232

Management wrote off $nil and $nil in uncollectible security deposits on gravel leases during the three and nine months ended September 30, 2019 (three months and nine months ended September 30, 2018: $1,936 and $10,936). Any write off would be included in other operating expenses.

Note 6 – Restricted Cash

	Notes	As at September 30, 2019	As at December 31, 2018
Funds on deposit			
Poplar Creek site		$ 300,000	$ 300,000
House River pit		55,161	51,496
Customer deposits collected		-	500,954
Guaranteed investment certificates for letters of credit			
Susan Lake pit	12	228,540	603,000
Poplar Creek Site, storage yard		183,600	180,000
Emerson pit		75,240	-
Poplar Creek pit		-	500,000
Credit card facility		20,400	20,000
		$ 862,941	$ 2,155,450

The Corporation has placed funds on deposit to be applied toward the costs of reclamation for the Poplar Creek site and the House River pit. The balance as at September 30, 2019 is $355,161 (as at December 31, 2018: $351,496).

As at June 30, 2019, the Corporation had on deposit $604,496 in deposits from customers at Susan Lake via a surcharge that was collected from December 1, 2017 to January 21, 2019. The funds were held as restricted funds to help cover reclamation spending at Susan Lake. On August 15, 2019, the Corporation received approval of its Susan Lake Public Pit Closure Plan from Alberta Environment and Parks ("AEP"). This plan brings clarity to the remaining reclamation requirements at Susan Lake, mostly due to the transfer of custody of the portion of lands where neighbouring oilsands operators have mineral surface leases. As a result of this approval, the Corporation has recorded a significant reduction in the environmental rehabilitation obligations ("ERO") at Susan Lake. Now that this approval has been obtained, the Corporation has applied the customer deposits to reclamation spending in 2019 at Susan Lake, and the Corporation has moved the remaining deposits out of restricted cash to cash, where it will be used to fund the remaining work at Susan Lake.

On March 15, 2019, the Government of Alberta released the letter of credit for the Poplar Creek pit for $500,000 and the guaranteed investment certificate matured on March 31, 2019.

The Corporation has secured its letters of credit to the benefit of the Government of Alberta for decommissioning and restoration with guaranteed investment certificates as at September 30, 2019 in the amount of $487,380 (December 31, 2018: $1,283,000). The Corporation has secured its credit card facility with a guaranteed investment certificate as at September 30, 2019 in the amount of $20,400 (December 31, 2018: $20,000). As at September 30, 2019, the guaranteed investment certificates include interest earned upon renewal of $4,000 (December 31, 2018: $nil).

Note 7 – Contract Assets

	As at			
	September 30, 2019		December 31, 2018	
	Costs to obtain contract		Costs to obtain contract	
Coffey Lake	**$**	**153,972**	$	-
Montana First Nation		**25,878**		-
	$	**179,850**	$	-

Coffey Lake

The Coffey Lake contract was awarded to the Corporation on February 21, 2019. It is a 15-year contract with the Government of Alberta to construct, operate and manage the Coffey Lake Public Pit north of Fort McMurray, Alberta. Approval to operate the site will be granted by the Government of Alberta after the acceptance of the Corporation's Conservation and Operation Reclamation Plan ("CORP"). The CORP requires the Corporation to incur costs for activities such as testing, environmental, regulatory, exploration, and application fees. These costs relate directly to the completion of the CORP and will increase the Corporation's understanding of the existing aggregate reserve and the environmental conditions in the area. These costs are expected to be recovered through the receipt of fixed volume-based pit management fees from customers, net of Government royalties.

Once approval to operate the site is granted and commercial activities commence, the contract costs will be amortized based on actual volume sales as a proportion of the estimated economically recoverable resource (units of production method).

Montana First Nation

The Montana First Nation ("Nation") contract was awarded to the Corporation on June 12, 2019. It is a 10-year contract for the processing and sale of aggregates on a 185-acre property located near Ponoka, Alberta. The Corporation is required to incur costs for activities such as testing, environmental, regulatory, exploration, finder's fees, and legal fees in order to delineate the resource and obtain regulatory approvals. These costs relate directly to enhancing the Corporation's understanding of the extent of the existing aggregate reserve and obtaining regulatory approvals to operate. These costs are expected to be recovered through the sale of aggregates from the pit to customers, net of royalties to the Nation.

Once operations and commercial activities commence, the contract costs will be amortized based on actual volume sales as a proportion of the estimated economically recoverable resource (units of production method).

Note 8 – Property and Equipment

		Stockpile pad		Crushing equipment		Equipment		On-site buildings		Office complex		Scales and scale houses		Total
Cost:														
December 31, 2017	$	262,104	$	2,791,595	$	6,297,848	$	585,565	$	104,162	$	770,253	$	10,811,527
Additions		-		-		56,676		-		-		-		56,676
Disposals		-		(2,791,595)		(1,915,437)		(247,838)		-		(159,080)		(5,113,950)
Impairment		-		-		(33,984)		(62,134)		-		(31,596)		(127,714)
December 31, 2018	**$**	**262,104**	**$**	**-**	**$**	**4,405,103**	**$**	**275,593**	**$**	**104,162**	**$**	**579,577**	**$**	**5,626,539**
Additions		-		-		44,824		-		-		-		44,824
Disposals		-		-		(23,885)		(80,492)		-		(52,386)		(156,763)
Impairment		-		-		(32,991)		-		-		(3,303)		(36,294)
September 30, 2019	**$**	**262,104**	**$**	**-**	**$**	**4,393,051**	**$**	**195,101**	**$**	**104,162**	**$**	**523,888**	**$**	**5,478,306**
Accumulated Depreciation:														
December 31, 2017	$	126,530	$	991,595	$	4,302,793	$	441,718	$	104,162	$	531,896	$	6,498,694
Additions		52,421		-		390,756		28,064		-		62,786		534,027
Disposals		-		(991,595)		(1,378,566)		(205,433)		-		(123,809)		(2,699,403)
December 31, 2018	**$**	**178,951**	**$**	**-**	**$**	**3,314,983**	**$**	**264,349**	**$**	**104,162**	**$**	**470,873**	**$**	**4,333,318**
Additions		39,316		-		175,963		2,278		-		22,630		240,187
Disposals		-		-		(20,735)		(80,492)		-		(52,386)		(153,613)
September 30, 2019	**$**	**218,267**	**$**	**-**	**$**	**3,470,211**	**$**	**186,135**	**$**	**104,162**	**$**	**441,117**	**$**	**4,419,892**
Net book value:														
December 31, 2017	$	135,574	$	1,800,000	$	1,995,055	$	143,847	$	-	$	238,357	$	4,312,833
December 31, 2018	$	83,153	$	-	$	1,090,120	$	11,244	$	-	$	108,704	$	1,293,221
September 30, 2019	**$**	**43,837**	**$**	**-**	**$**	**922,840**	**$**	**8,966**	**$**	**-**	**$**	**82,771**	**$**	**1,058,414**

Depreciation expense for the following periods:

		Total
Nine months ended September 30, 2018 depreciation to statement of loss and comprehensive loss	$	367,966
Nine months ended September 30, 2018 depreciation to repayment of environmental rehabilitation obligations	$	58,215
Nine months ended September 30, 2019 depreciation to statement of loss and comprehensive loss	**$**	**218,894**
Nine months ended September 30, 2019 depreciation to repayment of environmental rehabilitation obligations	**$**	**21,293**

Included in other operating expenses for the three and nine months ended September 30, 2019 is impairment expense of $nil and $36,294 (three and nine months ended September 30, 2018: $100,545 and $127,714). This includes a provision for damage and vandalism on equipment at the Corporation's corporate owned pits of $25,000. An impairment of $11,294 was taken in the second quarter of 2019 on 10 pieces of small equipment that were stolen during the period.

