Athabasca
MINERALS INC.

ANNUAL FINANCIAL STATEMENTS

For the thirteen month period ended December 31, 2014
and the twelve month period ended November 30, 2013

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The financial statements have been prepared in accordance with International Financial Reporting Standards, using management's best estimates and judgements based on currently available information.

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

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

The financial statements have been audited by Grant Thornton, Chartered Accountants. Their report outlines the scope of their examination and opinion on the financial statements.

"Udomdej Kriangkum"

Udomdej Kriangkum
Chief Executive Officer
Edmonton, Alberta
March 31, 2015

Grant Thornton

Independent Auditor's Report

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To the Shareholders of Athabasca Minerals Inc.

We have audited the accompanying financial statements of Athabasca Minerals Inc., which comprise the balance sheets as at December 31, 2014 and November 30, 2013, and statements of net (loss) income and comprehensive (loss) income, statements of changes in equity and statements of cash flows for the thirteen month period ended December 31, 2014 and the year ended November 30, 2013, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Grant Thornton

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Athabasca Minerals as at December 31, 2014 and November 30, 2013, and its financial performance and its cash flows for the thirteen month period ended December 31, 2014 and the year ended November 30, 2013 in accordance with International Financial Reporting Standards.

Edmonton, Canada

Grant Thornton LLP

March 30, 2015

Chartered Accountants

ATHABASCA MINERALS INC.
Balance Sheets

	As at December 31, 2014	As at November 30, 2013
ASSETS		
Current Assets		
Cash	**$ 828,672**	$ 72,151
Accounts receivable	**6,521,384**	4,543,848
Income tax recoverable	**209,477**	406,251
Inventory (Note 5)	**9,254,701**	7,455,044
Prepaid expenses and deposits	**508,732**	418,632
Current portion of land use agreement receivable (Note 9)	**253,571**	185,941
	17,576,537	13,081,867
Long-Term Deposits (Note 6)	**839,007**	480,529
Restricted Cash (Note 7)	**358,229**	336,317
Property and Equipment (Note 8)	**8,780,971**	9,764,819
Land Use Agreement Receivable (Note 9)	**-**	253,841
Resource Properties (Note 10)	**7,280,531**	5,821,161
Intangible Assets (Note 11)	**2,503,704**	3,442,592
Goodwill (Note 12)	**2,537,701**	2,537,701
Total Assets	**$ 39,876,680**	$ 35,718,827
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 3,937,424**	$ 4,973,845
Current portion of environmental rehabilitation obligations	**100,292**	-
Current portion of long-term debt (Note 13)	**1,485,391**	1,000,000
Current portion of lease obligations (Note 14)	**1,368,959**	1,307,465
	6,892,066	7,281,310
Long-Term Debt (Note 13)	**-**	1,557,552
Lease Obligations (Note 14)	**2,494,449**	3,974,888
Deferred Gain on Sale and Leaseback (Note 15)	**18,661**	27,006
Environmental Rehabilitation Obligations (Note 16)	**1,138,347**	707,894
Deferred Tax (Note 17)	**2,243,352**	2,324,964
	12,786,875	15,873,614
Equity		
Share Capital	**13,246,758**	7,290,018
Contributed Surplus	**3,811,373**	1,692,342
Retained Earnings	**10,031,674**	10,862,853
	27,089,805	19,845,213
Total Liabilities and Equity	**$ 39,876,680**	$ 35,718,827

Approved by the Board of Directors

“Udomdej Kriangkum”	**“Edward Bereznicki”**
Director	**Director**

The accompanying notes are an integral part of these financial statements.

