Athabasca MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2021

November 29, 2021

The following management's discussion and analysis ("MD&A") of Athabasca Minerals Inc.'s ("Athabasca", "AMI", "our" or the "Corporation") financial condition and results of operations should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2021. The accompanying Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts referred to in this MD&A are Canadian dollars. Athabasca Minerals Inc. ("Athabasca", "AMI", "our" or the "Corporation") is a reporting issuer in each of the provinces of Canada. The Corporation's shares trade on the TSX Venture Exchange under the symbol AMI-V.

Athabasca's board of directors, on the recommendation of the audit committee, approved the content of this MD&A on November 29, 2021.

Additional information about Athabasca, including our annual information form, management information circular and quarterly reports, is available at **www.athabascaminerals.com** and on the System for Electronic Document Analysis and Retrieval (SEDAR) at **www.sedar.com.**

FORWARD LOOKING INFORMATION

This document contains "forward looking statements" and "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of Canadian securities legislation. Such forward-looking statements include statements made by the Corporation and its subsidiaries, relating to, without limitation, expectations, intentions, plans and beliefs, including information as to the future events, results of operations and Athabasca's future performance (both operational and financial) and business prospects. Forward-looking statements can be identified by the use of words such as "anticipates", "believes", "continue", "estimates", "expects", "intends", "may", "pending", "potential", "plans", "seeks", "should", "projects", "will" or variations of such words and phrases.

Forward-looking statements are based on the expectations and opinions of the Corporation's management ("Management") on the date the statements are made. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. Such forward-looking statements reflect Athabasca's beliefs, estimates and opinions regarding its future growth, results of operations, future performance (both operational and financial), and business prospects and opportunities at the time such statements are made, and Athabasca undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or circumstances should change, except as required by applicable securities laws. Forward-looking statements are necessarily based upon a number of estimates and assumptions made by Athabasca that are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Forward-looking statements are not guarantees of future performance.

Although the Corporation believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements are made, undue reliance should not be placed on the forward-looking statements because the Corporation can give no assurances that such statements and information will prove to be correct and such statements are not guarantees of future performance. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual performance and results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: known and unknown risks, including those set forth in the Corporation's annual information form dated March 12, 2021 (a copy of which can be found under Athabasca's profile on SEDAR at www.sedar.com); exploration and development costs and delays; weather, health, safety, market and environmental risks; integration of acquisitions, competition, and uncertainties resulting from potential delays or changes in plans with respect to acquisitions, development projects or capital expenditures and changes in legislation including, but not limited to incentive programs and environmental regulations; stock market volatility and the inability to access sufficient capital from external and internal sources; general *economic, market or business conditions; the COVID-19 health pandemic; global economic events; changes to Athabasca's financial position and cash flow; the availability of qualified personnel, management or other key inputs; potential industry developments; and other unforeseen conditions which could impact the use of services supplied by the Corporation. Accordingly, readers should not place undue importance or reliance on the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive and should refer to "Risk Factors" set out in the Corporation's annual information form dated March 12, 2021.*

Statements, including forward-looking statements, contained in this MD&A are made as of the date they are given, and the Corporation disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

Additional information on these and other factors that could affect the Corporation's operations and financial results are included in reports on file with applicable securities regulatory authorities and may be accessed under Athabasca's profile on SEDAR at www.sedar.com.

OUR BUSINESS

Incorporated in 2006, Athabasca Minerals is an integrated group of companies capable of full life-cycle development and supply of aggregates and industrial minerals. The Corporation is comprised of the following business units:

- **AMI Aggregates** division produces and sells aggregates out of its corporate pits and manages the Coffey Lake Public Pit on behalf of the Government of Alberta.
- **AMI Silica** division (www.amisilica.com) is positioning to become a leading supplier of premium domestic silica sand with regional deposits located in Alberta and North-East BC and holds a 5-year purchase agreement with Shell Canada for the supply of proppant.
  - **Privco1 & Privco2** are private Alberta corporations acquired by AMI with premium domestic sand holdings strategically located with respect to the Montney and Duvernay sedimentary basins. Privco2 supports the Prosvita Sand Project and AMI's development application for regulatory approval. The Prosvita Sand Project has engaged the business interest of an international corporation offering industrial synergies (power, utilities, industrial water, rail, environmental green benefits) and with whom negotiations are ongoing.
  - On June 1, 2021 secured an additional pit management contract which is expected to extend into Q4 2021.
- **AMI RockChain** division (www.amirockchain.com) is a midstream, technology-enabled business that deploys its proprietary RockChain™ digital platform, associated industry econometrics, supply-chain algorithms, quality-assurance & safety programs to bring customers integrated supply-delivery solutions of industrial minerals to industry, infrastructure and construction sectors.
  - **TerraShift Engineering** (www.terrashift.ca) was acquired by AMI RockChain in June 2020. TerraShift conducts resource exploration & development programs, regulatory engineering, mine planning, environmental reclamation and remediation, and compliance reporting for a growing customer base across Western Canada and Ontario. TerraShift is also the developer of its proprietary TerraMaps™ software.

BUSINESS HIGHLIGHTS

Athabasca Minerals reports the following key highlights in Q3-2021:

- Consolidated revenue for Q3-2021 was $4.3 million, and $8.8 million for 9 months ending Sep-30, 2021. Year-to-date revenue (as of date of filing) has exceeded $10.0 million.
- AMI Silica's divisional revenue for Q3-2021 was $2.2 million, and $2.7 million for 9 months ending Sep-30, 2021. AMI Silica's joint venture company with a confidential (50/50) partner and its operations service agreement with an industry client (effective June-1st, 2021) continued throughout Q3, and remains active as of the date of filing.
- AMI RockChain divisional revenue for Q3-2021 was $1.7 million, and $4.5 million for 9 months ending Sep-30, 2021. AMI RockChain also announced the appointment of Paul Leveille in the role of Chief Technology Officer ("CTO").
- AMI Aggregates divisional revenue for Q3-2021 was $0.2 million, and $1.2 million for 9 months ending Sep-30, 2021. Coffey Lake and Kearl Lake were both active in Q3.
- TerraShift Engineering divisional revenue for Q3-2021 was $0.4 million, and $0.9 million for 9 months ending Sep-30, 2021.
- The Corporation increased its unrestricted cash position by $1.0 million utilizing the Account Performance Security Guarantee program from Export Development Canada. This resulted in guaranteed investment certificates replacing previous Letters of Credit (restricted cash) for Government of Alberta future reclamation liabilities.