During the three months ended September 30, 2019, the Corporation sold property and equipment with a carrying amount of $3,150 for net proceeds of $nil, which resulted in a loss of $3,150.

During the nine months ended September 30, 2019, the Corporation sold property and equipment with a carrying amount of $3,150 for net proceeds of $6,700, which resulted in a gain of $3,550. Included in the property and equipment sold in 2019 was a scale house, light tower equipment and office equipment.

During the nine months ended September 30, 2018, the Corporation sold property and equipment with a carrying amount of $2,755,857 for net proceeds of $2,968,461, which resulted in a gain of $212,604.

Note 9 – Right-of-use Assets

	Notes	Truck lease asset	Edmonton office lease asset	Xerox Photocopier lease asset	Total
Cost:					
December 31, 2018, as previously stated		**$ -**	**$ -**	**$ -**	**$ -**
Adjustment on initial application of IFRS 16	2	$ 73,823	$ -	$ -	$ 73,823
Adjusted balance as at January 1, 2019		**$ 73,823**	**$ -**	**$ -**	**$ 73,823**
Additions		-	168,613	15,116	$ 183,729
Disposals		-	-	-	$ -
September 30, 2019		**$ 73,823**	**$ 168,613**	**$ 15,116**	**$ 257,552**
Accumulated Depreciation:					
December 31, 2018, as previously stated		**$ -**	**$ -**	**$ -**	**$ -**
Adjustment on initial application of IFRS 16	2	$ 42,609	$ -	$ -	$ 42,609
Adjusted balance as at January 1, 2019		**$ 42,609**	**$ -**	**$ -**	**$ 42,609**
Additions		10,254	8,885	384	$ 19,523
Disposals		-	-	-	$ -
September 30, 2019		**$ 52,863**	**$ 8,885**	**$ 384**	**$ 62,132**
Net book value:					
December 31, 2018		$ -	$ -	$ -	$ -
September 30, 2019		**$ 20,960**	**$ 159,728**	**$ 14,732**	**$ 195,420**

The right-of-use asset amount added upon the application of IFRS 16 on January 1, 2019 with a cost of $73,823 and accumulated depreciation of $42,609 for a net book value of $31,214 was for an asset that was not previously included in property and equipment as it was previously treated as an operating lease commitment.

During the three and nine months ended September 30, 2019, the Corporation acquired two new right-of-use assets for a combined cost of $183,729. These assets also included a lease obligation of $171,728 (see Note 13).

These right-of-use assets are being depreciated over the expected life of each asset in accordance with the Corporation's accounting policies under the newly adopted accounting standard, IFRS 16.

Note 10 – Resource Properties

	As at September 30, 2019	As at December 31, 2018
Exploration costs	**$ 1,367,492**	$ 1,329,629
Pit development costs	**3,099,423**	3,080,102
Environmental rehabilitation obligation assets	**1,521,313**	1,510,483
Other costs	**283,812**	292,150
	$ 6,272,040	$ 6,212,364

<u>Exploration and Pit Development Costs</u>

The exploration and pit development costs were incurred across the Corporation's various operations and development projects which are primarily located in the Fort McMurray area of Northern Alberta.

Note 10 – Resource Properties – continued

The following table summarizes what comprises exploration costs:

	Firebag	Richardson	Pelican Hill	Hinton	Steepbanks	All Other Projects	Total
Cumulative Exploration Cost at December 31, 2017	$ 1,136,330	$ 1,090,906	$ 157,582	$ 84,089	$ 105,476	$ 128,814	$ 2,703,197
Spending	5,025	-	-	11,028	-	9,902	25,955
Sale of samples	-	-	-	-	-	(7,000)	(7,000)
Abandoned projects	-	-	-	-	-	(64,320)	(64,320)
Transfer to pit development costs	(1,141,355)	-	(157,582)	-	-	(29,266)	(1,328,203)
Cumulative Exploration Costs at December 31, 2018	**$ -**	**$ 1,090,906**	**$ -**	**$ 95,117**	**$ 105,476**	**$ 38,130**	**$ 1,329,629**
Spending	-	21,090	-	16,773	-	-	37,863
Cumulative Exploration Costs at September 30, 2019	**$ -**	**$ 1,111,996**	**$ -**	**$ 111,890**	**$ 105,476**	**$ 38,130**	**$ 1,367,492**

During the three and nine months ended September 30, 2019, the Corporation spent $1,227 and $37,863 respectively to advance the exploration projects (year ended December 31, 2018: $25,955).

During the three and nine months ended September 30, 2019, the Corporation recorded a $nil impairment loss on projects previously included in exploration assets (year ended December 31, 2018: $64,320 on ten projects).

The following table summarizes what comprises pit development costs:

	Firebag	Kearl	Logan	House River	Pelican Hill	Emerson	Lynton	Total
Cumulative Pit Development Costs at December 31, 2017	$ -	$ 1,083,898	$ 477,953	$ 171,906	$ 72,775	$ 491	$ 44	$ 1,807,067
Additions	-	-	11,207	13,793	-	-	-	25,000
Transfers from exploration costs	1,141,355	-	895	28,371	157,582	-	-	1,328,203
Abandoned projects	-	(41,364)	-	(38,804)	-	-	-	(80,168)
Cumulative Pit Development Costs at December 31, 2018	**$ 1,141,355**	**$ 1,042,534**	**$ 490,055**	**$ 175,266**	**$ 230,357**	**$ 491**	**$ 44**	**$ 3,080,102**
Additions	-	-	-	-	19,321	-	-	19,321
Cumulative Pit Development Costs at September 30, 2019	**$ 1,141,355**	**$ 1,042,534**	**$ 490,055**	**$ 175,266**	**$ 249,678**	**$ 491**	**$ 44**	**$ 3,099,423**

During the three and nine months ended September 30, 2019, the Corporation recorded a $nil impairment on projects previously included in pit development costs (year ended December 31, 2018: $80,168 on two projects).

During the year ended December 31, 2018, the Corporation transferred the exploration costs for a few projects, including Firebag, to pit development costs.