ATHABASCA MINERALS INC.
Statements of Net (Loss) Income and Comprehensive (Loss) Income

	Thirteen months ended December 31, 2014	Twelve months ended November 30, 2013
		(Note 25)
Sales Revenue	**$ 17,622,895**	$ 14,944,316
Aggregate Management Services	**12,041,152**	14,572,845
Less: Provincial Government Royalties	**(3,331,690)**	(4,153,564)
Aggregate Management Fees	**8,709,462**	10,419,281
Revenue	**26,332,357**	25,363,597
Operating Costs	**11,254,083**	8,164,914
Amortization and Depreciation	**2,369,807**	2,015,435
Selling Costs	**6,421,859**	7,229,208
Cost of Sales	**20,045,749**	17,409,557
Gross Profit	**6,286,608**	7,954,040
General and Administrative	**3,580,140**	2,459,424
Share-based Compensation	**1,553,673**	698,031
Amortization of Intangible Assets	**938,888**	866,667
	6,072,701	4,024,122
Operating Earnings	**213,907**	3,929,918
Finance Costs (Note 24)	**440,457**	436,983
Other Expenses (Note 24)	**406,862**	693,414
Interest Income	**(12,060)**	(28,538)
	835,259	1,101,859
(Loss) Income Before Income Taxes	**(621,352)**	2,828,059
Current Income Tax (Note 17)	**170,580**	1,123,877
Deferred Tax (Benefit) (Note 17)	**39,247**	(217,458)
	209,827	906,419
Net (Loss) Income and Comprehensive (Loss) Income	**$ (831,179)**	$ 1,921,640
Net (Loss) Income per Common Share – Basic (Note 18 (e))	**$ (0.026)**	$ 0.068
Net (Loss) Income per Common Share – Diluted (Note 18 (e))	**$ (0.026)**	$ 0.067
Weighted Average # of Shares Outstanding	**32,231,384**	28,179,596

The accompanying notes are an integral part of these financial statements.

ATHABASCA MINERALS INC.
Statements of Changes in Equity

	Number of Shares		Share Capital		Contributed Surplus		Retained Earnings		Total Equity
Balance as at November 30, 2012	27,980,833	$	7,049,080	$	1,098,599	$	8,941,213	**$**	**17,088,892**
Share-based compensation	-		-		698,031		-		**698,031**
Options exercised	326,667		136,650		-		-		**136,650**
Transfer of value on options exercised	-		104,288		(104,288)		-		**-**
Net income for the period	-		-		-		1,921,640		**1,921,640**
Balance as at November 30, 2013	**28,307,500**	**$**	**7,290,018**	**$**	**1,692,342**	**$**	**10,862,853**	**$**	**19,845,213**
Share-based compensation	-		-		1,553,673		-		**1,553,673**
Options exercised	608,333		395,650		-		-		**395,650**
Warrants exercised	422,300		739,026		-		-		**739,026**
Private placement share issuance	3,965,517		4,870,096		879,904		-		**5,750,000**
Share issuance costs, net of tax	-		(525,561)		162,983		-		**(362,578)**
Transfer of value on options exercised	-		290,122		(290,122)		-		**-**
Transfer of value on warrants exercised	-		187,407		(187,407)		-		**-**
Net loss for the period	-		-		-		(831,179)		**(831,179)**
Balance as at December 31, 2014	**33,303,650**	**$**	**13,246,758**	**$**	**3,811,373**	**$**	**10,031,674**	**$**	**27,089,805**

The accompanying notes are an integral part of these financial statements.