Fiscal Management & Reporting

- AMI's cash position as of September 30, 2021 was $2.0 million free cash and $0.1 million restricted cash.
- The Corporation received $120,000 in loans from the Canada Emergency Business Account ("CEBA") program in Q3-2021 – i.e., two loans of $60,000 each for Privco1 and Privco2. These CEBA loans are interest free, and if each are redeemed by Dec-2022, a $20,000 discount applies.
- AMI was not eligible to receive the Canadian Emergency Wage Subsidy ("CEWS") program in Q3-2021 based on improved financial performance. In First-Half 2021, AMI received CEWS subsidies totaling $0.3 million.
- To help reduce overhead and cash drawdown, the Corporation re-instated its '90/10 Program' in Q3-2021 whereby 10% of both Director and Employee's compensation is paid in treasury-issued AMI shares. This is also known as the Employee Share Purchase Plan ("ESP Plan"). The ESP Plan, first conducted in 2H-2020, was re-approved by shareholders on June 22, 2021. The ESP Plan recommenced in Q3 will continue to year-end 2021.

SELECTED FINANCIAL INFORMATION

	Three months ended September 30, 2021	2020	% Change	Nine months ended September 30, 2021	2020	% Change
FINANCIAL HIGHLIGHTS:						
Product sales revenue	$ 981,985	$ 326,194	201%	$ 2,230,509	$ 586,067	281%
Services revenue	3,359,063	99,537	3275%	6,617,727	941,153	603%
Gross revenue, including royalties	4,341,048	425,731	920%	8,848,236	1,527,220	479%
Less: provincial royalties	(29,024)	-	0%	(198,323)	(96,187)	(106%)
Gross revenue, net of royalties	4,312,024	425,731	913%	8,649,913	1,431,033	504%
Gross profit (loss)	362,350	(321,952)	213%	1,030,137	(311,516)	431%
Gross profit (loss) percent	8%	(76%)		12%	(22%)	
Operating loss	(386,088)	(1,165,567)	67%	(1,667,435)	(2,921,459)	43%
Other non-operating income	32,922	55,841	(41%)	162,628	317,265	(49%)
Total loss and comprehensive loss	$ (361,829)	$ (1,126,583)	68%	$ (1,543,467)	$ (2,649,953)	42%
Loss per share, basic ($ per share)	(0.005)	(0.023)	80%	(0.023)	(0.056)	60%
Loss per share, fully diluted ($ per share)	(0.005)	(0.023)	80%	(0.023)	(0.056)	60%
CASH FLOW HIGHLIGHTS:						
Net cash used in operating activities	248,705	(532,618)	147%	(753,990)	(1,524,655)	51%
Weighted Average # of Shares Outstanding	68,539,672	48,533,165		66,644,385	47,473,740	

.	As at September 30, 2021	December 31, 2020	% Change
FINANCIAL POSITION:			
Working capital[1]	$ 1,497,029	$ 917,834	63%
Total assets	20,548,032	18,543,202	11%
Total liabilities	6,322,987	5,358,368	18%
Shareholder's Equity	14,225,045	13,184,834	8%

[1]Non-IFRS Measure - identified and defined under "Liquidity & Capital Resources"

FINANCIAL AND OPERATIONAL REVIEW

REVENUE

The Corporation's revenues for the three and nine months ended September 30, 2021 were $4.3 million and $8.8 million respectively compared to $0.4 million and $1.5 million for the same periods in 2020. The increase in revenue of $3.9 million and $7.3 million respectively was due to:

- Product sales revenue for the three and nine months ended September 30, 2021 increased by $0.7 million and $1.6 million respectively because of higher networked third-party sales revenue through AMI RockChain, and revenue generated from the Kearl pit, through AMI Aggregates.
- Services revenue for the three and nine months ended September 30, 2021 increased by $3.2 million and $5.7 million respectively due to increased sales from Coffey Lake in 2021 (2020: $0.0 million and $0.6 million respectively); increased transportation services revenue; the addition of $0.2 million and $0.5 million respective increases from TerraShift's revenue stream and the addition of $2.2 million and $2.7 million respective increases from the new pit management contract.

GROSS PROFIT (LOSS)

The Corporation took the necessary actions to adjust cost structures where possible, and as a result, gross profit significantly increased in Q3-2021 as compared to Q3-2020. It is anticipated that these adjustments to costs will benefit the Corporation on an ongoing basis.

The Corporation recorded a gross profit of $0.4 million in Q3-2021 and a gross profit of $1.0 million for the nine months ended September 30, 2021, compared to a loss of $0.3 million for the 3 months ended September 30, 2020 and a loss of $0.3 million for the 9 months ended September 30, 2020. RockChain's gross profit margin improved in Q3-2021 over Q3-2020 by $0.2 million, and TerraShift contributed additional engineering services, which resulted in additional gross profit of $0.2 million.
The YTD increase in gross profit of $1.3 million was due to improved margins on revenues, as revenue increased by $7.2 million whereas cost of sales increased by $5.9 million.

General and Administrative Expenses

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	% Change	2021	2020	% Change
Wages and benefits	$ 313,725	$ 285,047	10%	$ 1,376,374	$ 1,203,540	14%
Consulting	51,709	123,427	-58%	196,874	282,033	-30%
Legal and professional fees	37,998	52,858	-28%	224,911	177,972	26%
Insurance	33,345	48,437	-31%	153,686	111,982	37%
Directors fees and expenses	41,200	34,000	21%	117,807	110,701	6%
Rent and office expenses	54,500	45,199	21%	149,563	113,424	32%
Investor relations	6,589	32,649	-80%	40,896	52,139	-22%
Travel	3,696	10,018	-63%	8,761	28,665	-69%
	$ 542,762	$ 631,635	-14%	$ 2,268,872	$ 2,080,456	9%

General and administrative expenses for the three and nine months ended September 30, 2021, were $0.5 million and $2.3 million respectively, compared to $0.6 million and $2.1 million for the same periods in 2020. Certain general and administrative costs for the comparative period were reclassified to conform to the current period presentation.