Environmental Rehabilitation Obligation ("ERO") Asset

The following summarizes what comprises the ERO asset:

	As at September 30, 2019	As at December 31, 2018
Opening Balance, ERO asset	**1,510,483**	$ 1,089,709
Change in estimate recognized in ERO asset	**-**	439,126
Amortization of ERO asset	**(9,483)**	(15,200)
Change in discount rate affecting ERO asset	**20,313**	(3,152)
Closing Balance, ERO Asset	**$ 1,521,313**	$ 1,510,483

The ERO assets pertain to resource properties where the Corporation has the legal and constructive obligation to complete decommissioning, reclamation and restoration costs on the property as discussed in Note 14.

Note 11 – Investments in Associates

Duvernay Frac Sand Project ("Duvernay Project")
On January 25, 2019, the Corporation purchased a 16.2% ownership interest in a private Alberta corporation that owns the Duvernay frac sand project in Alberta in exchange for $280,000 cash consideration and 420,000 common shares of the Corporation at a value of $0.25 per common share for a total purchase price of $385,000.

On April 30, 2019, the Corporation exercised its option ("Option #1") to purchase an additional 33.4% of the shares in a private Alberta corporation that holds the Duvernay frac sand project for $742,000 of cash consideration and the issuance of 1,680,000 common shares of the Corporation at a value of $0.61 per common share for a total purchase price of $1,766,800. This increased the Corporation's ownership interest to 49.6%. This interest is accounted for using the equity method.

The Corporation has the option to purchase the remaining 50.4% of the shares in the private corporation for $8,000,000 for an initial term of one year after the close date ("Option #2").

Montney In-Basin Frac Sand Project ("MIB Project")
On December 14, 2018, the Corporation purchased a 49.2% ownership interest in a private Alberta corporation that owns the Montney In-Basin frac sand project located in the vicinity of Dawson Creek and Fort St. John in exchange for $1,498,000 cash consideration and 1,186,956 common shares of the Corporation at a value of $0.23 per common share for a total purchase price of $1,771,000. This interest is accounted for using the equity method.

The Corporation has the option to purchase the remaining 50.8% of the shares in the private corporation for $8,000,000 for an initial term of one year after the close date. This option has now been extended for a term of up to 6 months after a NI 43-101 compliant technical report is filed.

The fair value at inception of the share purchase options for both the Duvernay Project and the MIB Project were valued using the Black-Scholes Option Pricing Model using the following assumptions:

Project	Option Purchase Date	# of Options	Exercise Price	Dividend Yield	Expected Volatility	Risk free rate of return	Expected life	Fair Value
Duvernay	January 25, 2019	166	$ 7,000	Nil	100%	1.55%	8 months	$ 130,312
	January 25, 2019	225	$ 35,555	Nil	90%	1.55%	12 months	$ 8,364
								$ 138,676
MIB	December 14, 2018	261	$ 30,651	Nil	103%	2.02%	12 months	**$ 124,151**

The change in fair value of the share purchase options since the transaction dates can be seen in Note 18.

The following summarizes the investments in associates:

	As at					
	September 30, 2019			December 31, 2018		
	Montney in-basin frac sand project	Duvernay frac sand project	**Total**	Montney in-basin frac sand project	Duvernay frac sand project	**Total**
Investment in associate, beginning of period	$ 1,646,151	$ -	**$ 1,646,151**	$ -	$ -	**$ -**
Additions:						
Cash consideration for original purchase	-	280,000	**280,000**	1,498,000	-	**1,498,000**
Share consideration for original purchase	-	105,000	**105,000**	273,000	-	**273,000**
Cash consideration for option exercised	-	742,000	**742,000**	-	-	**-**
Share consideration for option exercised	-	1,024,800	**1,024,800**	-	-	**-**
	1,646,151	2,151,800	**3,797,951**	1,771,000	-	**1,771,000**
Purchase price allocated to share purchase options on transaction date	-	(138,676)	**(138,676)**	(124,151)	-	**(124,151)**
	1,646,151	2,013,124	**3,659,275**	1,646,849	-	**1,646,849**
Corporation's ownership interest	49.2%	49.6%		49.2%	0.0%	
Corporation's share of associate's net loss for the period	(42,760)	(47,416)	**(90,176)**	(698)	-	**(698)**
Investments in associates, end of period	$ 1,603,391	$ 1,965,708	**$ 3,569,099**	$ 1,646,151	$ -	**$ 1,646,151**

Note 12 – Credit Facility

The Corporation currently has a credit facility with Canadian Western Bank which includes a letter of credit facility and a credit card facility. Each letter of credit costs the Corporation an annual fee of 1.50%.

The Corporation is not subject to any covenants or capital spending requirements as part of the current credit facility.

Letter of Credit/Guarantee Facility
As of September 30, 2019, the Corporation has issued letters of credit in the amounts of $483,780 in favour of the Government of Alberta. The letters of commercial credit to the benefit of the Government of Alberta for decommissioning and restoration are as follows:

	As at	
	September 30, 2019	December 31, 2018
Susan Lake Pit	$ 228,540	$ 603,000
Poplar Creek Site, storage yard	180,000	180,000
Poplar Creek pit	-	500,000
Emerson pit	75,240	-
	$ 483,780	$ 1,283,000

The Corporation has secured these letters of credit to the benefit of the Government of Alberta for decommissioning and restoration with guaranteed investment certificates to the benefit of Canadian Western Bank.

On March 15, 2019, the Government of Alberta released the letter of credit for the Poplar Creek pit for $500,000 and the guaranteed investment certificate matured on March 31, 2019.

On September 12, 2019, the Government of Alberta released the letter of credit for the Susan Lake pit for $603,000 as a result of the approval of the Susan Lake Closure Plan, as described in detail in Notes 6 and 14. The Corporation subsequently secured a new smaller letter of credit for $228,540 for the outstanding decommissioning and restoration of the non-overlapping lands at Susan Lake.

Credit Card Facility
The Corporation has access to a corporate credit card facility, up to a maximum of $20,000 (December 31, 2018: $20,000). The Corporation has secured its corporate credit card facility with a guaranteed investment certificate of $20,400 (Note 6).

Security under the existing facility includes a general security agreement providing a first security interest in all present and after acquired property to be registered in all appropriate jurisdictions with specific registrations against guaranteed investment certificate instruments pledged as collateral.

Note 13 – Lease Obligations

The Corporation's lease obligations and future minimum lease obligations are summarized in the following table. The assets are also included as right-of-use assets under the newly adopted accounting standard IFRS 16 (see Note 9).

			As at	
			September 30, 2019	December 31, 2018
Finance Leases	**Interest Rate**	**Monthly / Quarterly * Instalments**		
VETS Group Ltd. Edmonton Office Lease, due Jan 31, 2022	3.680%	Variable	**156,742**	-
Xerox Photocopier Lease, due May 19, 2024	3.680%	816 *	**14,308**	-
Jim Peplinski Leasing, due Feb 28, 2020	3.680%	1,230	**27,366**	-
Cat Financial Lease #2, due May 31, 2019	3.680%	3,450	**-**	13,695
Cat Financial Lease #3, due May 31, 2019	3.680%	3,927	**-**	15,589
			198,416	29,284
Current portion - principal due within one year			**(94,493)**	(29,284)
			$ 103,923	$ -

Future minimum lease payments for the subsequent five years is as follows:

October 1, 2019 to September 30, 2020	$ 99,753
October 1, 2020 to September 30, 2021	$ 78,806
October 1, 2021 to September 30, 2022	$ 22,428
October 1, 2022 to September 30, 2023	$ 3,264
October 1, 2023 to September 30, 2024	$ 2,617
	206,868
Less: interest included in payments above	8,452
Lease principal outstanding, September 30, 2019	$ 198,416

In the three months and nine months ended September 30, 2019, the Corporation agreed to new lease obligations of $171,728 for the new Edmonton office location.

The following is a reconciliation of the change in lease obligations of the Corporation:

		Three months ended September 30,		Nine months ended September 30,	
	Notes	2019	2018	2019	2018
Changes in lease obligations arising from financing activities:					
Lease principal outstanding, beginning of year, as previously stated		**$ 30,979**	$ 72,540	**$ 29,284**	$485,062
Adjustment on initial application of IFRS 16	2	**-**	-	**37,974**	-
Adjusted balance as at January 1, 2019		**30,979**	72,540	**67,258**	485,062
Addition of lease obligation		**171,728**	-	**171,728**	-
Total principal repayments		**(4,291)**	(21,529)	**(40,570)**	(434,051)
Lease principal outstanding, end of period		**$ 198,416**	$ 51,011	**$ 198,416**	$ 51,011
Current portion of lease obligations		**94,493**	51,011	**94,493**	51,011
Lease obligations		**103,923**	-	**103,923**	-
		$ 198,416	$ 51,011	**$ 198,416**	$ 51,011
Additional disclosures:					
Interest expense on lease obligations		**(251)**	(602)	**(872)**	(8,062)
Total lease payments, including principal and interest		**(4,542)**	(22,131)	**(41,442)**	(442,113)

Note 13 – Lease Obligations - continued

The Corporation also has leases for trucks and office space. These leases are not significant, and the leases are all on a month-to-month basis, primarily because the original lease term has now expired.

		Monthly payments	Lease payments expensed through income statement	Expense included in	Maturity dates	Guaranteed residual value
Truck leases						
Truck lease #1	Short-term	$ 564	$ 5,076	Operating costs	Expired December 31, 2017	$ 9,700
Truck lease #2	Short-term	$ 450	$ 4,050	Operating costs	Expired February 28, 2019	$ 16,000
Truck lease #3	Short-term	$ 384	$ 3,456	Operating costs	Expired February 28, 2019	$ 13,000
Truck lease #4	Short-term	$ 507	$ 4,563	Operating costs	Expired February 28, 2019	$ 10,000
Office leases						
Calgary office	Short-term	Variable	$ 31,792	General and Administrative	Month-to-month	N/A

Note 14 – Environmental Rehabilitation Obligations (“ERO”)

The following is a reconciliation of the EROs of the Corporation:

	As at	
	September 30, 2019	**December 31, 2018**
Opening balance, ERO	**$ 4,258,139**	$ 1,962,529
Change in estimate recognized in ERO asset	**-**	439,126
Change in estimate recognized in other operating expenses	**(1,475,130)**	2,817,047
Change in discount rate	**20,313**	(3,152)
Change in discount rate recognized in other operating expenses	**10,735**	(162)
Accretion expense	**26,139**	32,383
ERO payments	**(351,309)**	(903,327)
Amortization allocated to ERO payments	**(21,293)**	(86,305)
Ending balance, ERO	**2,467,594**	4,258,139
Less: Current portion, EROs to be funded within one year	**(144,188)**	(1,987,677)
	$ 2,323,406	$ 2,270,462

Provisions for EROs were recognized for mining activities at the Corporate owned pits and estimated costs related to closing out the Susan Lake management contract. The Corporation assesses its provision for EROs on an annual basis or when new material information becomes available. The estimated undiscounted ERO as at September 30, 2019 was $2,521,909 (December 31, 2018: $4,398,501).

Total reclamation funded during the nine months ended September 30, 2019 was $372,602, including amortization (year ended December 31, 2018: $989,632) and primarily related to work performed at Susan Lake as well as Poplar Creek (year ended December 31, 2018: Susan Lake and House River).

On August 15, 2019, the Corporation received approval of its Susan Lake Closure Plan from AEP. Additionally, the Corporation executed a settlement agreement with Syncrude Canada Ltd. (“Syncrude”) in September 2019. The approval of the closure plan, combined with the settlement with Syncrude, brings clarity to the remaining reclamation requirements for the Corporation at Susan Lake, mostly due to the transfer of custody of the portion of lands where neighbouring oilsands operators have mineral surface leases (“overlapping lands”). In 2018, the Corporation increased the ERO at Susan Lake by approximately $2.8 million in response to concerns that the Corporation was expected to be responsible for a significant amount of reclamation on these overlapping lands. As a result of the approval of the closure plan and the settlement agreement with Syncrude, Athabasca no longer has any reclamation obligation on those lands. The Corporation recorded a gain on ERO in other operating expenses of $2,174,334 in the three months ended September 30, 2019, which includes a change in estimate on the outstanding reclamation obligations at Susan Lake of $1,572,096 (included in the $1,475,130 change in estimate shown above) as well as a gain of $602,238 on the Susan Lake reclamation fund deposit liabilities being held for future reclamation work.

Note 14 – Environmental Rehabilitation Obligations ("ERO") - continued

As at September 30, 2019, the Corporation has incurred total costs of $1,374,156 related to Susan Lake closure activities in the last 3 calendar years. In the first quarter of 2019, the Corporation was reimbursed by AEP for some of these costs in the amount of $1,016,770. Additionally, the Corporation has used money from the Susan Lake reclamation fund to fund the other reclamation spending at Susan Lake. Now that the Susan Lake Closure Plan approval has been obtained, the Corporation has moved this money from restricted cash to cash (see Note 6) and de-recognized the deposit liabilities from the balance sheet by recording a gain in other operating expenses of $603,238 as the use of these funds has now been determined. The cash remaining from this reclamation fund will be used to cover any remaining reclamation and remediation costs on the non-overlapping lands at Susan Lake.

The discount rates used by the Corporation are based on the Government of Canada bond yields for periods comparable to the expected timing of reclamation activities at each site. These rates ranged from 1.38% to 1.58% as at September 30, 2019 (December 31, 2018: 1.86% to 1.90%) depending on the expected timing of reclamation activities. It is expected that reclamation activities for the Corporate owned pits and Susan Lake will occur between 2019 and 2025 considering the projected production schedules, the timing of reclamation activities included in the Conservation and Reclamation Business Plan, as well as the timing of expiration of the related surface materials lease for each property.

Accretion expense is the expense calculated when updating the present value of the ERO provision. This expense increases the liability based on estimated timing of reclamation activities and the discount rate used in the ERO calculations.

The Corporation has paid cash security deposits of $616,757 as at September 30, 2019 (December 31, 2018: $612,402) to the Government of Alberta on behalf of the Corporation for ERO provisions on the aggregate pits, and an additional $133,330 (December 31, 2018: $133,330) for the Firebag property, where there has been no disturbance yet that would require the Corporation to set up an ERO provision. These deposits are included in the long-term deposits disclosed in Note 5.