Payroll reductions and optimizations at all levels of the Corporation were in place for both 2020 and 2021, up to and including the Board of Directors. In addition, the Corporation applied for and received monthly CEWS subsidies beginning in Q1-2020 and continued to apply for these subsidies through to October 2021. The subsidies serve to reduce the salaries and benefits expense incurred during 2020 and 2021. In Q3-2021, the Corporation has recorded $0.0 million in CEWS subsidies. Since the inception of the CEWS program in Q1-2020, the Corporation has recorded $0.7 million in cumulative CEWS subsidies.

Due to the acquisition of TerraShift in June 2020, the Corporation had a larger workforce in 2021 as compared to 2020, which resulted in increased payroll costs and general office expenses. Accruals for trailing payments and performance payouts related to the TerraShift acquisition also increased payroll costs in 2021.

For the quarter, general and administrative expenses were lower due to lower consulting costs, and lower investor relations costs.

OPERATING LOSS

The Corporation's operating loss, which is calculated as gross profit less general and administrative costs, share of loss from associates, share-based compensation, and other operating expenses was $0.4 million and $1.7 million for the three and nine months ended September 30, 2021, respectively, compared to $1.2 million and $2.9 million respectively for the same periods in 2020.

For Q3-2021, the decrease in operating loss of $0.8 million was due to the $0.7 million increase in gross profit and the $0.1 million decrease in general and administrative costs.

For the nine months ended September 30, 2021, the decrease in operating loss of $1.2 million was due to the $1.3 million increase in gross profit offset by net non-gross profit differences of $0.1 million, principally the higher general and administrative expenses discussed above.

TOTAL LOSS AND COMPREHENSIVE LOSS

In Q3-2021, the Corporation incurred a total loss and comprehensive loss of $0.4 million, $0.005 per share basic and diluted, as compared to a total comprehensive loss of $1.1 million, $0.023 per share basic and diluted, for Q3-2020. For the 9 months ended September 30, 2021 the Corporation incurred a total loss and comprehensive loss of $1.5 million, $0.023 per share basic and diluted as compared to a total comprehensive loss of $2.6 million, $0.056 per share basis and diluted.

The $0.8 million decrease in total loss and comprehensive loss for Q3-2021 resulted from the $0.8 million decrease in operating loss.

For the nine months ended September 30, 2021, the $1.1 million decrease in total loss and comprehensive loss resulted from the $1.3 million decrease in operating loss offset by a net decrease in non-operating income of $0.2 million.

SUMMARY OF QUARTERLY RESULTS

The following selected information is derived from the Consolidated Financial Statements of the Corporation. The information has been prepared by Management in accordance with IFRS. Product Sales revenue refers to gross aggregate and sand sales from corporate pits, Services revenue refers to aggregate management fees, including royalties, fees for transportation services, fees for engineering services, and fees from integrated supply/delivery solutions of industrial minerals.

	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Product Sales Revenue	$ 981,985	$ 821,402	$ 427,122	$ 389,039
Services Revenue	3,359,063	2,460,534	798,130	125,108
Gross Revenue, including Royalties	4,341,048	3,281,936	1,225,252	514,147
Gross Profit (Loss)	362,350	467,114	200,679	(87,812)
Total Loss and Comprehensive Loss	(361,829)	(579,726)	(601,912)	(934,533)
Loss per share, basic	(0.005)	(0.009)	(0.009)	(0.017)
Loss per share, diluted	(0.005)	(0.009)	(0.009)	(0.017)
Total Assets	20,548,032	21,785,559	20,012,175	18,543,202
Total Resource Properties	11,792,738	11,927,504	11,629,111	6,250,770
Current portion of bank loans and lease obligations	982,156	1,134,662	1,285,153	1,446,564
Long-term bank loans and lease obligations	335,384	225,005	240,374	218,521
	Q3 2020	**Q2 2020**	**Q1 2020**	**Q4 2019**
Product Sales Revenue	$ 326,194	$ 59,246	$ 200,628	$ 445,467
Services Revenue	99,537	226,958	614,657	663,173
Gross Revenue, including Royalties	425,731	286,204	815,285	1,108,640
Gross Profit (Loss)	(321,952)	(30,993)	41,429	(213,830)
Total Income (Loss) and Comprehensive Income (Loss)	(1,126,583)	(694,153)	(829,217)	(1,101,728)
Income (Loss) per share, basic	(0.023)	(0.015)	(0.018)	(0.024)
Income (Loss) per share, diluted	(0.023)	(0.015)	(0.018)	(0.024)
Total Assets	18,043,796	19,036,366	20,469,314	18,272,460
Total Resource Properties	6,685,322	6,750,782	6,711,351	6,288,436
Current portion of lease obligations and debt	690,205	638,255	507,918	93,685
Long-term debt and lease obligations	1,126,158	1,296,828	1,340,881	86,205

Seasonality of Operations

The Corporation derives revenues from managing the supply of, and from the production of, various types of aggregates in Northern Alberta. Product sales and the associated delivery can be affected by, among other things:

- weather conditions.
- seasonal variances in oil and natural gas exploration and development activities.
- timing of projects.
- market demand; and
- timing of capital investments in the region.

Most construction, infrastructure, and industry projects, to which the Corporation supplies aggregate, typically ramp up later in the summer and the fall seasons when ground conditions firm up. These seasonal trends typically lead to quarterly fluctuations in operating results and, consequently, the financial results from one quarter are not necessarily comparable or indicative of financial results in other quarters of the year. These seasonal trends can be observed in fluctuations in Gross Revenue, including Royalties and Total Income (Loss) and Comprehensive Income (Loss) in the Summary of Quarterly Results above.

Mergers, Acquisitions & Strategic Joint Ventures

AMI continues to be active with screening, assessing, and reviewing acquisition and joint venture investment opportunities that are synergistic to the Corporation's portfolio, accretive, and able to expand revenues in the use and application of industrial minerals.

COVID-19

COVID-19 is having an adverse impact on global economic conditions, which has had an adverse effect on the Corporation's business and financial position. The Corporation's revenue for 2021 has been primarily due to networked sales with third parties via AMI RockChain, management services revenue at the Coffey Lake public pit in 2021, the new TerraShift operations and the new pit management contract. The Corporation is continuing to monitor the actual and potential financial impact of COVID-19, such as changes to discount rates and indicators of impairment of inventory and exploration assets and has updated accounting estimates that are impacted by the effects of COVID-19.