Note 15 – Share Capital

The continuity of the Corporation's outstanding share capital is as follows:

		Nine months ended September 30, 2019			Year ended December 31, 2018		
	Notes	Number of Shares		Amount	Number of Shares		Amount
Authorized:							
An unlimited number of:							
Common voting shares with no par value							
Preferred shares, issuable in series							
Issued and outstanding, beginning of period		**40,240,606**	**$**	**14,465,325**	33,303,650	$	13,246,758
Issuance of common share units in private placement		-		-	5,750,000		992,625
Common share issuance costs		-		(2,877)	-		(47,058)
Shares issued in purchase of investment	11	2,100,000		1,129,800	1,186,956		273,000
Warrants exercised		1,987,500		795,000	-		-
Stock options exercised		516,667		195,194	-		-
Issued and outstanding, end of period		**44,844,773**	**$**	**16,582,442**	40,240,606	$	14,465,325

Note 15 – Share Capital – continued

On November 21, 2018, the Corporation issued 5,750,000 common shares in a private placement for cash consideration of $1,150,000. Legal and filing fees of $47,058 and commission of $nil associated with the private placement were incurred for net cash proceeds of $1,102,942. Each common share issued in the private placement is accompanied by one-half common share purchase warrant with each full warrant entitling the holder to acquire one additional common share at an exercise price of $0.35 for a period of two years from the issuance date. If the closing price of the Corporation's common shares on the TSX Venture Exchange is at a price equal to or greater than $0.50 for a period of ten consecutive trading days, the Corporation will have the right to accelerate the expiry date of the Warrants, whereby the Warrants will expire 30 days from the date of the notice to the Warrant holders. As of March 16, 2019, the Corporation's share price met the warrant acceleration threshold; however, the Corporation chose not to accelerate the expiry date of the warrants. The fair values attributed to the common shares and warrants were $992,625 and $157,375 respectively using the relative fair value method. The fair value of the warrants has been recorded in contributed surplus.

Stock options

The Corporation has issued options to Directors, Officers, employees and consultants of the Corporation as incentives. The continuity of the Corporation's outstanding stock options is as follows:

	Nine months ended September 30, 2019		Year ended December 31, 2018	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of period:	**2,555,000**	**$ 0.33**	1,270,000	$ 0.45
Issued	**1,166,667**	**0.52**	1,705,000	0.21
Exercised	**(516,667)**	**0.23**	-	-
Expired or cancelled	**(480,000)**	**0.87**	(420,000)	0.26
Options outstanding, end of period:	**2,725,000**	**$ 0.33**	2,555,000	$ 0.33

During the nine months ended September 30, 2019, 1,166,667 options were granted to Directors, Officers and employees of the Corporation (year ended December 31, 2018: 1,705,000).

During the nine months ended September 30, 2019, 516,667 options were exercised at a weighted average exercise price of $0.23 for total proceeds of $121,259 (year ended December 31, 2018: no options were exercised).

The weighted average remaining contractual life of the outstanding stock options is 3.78 years (December 31, 2018: 3.84 years).

Of the 2,725,000 (December 31, 2018: 2,555,000) outstanding stock options, 1,256,667 (December 31, 2018: 1,178,334) options have vested and therefore, were exercisable at September 30, 2019 at a weighted average exercise price of $0.21 per share (December 31, 2018: $0.45 per share).

The Corporation's stock option plan provides that the Board of Directors may from time to time, in its discretion, grant to Directors, Officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase common shares. Pursuant to the stock option plan, options must be exercised within thirty days following termination of employment or cessation of the optionee's position with the Corporation, or such other period established by the Board of Directors, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death or disability, the option may be exercised within one year, subject to the expiry date.

Note 15 – Share Capital - continued

The Corporation's outstanding stock options are as follows:

		As at	
		September 30, 2019	December 31, 2018
Expiry Date	**Exercise Price**		
June 26, 2019	$ 2.90	-	100,000
December 14, 2020	0.30	**100,000**	245,000
January 13, 2022	0.24	**195,000**	270,000
July 7, 2022	0.18	**400,000**	430,000
November 23, 2022	0.22	-	30,000
April 30, 2023	0.17	**70,000**	220,000
June 4, 2023	0.17	**425,000**	550,000
September 13, 2023	0.30	**100,000**	100,000
November 23, 2023	0.26	**450,000**	610,000
January 9, 2024	0.28	**225,000**	-
May 21, 2024	0.57	**75,000**	-
May 22, 2024	0.57	**345,000**	-
June 24, 2024	0.65	**120,000**	-
August 20, 2024	0.64	**220,000**	-
		2,725,000	2,555,000

The fair value of the options granted was estimated on the dates of the grant using the Black-Scholes Option Pricing Model. The fair values of the options granted in the last two years were estimated using the following assumptions:

Grant Date	# of Options	Exercise Price	Dividend Yield	Expected Volatility	Risk Free Rate of Return	Expected Life	Weighted Average Fair Value on Grant Date	Forfeiture Rate
August 20, 2019	220,000	$ 0.64	Nil	84.9%	1.19%	5 years	$ 0.43	18.8%
June 24, 2019	120,000	$ 0.65	Nil	79.6%	1.34%	5 years	$ 0.42	18.1%
May 22, 2019	476,667	$ 0.57	Nil	81.6%	1.61%	5 years	$ 0.37	17.7%
May 21, 2019	75,000	$ 0.57	Nil	85.1%	1.64%	5 years	$ 0.38	17.7%
January 9, 2019	275,000	$ 0.28	Nil	78.2%	1.90%	5 years	$ 0.18	17.3%
November 23, 2018	610,000	$ 0.26	Nil	73.1%	2.28%	5 years	$ 0.16	16.3%
September 13, 2018	160,000	$ 0.30	Nil	74.3%	2.24%	5 years	$ 0.18	16.6%
June 4, 2018	665,000	$ 0.17	Nil	74.4%	2.10%	5 years	$ 0.10	16.3%
April 30, 2018	270,000	$ 0.17	Nil	72.9%	2.10%	5 years	$ 0.10	16.5%
November 23, 2017	200,000	$ 0.22	Nil	73.4%	1.61%	5 years	$ 0.13	16.8%
July 7, 2017	530,000	$ 0.18	Nil	74.1%	1.46%	5 years	$ 0.11	15.3%

The expected volatility was determined using historical trading data for the Corporation for a period commensurate with the expected life of the options.

Options may be exercisable for up to ten years from the date of grant, but the Board of Directors has the discretion to grant options that are exercisable for a shorter period. The outstanding stock option grants were issued with an exercisable period of five years from the date of grant. Options under the stock option plan are not transferable or assignable.

Note 15 – Share Capital - continued

Warrants

	Nine months ended September 30, 2019			Year ended December 31, 2018		
	Number of Warrants		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price
Warrants outstanding, beginning of period:	**2,875,000**	**$**	**0.35**	-	$	-
Issued	**-**		**-**	2,875,000		0.35
Exercised	**(1,987,500)**		**0.35**			-
Expired or cancelled	**-**		**-**	-		-
Warrants outstanding, end of period:	**887,500**	**$**	**0.35**	2,875,000	$	0.35

During the nine months ended September 30, 2019 1,987,500 warrants were exercised at an exercise price of $0.35 for proceeds of $695,625 (year ended December 31, 2018: no warrants were exercised).