SEGMENTED REPORTING

The reportable segments discussed below represent segments that Management considers when reviewing the performance of the Corporation and deciding how to allocate resources. Specifically, an operating segment should have separate financial information available, with management review of financial information. The operating segment should engage in business activities where it earns revenue and incurs expenses. While a reporting segment should have revenue which is 10% or more of combined revenue; assets which are 10% or more of combined assets; and an absolute amount of reporting profit or loss that is 10% or more or reported profit of all operating segments. Using this guidance, the Corporation has reported the Terrashift operations as a separate segment. At December 31, 2020 Terrashift operations were reported as part of the AMI RockChain segment.

Where previously, any revenue earned by the Terrashift operating segment was reported as Management Services Revenue in the AMI RockChain segment, this revenue is now be reported separately as Management Services Revenue earned by the Terrashift operating segment.

Similarly, Segment assets and liabilities of Terrashift previously reported within the AMI RockChain segment are now reported separately as assets and liabilities of the Terrashift operating segment.

A summary of key financial information by reportable segment for the three and nine months ended September 30, 2021 (along with comparative information for 2020) is as follows:

	AMI Aggregates		AMI RockChain		AMI Silica		TerraShift		Corporate & Eliminations		Consolidated	
For the three months ended September 30,	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Revenue:												
Product sales revenue	**$ 147,178**	$ -	**$ 834,807**	$ 326,194	**$ -**	$ -	**$ -**	$ -		$ -	**$ 981,985**	**$ 326,194**
Services revenue	**44,417**	-	**850,124**	-	**2,205,919**	-	**367,020**	138,569	**(108,417)**	(39,032)	**3,359,063**	**99,537**
Gross revenue, including royalties	**191,595**	-	**1,684,931**	326,194	**2,205,919**	-	**367,020**	138,569	**(108,417)**	(39,032)	**4,341,048**	**425,731**
Revenue, net of royalties	**162,571**	-	**1,684,931**	326,194	**2,205,919**	-	**367,020**	138,569	**(108,417)**	(39,032)	**4,312,024**	425,731
Gross profit (loss)	**(110,467)**	(397,988)	**215,880**	21,815	**(7,280)**	(21,907)	**267,690**	76,128	**(3,473)**	-	**362,350**	**(321,952)**
For the nine months ended September 30,	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Revenue:												
Product sales revenue	**$ 147,178**	$ -	**$ 2,083,333**	$ 586,067	**$ (2)**	$ -	**$ -**	$ -	**$ -**	$ -	**$ 2,230,509**	**$ 586,067**
Services revenue	**1,012,741**	553,400	**2,388,207**	288,216	**2,650,370**	-	**942,781**	138,569	**(376,372)**	(39,032)	**6,617,727**	**941,153**
Gross revenue, including royalties	**1,159,919**	553,400	**4,471,540**	874,283	**2,650,368**	-	**942,781**	138,569	**(376,372)**	(39,032)	**8,848,236**	**1,527,220**
Revenue, net of royalties	**961,596**	457,213	**4,471,540**	874,283	**2,650,368**	-	**942,781**	138,569	**(376,372)**	(39,032)	**8,649,913**	**1,431,033**
Gross profit (loss)	**165,090**	(377,706)	**414,630**	45,141	**(281,577)**	(55,079)	**777,243**	76,128	**(45,249)**	-	**1,030,137**	**(311,516)**
As at	**September 30, 2021**	**December 31, 2020**	**September 30, 2021**	**December 31, 2020**	**September 30, 2021**	**December 31, 2020**	**September 30, 2021**	**December 31, 2020**	**September 30, 2021**	**December 31, 2020**	**September 30, 2021**	**December 31, 2020**
Segment assets	**$ 8,969,422**	$ 9,869,939	**$ 748,729**	$ 652,694	**$ 8,848,573**	$ 5,666,381	**$ 233,723**	$ 257,673	**$ 1,747,585**	$ 2,096,515	**$ 20,548,032**	**$ 18,543,202**
Segment liabilities	**4,328,468**	4,237,133	**831,653**	422,473	**849,997**	188,833	**185,930**	112,212	**126,939**	397,717	**6,322,987**	**5,358,368**

The Corporation has four reportable Operations segments:

AMI Aggregates

AMI Aggregates division produces and sells aggregates out of its corporate pits and manages the Coffey Lake Public Pit on behalf of the Government of Alberta (see the Operations & Resources section of this MD&A).

Total revenues of $0.2 million from AMI Aggregates for Q3-2021 were $0.2 million higher compared to $0.0 million in Q3-2020. For the nine months ended September 30, 2021, total revenues of $1.2 million were $0.6 million higher compared to the same period in 2020 due to higher volume from Coffey Lake.

AMI RockChain

AMI RockChain division is a midstream, technology-enabled business that deploys its proprietary RockChain™ digital platform, associated industry econometrics, supply-chain algorithms, quality-assurance & safety programs to bring customers integrated supply-delivery solutions of industrial minerals to industry, infrastructure and construction sectors.

Segmented revenues from Product sales for Q3-2021 increased significantly to $0.8 million as compared to $0.3 million for the comparable period in 2020, while Services revenue increased to $0.9 million due to a large contract with an oilsands customer which was partially fulfilled in Q2 and was completed in Q3.

AMI Silica

AMI Silica division is positioning to become a leading supplier of premium domestic silica sand with regional deposits located in Alberta and North-East BC and holds a 5-year purchase agreement with Shell Canada for the supply of proppant.

On February 5, 2021, the Corporation announced the buyout of the remaining control interests in the two private Alberta corporations (i.e. Privco1 and Privco2) that own the Montney In-Basin Project and the Prosvita Sand Project respectively for 100% control (see discussion under the "Investment in Associates" heading in the "Operations" section of this MD&A).

End-Q2 -2021, AMI Silica entered into a month-to-month renewable Operations Agreement to contract manage a 3rd Party operation which remains in effect and generated $2.2 million in revenues in Q3-2021 ($nil in Q2-2021).

TerraShift Engineering

TerraShift Engineering was acquired by AMI RockChain end-June 2020. TerraShift conducts resource exploration & development programs, regulatory engineering, mine operations planning, environmental reclamation and remediation, and compliance reporting for a growing customer base across Western Canada and Ontario. TerraShift is also the developer of its proprietary TerraMaps™ software.