Of the 887,500 (December 31, 2018: 2,875,000) outstanding warrants, 887,500 (December 31, 2018: 2,875,000) were exercisable at September 30, 2019 at a weighted average exercise price of $0.35 per warrant (December 31, 2018: $0.35 per warrant).

The weighted average remaining contractual life of the warrants is 1.14 years (December 31, 2018: 1.89 years).

The fair value of the warrants issued were estimated on the dates of the grant using the Black-Scholes Option Pricing Model. The fair values of the options issued were estimated using the following assumptions:

Grant Date	# of Warrants		Exercise Price	Dividend Yield	Expected Volatility	Risk Free Rate of Return	Expected Life		Weighted Average Fair Value on Grant Date
November 21, 2018	2,875,000	$	0.35	Nil	72.6%	2.23%	2 years	$	0.08

Restricted Share Unit (“RSUs”) and Deferred Share Units (“DSUs”)

	Nine months ended September 30, 2019						Year ended December 31, 2018					
	Number of DSUs		Weighted Average Fair Value	Number of RSUs		Weighted Average Fair Value	Number of DSUs		Weighted Average Fair Value	Number of RSUs		Weighted Average Fair Value
Outstanding, beginning of period:	**-**	**$**	**-**	**-**	**$**	**-**	-	$	-	-	$	-
Issued	**1,120,000**		**0.02**	**-**		**-**	-		-	-		-
Expired or cancelled	**(90,000)**		**0.03**	**-**		**-**	-		-	-		-
Outstanding, end of period:	**1,030,000**	**$**	**0.10**	**-**	**$**	**-**	-	$	-	-	$	-

On April 4, 2019, the Corporation adopted Restricted share unit (“RSU”) and Deferred share unit (“DSU”) plans.

No RSUs have been granted as of the nine months ending September 30, 2019.

DSUs vest 1/3rd on the first, second, and third (annual) anniversary of the date of grant based on continued tenure of the participant.

The value of the vested DSUs are redeemable by the participant following resignation, retirement, or death. The fair value of the DSUs redeemed is equal to the market price of the Corporation’s shares and are payable in the form of cash, less applicable withholding taxes.

During the three and nine months ended September 30, 2019, 160,000 and 1,120,000 DSUs were granted to Directors, Officers and employees of the Corporation (year ended December 31, 2018: no DSUs were granted). In the third quarter of 2019, 90,000 DSUs were forfeited due to the departure of the participant.

Note 15 – Share Capital - continued

Of the 1,030,000 (December 31, 2018: nil) outstanding DSUs, nil (December 31, 2018: nil) DSUs have vested.

The fair value of the DSU liability of $106,695, which is based on the closing price of the Corporation's shares on the TSX Venture Exchange and an expected forfeiture rate of 18.8%, is included in accounts payable and accrued liabilities in the consolidated statements of financial position. Any change to the fair value of the liability is included in share-based compensation expense in the consolidated statements of income (loss) and comprehensive income (loss).

The stock option, RSU, and DSU plans provides for a floating maximum limit of 10% of the outstanding common shares, as permitted by the policies of the TSX Venture Exchange.

Share-based compensation expense is comprised of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Stock options	**$ 86,898**	$ 30,712	**$ 204,712**	$ 72,564
Deferred share units	**77,867**	-	**106,695**	-
Share-based compensation expense	**$ 164,765**	$ 30,712	**$ 311,407**	$ 72,564

Share-based compensation expense in the consolidated statements of income (loss) and comprehensive income (loss) for the nine months ended September 30, 2019 includes $54,142 to Directors, $152,672 to Officers, and $104,593 to employees (nine months ended September 30, 2018: $16,422 to Directors, $35,994 to Officers, and $20,148 to employees).

Net Earnings (Loss) Per Common Share

The treasury stock method is used to calculate diluted earnings (loss) per share, and under this method options that are anti-dilutive are excluded from the calculation of diluted earnings (loss) per share.

For the three months ended September 30, 2019, in-the-money options of 2,725,000 and warrants of 887,500 are included in the calculation of diluted earnings per share whereby expected proceeds from these options and warrants are assumed to purchase common shares at the average market price of $0.63/share during the period in order to calculate the anticipated incremental number of shares of 1,682,328 for the diluted earnings per share calculation.

For the nine months ended September 30, 2019 and the three and nine months ended September 30, 2018, all outstanding options and warrants were considered anti-dilutive because the Corporation recorded a loss over those periods.

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Basic earnings (loss) per share				
Total income (loss) and comprehensive income (loss)	**$ 748,666**	$ (782,148)	**$ (1,618,940)**	$ (1,577,257)
Weighted average number of common shares outstanding	**44,682,155**	33,303,650	**42,803,924**	33,303,650
Total income (loss) and comprehensive income (loss) per common share, basic	**$ 0.017**	$ (0.023)	**$ (0.038)**	$ (0.047)
Diluted earnings (loss) per share				
Total income (loss) and comprehensive income (loss)	**$ 748,666**	$ (782,148)	**$ (1,618,940)**	$ (1,577,257)
Weighted average number of common shares outstanding	**44,682,155**	33,303,650	**42,803,924**	33,303,650
Effect of dilutive stock options and warrants	**1,682,328**	-	**-**	-
Weighted average number of common shares outstanding assuming dilution	**46,364,483**	33,303,650	**42,803,924**	33,303,650
Total income (loss) and comprehensive income (loss) per common share, diluted	**$ 0.016**	$ (0.023)	**$ (0.038)**	$ (0.047)

Note 16 – Related Party Transactions

The Corporation's related parties include four independent Directors, the Chief Executive Officer, the Chief Financial Officer, the Chief Operations Officer, Aggregates Marketing Inc., AMI Silica Inc., the private Alberta corporation that owns the Montney In-Basin frac sand project, and the private Alberta corporation that owns the Duvernay frac sand project.

Transactions with independent Directors were as follows:

	Three months ended September 30,				Nine months ended September 30,			
		2019		2018		2019		2018
Directors:								
Directors fees	$	35,016	$	37,500	$	114,516	$	117,667
Travel and miscellaneous expenses		3,370		473		6,169		1,395
Share-based compensation		24,934		9,292		54,142		16,422
	$	63,320	$	47,265	$	174,827	$	135,484

Amounts due to Directors at September 30, 2019 was $393 (September 30, 2018: $nil). The Director's fees are paid on a quarterly basis. Any unpaid amounts due to Directors are unsecured and are non-interest bearing.

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.

Note 17 – Compensation of Key Management

The remuneration paid to named Officers were as follows:

	Three months ended September 30,				Nine months ended September 30,			
		2019		2018		2019		2018
Salaries and other benefits including severance	$	155,246	$	101,544	$	466,261	$	304,230
Share-based compensation		77,996		14,430		152,672		35,994
	$	233,242	$	115,974	$	618,933	$	340,224

Amounts due to named Officers at September 30, 2019 was $159 (September 30, 2018: $nil).

Note 18 – Financial Instruments

Classification
The Corporation's financial instruments consist of the following:

Financial statement item	Classification
Cash	Amortized cost
Trade and other receivables	Amortized cost
Share purchase options	Fair value through profit and loss
Long-term deposits	Amortized cost
Restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Deferred share unit liability (included in Accounts payable and accrued liabilities)	Fair value through profit and loss

Fair Value
Due to the short-term nature of cash, trade and other receivables, accounts payable and accrued liabilities the carrying value of these financial instruments approximate their fair value. The fair value of restricted cash approximates the carrying values as they are at the market rate of interest. Long-term deposits are refundable. The fair values of the long-term deposits are not materially different from their carrying value.

The deferred share unit liability and the share purchase options are the only financial instruments measured at fair value on a recurring basis. The deferred share unit liability is a Level 2 fair value hierarchy measurement and the share purchase options are a Level 3 fair value hierarchy measurement. There were no transfers between Level 1, 2, or 3 of the fair value hierarchy for the three and nine months ended September 30, 2019 (year ended December 31, 2018: none).

Share purchase options
The following tables show the sensitivity of the fair value estimates for the share purchase options as a result of changes to the inputs:

Financial instrument carried at fair value	Significant unobservable input	Sensitivity of the fair value measurement to input
Montney in-basin share purchase option	Expected volatility	An increase of 25% (decrease of 25%) would increase (decrease) the fair value by $79,659 ($33,060)
	Risk free rate of return	An increase of 25% (decrease of 25%) would increase (decrease) the fair value by $314 ($250)

Financial instrument carried at fair value	Significant unobservable input	Sensitivity of the fair value measurement to input
Duvernay share purchase option #2	Expected volatility	An increase of 25% (decrease of 25%) would increase (decrease) the fair value by $264 ($8)
	Risk free rate of return	An increase of 25% (decrease of 25%) would increase (decrease) the fair value by $nil ($nil)

Changes in the expected volatility cause significant changes in the fair value measurement of the share purchase options. The expected volatilities were estimated using the average volatility in share price of comparable publicly traded junior mining companies.

Note 18 – Financial Instruments - continued

The reconciliation of the carrying amounts of financial instruments classified within Level 3 of the fair value hierarchy is as follows ($CDN):

	Notes	As at September 30, 2019			As at December 31, 2018		
		Montney in-basin frac sand project	**Duvernay frac sand project**	**Total**	Montney in-basin frac sand project	Duvernay frac sand project	**Total**
Balance at December 31, 2018		$ 124,151	$ -	**$ 124,151**	$ 124,151	$ -	$ 124,151
Share purchase option additions	11	-	(138,676)	**(138,676)**	-	-	-
Share purchase option exercised	11	-	(79,035)	**(79,035)**	-	-	-
Change in fair value of share purchase options		(80,231)	217,719	**137,488**	-	-	-
Balance at September 30, 2019		**$ 43,920**	**$ 8**	**$ 43,928**	**$ 124,151**	**$ -**	**$ 124,151**

The options were valued using the Black-Scholes Option Pricing Model using the following assumptions as at September 30, 2019:

Project	Option Purchase Date	# of Options	Exercise Price	Dividend Yield	Expected Volatility	Risk free rate of return	Remaining Expected life	Fair Value
Duvernay	January 25, 2019	225	$ 35,555	Nil	89%	1.58%	4 months	$ 8
MIB	December 14, 2018	261	$ 30,651	Nil	98%	1.58%	8.5 months	$ 43,920

The Corporation has the option to purchase the remaining shares in each private corporation for an initial term of one year after the close date. For the MIB project, this option has now been extended for a term of up to 6 months after a NI 43-101 compliant technical report is filed so management has assumed a remaining expected life of 8.5 months as at September 30, 2019.

The total amount of the unrealized loss included in the consolidated statements of income (loss) and comprehensive income (loss) for the three months and nine months ended September 30, 2019 is $50,968 and $218,899 respectively (September 30, 2018: $nil).

Credit Risk

Financial instruments that potentially subject the Corporation to credit risk consist primarily of cash, restricted cash, trade and other receivables, and long-term deposits. The Corporation's maximum credit risk at September 30, 2019 is the carrying value of these financial assets.

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

On an ongoing basis, the Corporation monitors the financial condition of its customers with all information available. The Corporation reviews the credit worthiness of all new customers and sets credit limits accordingly in order to minimize the Corporation's exposure to credit losses. The Corporation requires any customers deemed to be high-risk to prepay for aggregate prior to taking delivery.

Under the simplified approach, lifetime expected credit losses are measured using a present value and probability-weighted model that considers all reasonable and supportable information available without undue cost or effort along with the information available concerning past defaults, current conditions and forecasts at the reporting date. The Corporation estimates an increased loss rate for new customers as opposed to customers that the Corporation has previous experience with, as the Corporation has experienced defaults more commonly with new customers as opposed to previous customers. New customers are customers that the Corporation has not completed projects with previously.

Note 18 – Financial Instruments - continued

The calculation of the lifetime expected credit loss is as follows:

	Days outstanding	Estimated loss rate	Accounts receivable - gross	Lifetime expected credit loss	Accounts receivable - net
Previous customers	Current (0-60)	0.01%	$ 85,995	$ (12)	$ 85,983
	60-90	0.00%	-	-	-
	90+	0.00%	-	-	-
			$ 85,995	**$ (12)**	**$ 85,983**
			$ 85,995	**$ (12)**	**$ 85,983**

The following table summarizes the changes in the estimated lifetime expected credit loss included in accounts receivable:

	As at	
	September 30, 2019	December 31, 2018
Balance, beginning of period	$ 3,741	$ 3,054
Adjustment to lifetime expected credit loss estimate	2,571	687
Less: specific account written-off	(6,300)	-
Balance, end of period	**$ 12**	**$ 3,741**

The aging summary for trade and other receivables is as follows:

	Current	60-90 days	> 90 days	Total
As at September 30, 2019	**$ 73,052**	**$ 12,931**	**$ -**	**$ 85,983**
As at December 31, 2018	$ 1,048,713	$ 311,911	$ 171,239	$ 1,531,863

Due to the much smaller receivable amount as at September 30, 2019, five customers individually owed greater than 10% of the accounts receivable total balance and therefore, accounted for 88% of the Corporation's accounts receivable balance as at September 30, 2019 (December 31, 2018: two customers accounted for 84%).

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through budgeting and forecasting cash flows to ensure it has enough cash to meet its short-term requirements for operations, start-up costs for its wholly-owned subsidiaries Aggregates Marketing Inc. and AMI Silica Inc., and other contractual obligations.

As at September 30, 2019, the Corporation has enough 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's financial liabilities include accounts payable and accrued liabilities and lease obligations, including interest.