TerraShift earned $0.4 million in management services revenue for Q3-2021 and $0.9 million for the nine-months ended September 30, 2021.

OPERATIONS & RESOURCES

With respect to the Corporation's operations, a conversion ratio of 2.471 acres to 1 hectare has been used throughout.

PIT MANAGEMENT CONTRACTS

Coffey Lake Public Pit

- Effective January 13, 2020, the Government of Alberta issued the Corporation a disposition for the Coffey Lake Public Pit and a Surface Mineral Lease that allows for the extraction of sand and gravel. This authorization enabled the Corporation, as pit management contractor on behalf of the Government of Alberta, to commence activities to open aggregate operations at Coffey Lake to the public.
- Coffey Lake has been active throughout 2021, and the outlook is positive for the remainder of the year.

CORPORATE-OWNED PITS

- The Corporation holds Surface Material Leases ("SMLs") for several aggregate pits in Northern and Central Alberta. An SML grants the leaseholder the right to extract sand and gravel from Crown land.
- The Corporation is exploring options to reactivate inactive pits, including assigning to a third-party under a royalty agreement, or divest depending on market conditions.

Kearl Aggregates Pit

- The Kearl corporate pit is located on 32 hectares (80 acres) of crown land north of Fort McMurray, Alberta on an all-season road near Imperial Oil /Exxon Kearl Oilsands Operations.
- The SML for this has been extended until October 2030.
- The Kearl pit is intermittently active. In Q3-2021 contracts commenced for the sale of regional sand inventories, which are expected to continue into Q4-2021.

Pelican Hill Pit

- The Pelican corporate pit is located on 32 hectares (80 acres) of crown land approximately 70 km south-east of the hamlet of Wabasca, Alberta, and historically was only accessible by a 2 km winter road.
- The Pelican corporate pit was opened for production in Q3-2021. It is currently under royalty contract with a regional contractor who will be commencing operations in Q4-2021.

Emerson Aggregates Pit

- The Emerson corporate pit is located on 30 hectares (75 acres) of crown land approximately 27 km south-east of the community of Hinton, Alberta on an all-season road. The pit is intermittently active, and under contract operation. Production and sales in 2021 have been delayed.

Hargwen Aggregates Pit:

- Hargwen Pit is located on approximately 32 hectares (80 acres) of crown land about 21 km east of the community of Hinton, Alberta on an all-season road:
- In April 2021, the Corporation received SML approval from the Government of Alberta to develop and operate the Pit for a 10-year term.
- The timing to commence production & operations is subject to winning supply contracts in the area.

Logan Aggregates Pit

- The Logan corporate pit is located on 81 hectares (200 acres) across 3 leases of crown land, approximately 110 km north of Lac La Biche, Alberta, and is accessible by an all-season road to the south and a seasonal winter road from the east.
- The SML for this pit has been extended until October 2030.
- The Logan corporate pit is currently inactive due to changes in the regional demand market and seasonal access limitations.

House River Aggregates Pit

- The House River corporate pit is currently inactive and is located on 65 hectares (160 acres) across two leases of Crown land south of Fort McMurray, Alberta, approximately 11 km east of Highway 63 on the House River.

Inventory Staging and Distribution Hubs (Conklin, Sunday Creek, KM248, and True North)

The Corporation has strategic inventory staging hubs on accessible, year-round roads to support product supply and deliveries on demand to local projects and industry customers. These hubs include:

- **Conklin** - The Conklin staging hub, is located 13km East of the Town of Conklin, Alberta. The Conklin hub is accessible by the Corporation's Logan Pit and has inventory on location.
- **Sunday Creek** - The Sunday Creek staging hub is located 26km North of the Town of Conklin, Alberta on roads accessible to nearby industry SAGD operations. The Sunday Creek hub has historically staged and delivered product from various aggregate sources in the area to service annual orders.
- **KM248** - Located at kilometer 248 of Highway 881, KM248 hub was historically an aggregate source (now depleted) and has been re-purposed as a staging hub for industrial customers near the town of Anzac, Alberta, south of Fort McMurray.

- **True North Staging Hub** - Strategically located 7 km from the Coffey Lake Public Pit at the Highway-63 junction, near Fort McMurray, Alberta. AMI received its disposition from Alberta Environment & Parks in Q1-2020. The Corporation will manage the True North Staging Hub to provide stockpiling and crushing access for aggregate producers in the area.

Richardson Quarry Project:

- The Corporation holds leases for a potential large-scale quarry located approximately 40 km north of Coffey Lake and 130 km north of Fort McMurray, Alberta for the Richardson Project. It contains high quality granite and dolomite in large volumes (683 million tonnes), on a transportation corridor, which makes it attractive for future development.
- An in-house preliminary scope, cost & schedule Assessment for Development has been completed.
- AMI intends to pursue a joint-venture approach for development and is engaged in ongoing discussions with potentially interested parties.

Firebag Sand Project

- The Firebag silica sand deposit is located north of Fort McMurray, Alberta with an active SML covering 32 hectares (80 acres). The asset is fully permitted for mining operations.
- The Corporation is exploring development options, regional partnering and/or a third-party royalty agreement.
- The Corporation has also applied for permits to develop a rail transload terminal in the Fort McMurray area to transport high-quality sand to broader markets.

Prosvita Sand Project

- As of December 31, 2020, the Corporation had a 49.6% ownership interest in the numbered Alberta corporation that owns the Prosvita Project (Privco2), recorded at a historical cost basis of $2.0 million. On February 5, 2021, the Corporation acquired the remaining 50.4% ownership interest for additional consideration of 8 million shares at $0.25 per share, for incremental consideration of $2.0 million, in addition to costs previously incurred.
- The Corporation's pre-acquisition cash investments in Privco2 were allocated towards funding the delineation program, a NI 43-101 compliant technical report (including validation of reserve or resource), securing land options, conducting facility design, and for the preparation of regulatory applications.
- On February 3, 2020, AMI Silica Inc and Shell ratified a Master Purchase Contract to purchase Premium Domestic sand from AMI's Prosvita Sand Project beginning on the later of mid-2021 or 30 days after the Prosvita facility has been commissioned. Under terms of the contract, there is a minimum sales volume at predetermined prices, with an optional maximum annual volume that books a significant portion of the Prosvita Sand Project production capacity. The contract has a five-year term from the effective delivery date and gives Shell the right to extend for an additional two 12-month terms thereafter, with the option to procure sand from AMI's future Montney In-Basin Project.
- The Corporation invested $1,000,735 in contract costs during 2020 in order to secure an offtake agreement with Shell for silica sand from the Prosvita site.
- In September 2020, the Corporation announced the advancement of a strategic JV initiative with an international industrial partner to pursue the Prosvita Sand Project. The JV initiative aims to co-develop and operate one of the greenest sand facilities in North America. The JV initiative offers many unique synergies including industrial land for construction of the facility, as well as access to industrial utilities and transportation infrastructure.
- The development program is presently focused on revising the Front-End Engineering Design (FEED) in collaboration with the international industrial partner, obtaining permits, and thereafter, confirming Final Investment Decision (FID) to proceed to Execution.
- On June 21, 2021, the corporation announced that it had filed its regulatory application with Alberta Environment and Parks (AEP) allowing for the operation of a Class 1 Pit under the Code of Practice for Pits in Alberta. Stakeholder consultations are ongoing as well as meetings with government regulators.

- On August 5, 2021, Privco2 completed an NI 43-101 technical report for the Whitetail Sand Resource demonstrating measured and indicated resources of 40/140 mesh fraction which were calculated to be 11.9 million tonnes (MT) with an additional 0.9 MT of inferred resources further increasing the mineral resources for the project.
    - The lab analysis for Whitetail reported consistent crush strengths of 8K for 40/140 size fractions, with shape factors of 0.6 and 0.7-0.8 for roundness and sphericity respectively.
    - An updated NI 43-101 was also issued for White Rabbit on August 5, 2021. AMI updated the measured in-place mineral resource focused on the optimal 18.8 MT from the original 24.7 MT.
    - The Whitetail and White Rabbit deposits collectively now represent a measured in-place mineral resource of 30.7 MT for the Prosvita Sand Project.

Montney In-Basin Sand Project

- On December 14, 2018, the Corporation purchased a 49.2% ownership interest in the numbered Alberta corporation that owns the Montney In-Basin Project (Privco1) located in the vicinity of Dawson Creek and Fort St. John, British Columbia, recorded at a historical cost basis of $1.6 million. On February 5, 2021, the Corporation acquired the remaining 50.8% ownership interest for additional consideration of $1.00. The Corporation is also using AMI shares to make one final Annual Minimum Royalty ("AMR") payment relating to the Montney deposit, valued at $0.2 million, with three corresponding milestone installments.
- The Corporation's pre-acquisition cash investment in Privco1 was deployed for its resource delineation program and the subsequent funding of a National Instrument 43-101 technical report for the validation of reserve or resource status once a preferred development location is confirmed.
- The Corporation is taking a measured approach concerning expenditures to confirm the most suitable and cost-effective location for development within the 150,000 hectare (370,000 acre) mineral lease.

STRATEGIC PARNERSHIPS

- **Montana First Nation (MFN):** AMI and MFN have a signed Term Sheet that includes commercial opportunities with AMI RockChain plus a 10-year Aggregates Management Agreement to explore and develop potential aggregate resources on 3,885 hectares (9,600 acres) of MFN lands.
- **Ministikwan Lake Cree Nation (MLCN):** TerraShift Engineering established an Engineering Services Contract with MLCN in Q4-2020 for 2 years and has subsequently been awarded contracts for waste management, and environmental assessments with a combined value of approximately $200,000.
- **Fort McKay Metis Nation (FMMN):** AMI and FMMN have a signed Term Sheet to pursue strategic initiatives involving AMI RockChain and regional supply & sales of aggregates. One such initiative includes a transportation solution for a confidential client in the Wood Buffalo Region which was executed in Q2 and Q3 2021.

LIQUIDITY & CAPITAL RESOURCES

WORKING CAPITAL

Working capital is a non-IFRS measure calculated by subtracting current liabilities from current assets. There is no directly comparable IFRS measure for working capital. Management uses working capital as a measure for assessing overall liquidity. The Corporation had net working capital of $1.5 million as of September 30, 2021 (December 31, 2020: $0.9 million), which in management's opinion is sufficient to fund ongoing operations. The $0.6 million increase in working capital was predominately due to a $1.2 million increase in accounts receivable a $0.5 million decrease in the current portions of bank loans and lease obligations and a $0.1 million increase in prepaid expenses and deposits offset by a $1.2 million increase in accounts payable.

The Corporation's sources of liquidity as of September 30, 2021 were cash, accounts receivable, the Corporation's credit facility with Canadian Western Bank (CWB), funds secured through the Canadian Emergency Business Account program and Canadian Emergency Wage Subsidy program, and divestiture of non-core assets. Management believes it can generate sufficient cash to meet its commitments, support operations, finance capital expenditures, and support growth strategies. The Corporation's capital expenditures may be funded by working capital, cash flows from operations, and proceeds from debt and equity offerings.

The Corporation manages its capital structure and adjusts for market conditions to maintain flexibility while achieving the objectives stated above. To manage the capital structure, the Corporation may adjust capital spending, issue new shares, issue new debt, repay existing debt or enter other credit arrangements.

The Corporation has undertaken several financial initiatives in response to the COVID-19 pandemic to preserve capital, e.g.:

- Secured a $60,000 CEBA loan for each of AMI Silica, AMI RockChain, and TerraShift and in August 2021 secured $60,000 CEBA loans for each of Privco1 and Privco2. These loans are interest-free, require no principal payments until December 2022, and $20,000 of each loan is forgivable if repaid by December 2022.
- As of September 30, 2021, AMI has recorded CEWS program lifetime-to-date funding in the amount of $745,342;
- In an effort to preserve the Corporation's cash position during the COVID-19 pandemic and economic downturn, effective January 1, 2021 thru to June 30, 2021, AMI implemented 10% reductions of Management salaries and Board fees; and
- Converted $1.0 million in guaranteed investment certificates that were being held as security to backup $1.0 million in Government of Alberta letters of credit to $1.0 million in letters of credit issued by CWB and backed up by an Account Performance Security Guarantee issued by Export Development Canada, freeing up a significant amount of cash.