Note 18 – Financial Instruments - continued

The expected remaining contractual maturities of the Corporation's financial liabilities are shown in the following table:

	Notes	As at September 30, 2019 0 - 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities		$ 452,589	$ -	$ -	452,589
Lease obligations, including interest	13	99,753	101,234	5,881	206,868
Total		**$ 552,342**	**$ 101,234**	**$ 5,881**	**$ 659,457**

Note 19 – Capital Disclosures

The capital of the Corporation consists of items included in equity and debt, net of cash.

	Notes	As at September 30, 2019	December 31, 2018
Total equity attributable to shareholders		**$ 15,196,547**	$ 14,671,903
Total borrowings			
Lease obligations	13	**198,416**	29,284
Cash		**(3,986,289)**	(5,078,537)
Total managed capital		**$ 11,408,674**	$ 9,622,650

The Corporation's objective when managing capital is to provide enough capital to cover normal operating and capital expenditures. In order to maintain or adjust the capital structure, the Corporation may issue debt, purchase shares for cancellation pursuant to normal course issuer bids or issue new shares.

There were no changes to the Corporation's capital management during the three and nine months ended September 30, 2019.

Note 20 – Supplemental Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) Disclosures

A large portion of the Corporation's aggregate sales and aggregate management services revenue typically come from a small group of major customers. Any customer who represents more than 10% of the Corporation's revenue for the respective period is considered a major customer. During the three and nine months ended September 30, 2019, 100% and 87% of aggregate sales were sold to five and two major customers respectively (three and nine months ended September 30, 2018: 90% and 85% to four customers respectively).

Note 20 – Supplemental Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) Disclosures - continued

Finance costs are comprised of the following:

	Notes	Three months ended September 30, 2019	2018	Nine months ended September 30, 2019	2018
Interest on lease obligations	13	(251)	(602)	(872)	(8,062)

Other operating income (expenses) are comprised of the following:

	Notes	Three months ended September 30, 2019	2018	Nine months ended September 30, 2019	2018
Write down of resource properties security deposits	5	-	(1,936)	-	(10,936)
Impairment of property and equipment	8	-	(100,545)	(36,294)	(127,714)
Write down of resource properties	10	-	-	-	(124,717)
Change in estimate related to EROs	14	2,174,334	(1,550,667)	2,077,368	(1,597,707)
Change in discount rate recognized in other operating expenses	14	543	5,174	(10,735)	8,218
Amortization of environmental rehabilitation obligation asset	10	(3,150)	(5,488)	(9,483)	(11,126)
Amortization of resource property lease costs	10	(2,780)	(2,778)	(8,339)	(8,337)
Accretion of environmental rehabilitation obligations	14	(9,444)	(8,096)	(26,139)	(24,288)
		$ 2,159,503	$ (1,664,336)	$ 1,986,378	$ (1,896,607)

Other non-operating income (expenses) are comprised of the following:

	Notes	Three months ended September 30, 2019	2018	Nine months ended September 30, 2019	2018
(Loss) gain on disposal of property and equipment		(3,150)	5,729	3,550	212,604
Change in fair value of share purchase options	18	(50,968)	-	(139,864)	-
Share purchase option exercised	18	-	-	(79,035)	-
Camp rental income		36,300	79,518	174,714	255,555
Rental income		135	9,125	9,275	13,411
Foreign exchange (loss) gain		(358)	-	(708)	-
		$ (18,041)	$ 94,372	$ (32,068)	$ 481,570

During the three and nine months ended September 30, 2019, the Corporation rented the work camp at Poplar Creek for $36,300 and $174,714 (three and nine months ended September 30, 2018: $79,518 and $255,555) respectively in rental income.

The following table shows the total employee benefit expenses for the period:

	Three months ended September 30, 2019	2018	Nine months ended September 30, 2019	2018
Employee benefit expenses	$ 544,922	$ 665,657	$ 1,766,951	$ 1,690,530

Employee benefit expenses include salaries, wages, bonuses, group benefit premiums, and Canada Pension Plan, Employment Insurance and Workers' Compensation Board contributions. Employee benefit expenses are included in both operating costs and general and administrative expenses in the consolidated statements of income (loss) and comprehensive income (loss).

Note 20 – Supplemental Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) Disclosures - continued

The following table shows the total severance expenses for the respective periods. This severance expense is not included in the employee benefit expenses table above:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Severance	$ -	$ -	$ 8,608	$ -

Note 21 – Segmented Reporting

Reportable segments are determined based on the corporate structure and operations in accordance with the Corporation's accounting policies. The "Frac Sand" segment was first disclosed in the December 2018 consolidated financial statements when the operations became material for disclosure. The "Corporate" segment is disclosed for reconciliation purposes only.

	Aggregate sales and aggregate management services		Frac sand		Corporate		Consolidation eliminations		Consolidated	
For the three months ended September 30,	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Revenue:										
Aggregate sales revenue	$ 78,146	$ 1,769,211	$ -	$ -	$ -	$ -	$ -	$ -	$ 78,146	$ 1,769,211
Aggregate management services	-	1,186,218	-	-	-	-	-	-	-	1,186,218
Total income (loss) and comprehensive income (loss)	1,781,962	(392,136)	(96,777)	-	(936,519)	(390,012)	-	-	748,666	(782,148)
Amortization, depreciation, and depletion	(68,505)	(41,384)	-	-	(23,967)	(25,230)	-	-	(92,472)	(66,614)
Finance costs	(251)	(602)	-	-	-	-	-	-	(251)	(602)
Interest income	-	-	-	-	18,738	23,942	-	-	18,738	23,942
Income tax recovery (expense)	-	-	-	-	-	245,538	-	-	-	245,538
For the nine months ended September 30,	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Revenue:										
Aggregate sales revenue	$ 1,058,551	$ 2,023,693	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,058,551	$ 2,023,693
Aggregate management services	433,635	2,417,727	-	-	-	-	-	-	433,635	2,417,727
Total income (loss) and comprehensive income (loss)	1,370,202	(581,845)	(325,594)	-	(2,663,548)	(995,412)	-	-	(1,618,940)	(1,577,257)
Amortization, depreciation, and depletion	(202,777)	(310,841)	-	-	(35,641)	(57,125)	-	-	(238,418)	(367,966)
Finance costs	(872)	(8,062)	-	-	-	-	-	-	(872)	(8,062)
Interest income	-	-	-	-	73,848	45,043	-	-	73,848	45,043
Income tax recovery (expense)	-	-	-	-	(1,825)	523,963	-	-	(1,825)	523,963
As at	**September 30, 2019**	**December 31, 2018**	**September 30, 2019**	**December 31, 2018**	**September 30, 2019**	**December 31, 2018**	**September 30, 2019**	**December 31, 2018**	**September 30, 2019**	**December 31, 2018**
Segment assets	$ 10,143,054	$ 12,491,127	$ 4,891,670	$ 1,274,685	$ 4,415,798	$ 7,036,910	$ (1,135,376)	$ (531,670)	$ 18,315,146	$ 20,271,052
Segment liabilities	2,554,146	5,403,328	1,177,034	525,774	522,795	135,076	(1,135,376)	(465,029)	3,118,599	5,599,149