The Corporation utilizes a pay when paid approach to managing its cash flows. Under this widely accepted industry approach, expenditures related to the hauling of aggregate are paid to our trucking companies when the related receivable is collected from our customers.

AVAILABLE CREDIT FACILITIES

CWB Bank Loan

On January 28, 2020, the Corporation entered an arrangement with CWB whereby $1,500,000 was advanced to the Corporation by CWB for the development of the Coffey Lake Pit, repayable upon demand. Provided full repayment of the bank loan is not demanded by CWB, the term of the loan is thirty-nine months with thirty-three monthly loan payments of $49,022 which started in August 2020, after three months of interest only payments. The bank loan was originally for three years; however, CWB added three months of interest only payments from May 2020 to July 2020 and extended the term of the loan by three months due to the economic uncertainty in Alberta and around the world due to the COVID-19 pandemic. The interest rate on the bank loan is 5.4%.

The security for the bank loan is part of the general security agreement that was put in place when the credit facility with CWB was established in July 2018. The bank loan is also guaranteed by the Corporation's subsidiaries, AMI RockChain and AMI Silica. There are no new financial covenants added to the credit facility because of this new bank loan.

Letter of Credit/Guarantee Facility

The letters of credit, secured with guaranteed investment certificates, to the benefit of the Government of Alberta for decommissioning and restoration are as follows:

	As at	
	September 30, 2021	December 31, 2020
Susan Lake pit	$ 228,540	$ 230,705
Poplar Creek Site, storage yard	180,000	180,000
Emerson pit	75,240	75,240
Coffey Lake reclamation	296,520	296,520
Coffey Lake industrial miscellaneous lease	74,130	74,130
Coffey Lake performance bond	100,000	100,000
	$ 954,430	$ 956,595

The Corporation has secured its letters of credit to the benefit of the Government of Alberta for decommissioning and restoration with letters of credit issued by CWB and supported by an Account Performance Security Guarantee issued by Export Development Canada.

Coffey Lake Performance Bond

In the third quarter of 2020, the Corporation secured a $500,000 bonding facility through Trisura Guarantee Insurance Company ("Trisura") to be held with the Government of Alberta in place of the $500,000 that AMI held as restricted cash previously for the Coffey Lake Performance Bond. The $500,000 bond with Trisura carries a 2% annual interest rate. Security for the bond is based on the appraised value of private lands included in exploration costs and a $100,000 letter of credit to be held as security for Trisura.

COMMITMENTS

The following table summarizes the expected contractual maturities of the Corporation's financial liabilities as of September 30, 2021:

	As at September 30, 2021			
	0 - 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 2,170,311	$ -	$ -	$ 2,170,311
Income taxes payable	20,098	-	-	20,098
Bank loans, including interest	588,262	642,953	-	1,231,215
Lease obligations, including interest	94,605	35,764	-	130,369
Total	**$ 2,873,276**	**$ 678,717**	**$ -**	**$ 3,551,993**

SHARE CAPITAL

As of September 30, 2021, the authorized share capital of the Corporation consisted of an unlimited number of common voting shares with no par value, and preferred shares issuable in series. As of September 30, 2021, the Corporation had 69,307,196 common shares outstanding (December 31, 2020: 59,110,153). As of the date of filing this MD&A, the outstanding share capital is 69,407,375 common shares. The Corporation did not declare or pay dividends during the nine months ended September 30, 2021 or for the year ended December 31, 2020.

RELATED PARTY TRANSACTIONS

All related party transactions during the nine months ended September 30, 2021 were in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties. Refer to Note 16 of the Unaudited Interim Condensed Consolidated Financial Statements for disclosure with respect to related party transactions.

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
Amounts due from related entities	Amortized cost
Long-term deposits	Amortized cost
Restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Bank loans	Amortized cost
Deferred share unit liability (included in Accounts payable and accrued liabilities)	Fair value through profit and loss

For further information regarding the Corporation's financial instruments and how the Corporation manages the risk associated with the instruments refer to Note 18 in the Unaudited Interim Consolidated Financial Statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements as of September 30, 2021 or December 31, 2020.

RISKS & UNCERTAINTIES

The success of Athabasca depends on several 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 operations of the Corporation are speculative due to the high-risk nature of its business which includes the acquisition, financing, exploration, development, production and operation of mining and resource 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.

Outlined below are some of the Corporation's significant business risks. See also the risks and risk factors set out in the Corporation's annual information form dated March 12, 2021 and filed on SEDAR at www.sedar.com.

Liquidity

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, business development and other contractual obligations.

COVID-19

In March 2020, the World Health Organization declared COVID-19 a global pandemic; prompting many countries around the world to close international borders and order the closure of institutions and businesses. This has resulted in a prolonged reduction in economic activity in Canada and internationally. COVID-19 has caused an unprecedented global health crisis and has contributed to an economic crisis as well. The effect of volatile commodity prices in the energy sector has impacted and could continue to impact parts of Athabasca's customer base and associated revenues.

The extent to which COVID-19 continues to impact the Corporation's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include: the duration, severity and scope of the outbreak and the actions to contain or remedy the pandemic. In particular, the continuation of the pandemic could materially and adversely impact the Corporation's business including without limitation: employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, potential restrictions to its projects, resource development program and the timing thereof, which are beyond the Corporation's control, and which may have a material or adverse effect on its business, financial condition and operations. The Corporation will continue to monitor and take corrective action in accordance with government guidelines to mitigate the impact on AMI's staff and business operations.

Economic Cyclicality of the Energy Industry

The aggregates business is directly affected by fluctuations in the level of oil and natural gas exploration, development, production, and decommissioning activities carried on by its customers in the energy industry, which in turn is dictated by numerous factors, including world energy prices and government policies. Additionally, the business risks also include but are not limited to seasonality; availability of skilled workers; ability to retain key customers; and the environmental and safety risks inherent in the business.

The demand, pricing and terms for the Corporation's products and services largely depend upon the level of oil and natural gas exploration and development activity. Industry conditions are influenced by numerous factors that the Corporation has no control over, including but not limited to: oil and natural gas prices; expectations about future oil and natural gas prices; the cost of exploring for, producing and delivering oil and natural gas; the expected rates of declining production; the discovery rates of new oil and natural gas reserves; available pipeline and other oil and natural gas transportation capacity; certain regional weather conditions; global political, military, regulatory and economic conditions; and the ability of oil and natural gas producing companies to raise equity capital or debt financing.

The aggregates sector is highly reliant on the level of capital expenditures made by energy companies who base their capital expenditure decisions on several factors, including but not limited to oil and natural gas prices, production levels, availability of export capacity and access to capital. Commodity prices, and therefore, the level of drilling, production and exploration activity have been volatile. A prolonged, substantial reduction in commodity prices negatively affects the activity levels of energy companies and the demand for the Corporation's services. A significant, prolonged decline in commodity prices could have a material adverse effect on the aggregates sector, aggregates pricing, the Corporation's business, results of operations, cash flows and financial condition.

The price of labor, fuel, equipment and other input costs, insurance costs, interest rates, fluctuations in customers' business cycles and international, national, and regional economic conditions are factors over which the Corporation has little or no control. A significant increase in fuel prices, equipment prices, employee wages and other input prices, interest rates, currency exchange rates or insurance costs could reduce profitability and could adversely affect the Corporation's cash flow and financial condition. The Corporation cannot predict the impact of future economic conditions and there is no assurance that the operations of the Corporation will be profitable in the future.

Commodity Risk

The Corporation's aggregates, including silica sand, are commodities, and as such there is commodity pricing risks in a competitive market.

Foreign Exchange Risk

The Corporation has revenue and expenses that could be impacted by fluctuations in foreign exchange currency rates.

Environmental & Regulatory

Environmental and Regulatory legislation is becoming increasingly stringent and time-consuming. Costs, expenses, and approval periods associated with regulatory compliance are increasing. The impact of new and future environmental legislation on the Corporation's projects or operations could affect financial performance. Restrictions such as those relating to wildlife habitat can adversely affect the timing and scope of exploration and development activities or introduce production constraints.

Conditions of Equity Markets

The Corporation's ongoing ability to finance exploration and development can be affected by, among other things, conditions of the equity market.

Access to Capital

The Corporation's access to capital for planned and future projects, including debt and equity financing, is subject to risk related to the amount of capital required, market conditions, and timing.

Risk of Delays to Projects & Stakeholder Management

The development of resource projects may be subject to unexpected problems or delays due to a variety of stakeholder management factors, which in turn can delay or postpone the profitability expected from these ventures.

Seasonality

Extreme weather conditions across the geographies in which the Corporation operates can impact mining, logistics, and project activities at varying and unpredictable times throughout the year.

Loss of Key Personnel

The Corporation relies on certain key employees whose skills and knowledge are critical to maintaining its success. Loss of key personnel is an inherent risk. The Corporation strives to retain key employees with competitive compensation, including incentive-based programs.

Shortage of Equipment or Other Supplies

The mining and resource industry has a history of long periods of growth and significant capital development which can often impact the availability of equipment, labour, and other supplies.

Sales and Inventory Turnover Versus Production

The conversion of annual aggregates production into annual sales within a given budget year is variable. Inventory turnover of annual production is typically affected by, but not limited to, economic demand, construction-window seasonality, and competitor pricing responses to market conditions.

Profitability from Production and Operations

The profitability of mining and resource companies depends, in part, on the actual costs of developing and operating such properties, which may differ significantly from estimates determined at the time a relevant resource project was approved. The development of resource projects may also be subject to unexpected problems and delays that could increase the cost of development and the ultimate operating cost of a given project. The Corporation's past and future decisions to acquire, develop, and operate resource properties for production are based on estimates in relation to expected or anticipated economic returns. These estimates are based on assumptions regarding future aggregate prices, anticipated tonnage (with geological uncertainties), recovery rates and quality, anticipated capital expenditures and operating costs. Actual cash operating costs, production and economic returns may vary from those anticipated by original project development estimates.

Reclamation & Remediation Obligations

The Corporation is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The estimates made by the Corporation for reclamation obligations could vary significantly due to potential changes in regulatory requirements and/or contractor rates and services prior to the actual commencement of reclamation work.

Estimation of Resource Reserves

The Corporation has a risk that actual reserves in place on its properties can vary from geological estimates of such reserves and resources.

Health, Safety & Environment ("HSE") Operational Risks

Any major HSE operational incident in the future could significantly impact production, productivity, corporate reputation, or cause disruption to operations.

Cyber Security Risk

The Corporation's business requires the continued operation of information technology systems and network infrastructure. Management believes it has implemented reasonable cyber security measures, including third-party surveillance, to safeguard against potential cyber-attacks. However, if a cyber security event occurred, and the Corporation's systems were detrimentally affected in a way that information systems cannot be recovered or reinstated in a timely manner, this could impact business operations, payment, or financial collection.

Litigation

The risk of unknown future claims against the Corporation more than the Corporation's commercial general liability coverage could materially affect the Corporation's future operations.

SIGNIFICANT MANAGEMENT ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS as issued by the International Accounting Standards Board requires Management to make estimates and judgments that affect the amount reported in the consolidated financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are subject to measurement uncertainty. The effect on the consolidated financial statements of changes in such estimates in future reporting periods could be significant.

The most significant accounting estimates and judgements used in the preparation of the Corporation's Unaudited Interim Condensed Consolidated Financial Statements are included in Note 2 of the Consolidated Financial Statements for the Year Ended December 31, 2020.

SIGNIFICANT ACCOUNTING POLICIES

The Corporation's accounting policies are included in Note 3 of the Consolidated Financial Statements for the Year Ended December 31, 2020.

APPROVAL

The Board of Directors has approved the disclosure in this MD&A, and related Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2021 at the Board of Directors meeting on November 29, 2021.

Under National Instrument 52-109F2 Certification of Disclosure in Issuers' Annual and Interim Filings, TSX Venture Exchange issuers like Athabasca are required to certify using the Venture Issuer Basic Certificate. This certificate states that the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Corporation each certify that the documents prepared for the nine months ended September 30, 2021 have been reviewed, contain no misrepresentations, and provide a fair presentation of the financial condition, financial performance and cash flows of the Corporation, to the best of their knowledge. This Venture Issuer Basic Certificate does not include any representations relating to the establishment and maintenance of disclosure controls and procedures and/or internal controls over financial reporting. Please refer to the Form 52-109FV2 for additional details. The CEO and CFO of Athabasca have each certified using the Venture Issuer Basic Certificate for the three and nine months ended September 30, 2021.

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