ATHABASCA MINERALS INC.
Statements of Cash Flows

		Thirteen months ended December 31, 2014		Twelve months ended November 30, 2013
OPERATING ACTIVITIES				
Net (loss) income	$	(831,179)	$	1,921,640
Repayment of environmental rehabilitation obligations (Note 16)		(29,108)		-
Cash recovered / (paid) on income taxes		26,194		(1,832,507)
Adjustments for non-cash items:				
Depreciation, amortization, depletion and accretion		3,323,020		2,899,508
Income tax expense		209,827		906,419
Share-based compensation expense		1,553,673		698,031
Loss on land use agreement receivable (Note 9)		258,947		598,457
Amortization of deferred gain on sale and leaseback (Note 15)		(8,345)		(7,703)
Amortization of deferred financing costs (Note 13)		11,172		9,123
Loss (gain) on disposal of property and equipment		139,013		(15,530)
Write-down of resource properties (Note 10)		89,412		352,750
Recovery of intangible assets (Note 11)		(19,094)		(156,612)
Net income adjusted for non-cash items		4,723,532		5,373,576
Net changes in non-cash working capital balances				
Accounts payable and accrued liabilities		(1,036,420)		1,925,196
Accounts receivable		(1,977,536)		75,064
Inventory		(1,799,657)		(5,954,102)
Prepaid expenses and deposits		(90,100)		95,608
		(180,182)		1,515,342
INVESTING ACTIVITIES				
Long-term deposits		(358,478)		(113,683)
Restricted cash		(21,912)		(123,302)
Proceeds from land use agreement receivable (Note 9)		96,352		525,424
Proceeds from disposal of property and equipment		151,671		27,950
Proceeds from sale and leaseback of property and equipment		-		401,962
Purchase of property and equipment (Note 8)		(1,044,215)		(1,871,548)
Spending on resource properties (Note 10)		(1,785,676)		(824,739)
		(2,962,258)		(1,977,936)
FINANCING ACTIVITIES				
Repayment of long-term debt (Note 13)		(1,083,333)		(1,000,000)
Repayment of lease obligations (Note 14)		(1,418,945)		(1,134,318)
Issuance of share capital (Note 18)		6,884,676		136,650
Share issuance costs (Note 18)		(483,437)		-
		3,898,961		(1,997,668)
Net increase (decrease) in cash		756,521		(2,460,262)
Cash, beginning of period		72,151		2,532,413
Cash, end of period	$	828,672	$	72,151

Supplemental cash flow information (Note 23)

The accompanying notes are an integral part of these financial statements.

Note 1 – Nature of Business

Athabasca Minerals Inc. (the "Corporation" or "Athabasca") is incorporated under the *Business Corporations Act (Alberta).* The Corporation's head office is located at 9524 27 Avenue, Edmonton, Alberta, Canada T6N 1B2.

The Corporation manages the Susan Lake aggregate (sand and gravel) pit on behalf of the Province of Alberta for which management fees are earned. A significant portion of the Corporation's total revenue is derived from this contract.

In addition to this management contract, the Corporation owns gravel pits producing aggregate for a variety of purposes and explores for and develops land for the purposes of establishing additional Corporation owned gravel pits. The Corporation also acquires, explores and develops mineral claims located in the Fort McMurray area for the purpose of extracting salt, silica sand and other minerals.

The Corporation is listed on the TSX Venture Exchange ("TSX Venture") under the stock symbol: ABM.

Note 2 – Basis of Presentation and Statement of Compliance

The Corporation has changed its financial year-end from November 30th to December 31st. With this fiscal year-end change, the Corporation will report a one-time, transitional thirteen month financial year ending December 31, 2014, and these will be compared to the financial statements for the twelve months ended November 30, 2013. This change in the financial year-end from November 30th to December 31st is being made by the Corporation to better align Athabasca's financial reporting calendar with its industry peers.

These financial statements of the Corporation for the thirteen months ended December 31, 2014 (and comparative results for the twelve months ended November 30, 2013) are presented in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The accounting policies set out below have been applied to all periods presented in these financial statements.

These financial statements were authorized for issue by the Board of Directors on March 25, 2015.

Note 3 – Significant management judgments, estimates and accounting changes

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

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

Note 3 – Significant management judgments, estimates and accounting changes (continued)

Management Judgments

Revenue

Sales of product are recognized in revenue when the risks and rewards of ownership pass to the customer and the price can be reliably measured.

At Susan Lake, under its aggregate management contract with the government, the Corporation earns a management fee for services provided and recognizes revenue as the fees are earned. Additionally, the Corporation invoices its customers for any royalties applicable on the sale of aggregates, and is responsible to collect and remit all invoiced royalties. An entity acts as a principal (not as an agent) when it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services. In a principal relationship, billed amounts are reported on a gross basis. In an agency relationship, billed amounts are reported on a net basis as the amounts collected on behalf of the principal are not considered revenue. Determining whether an entity is acting as a principal or agent requires judgment and consideration of all relevant facts and circumstances.

Features that indicate that an entity is acting as a principal include:

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

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

Impairment of Resource Properties in the Exploration Stage

Resource properties in the exploration stage are reviewed and evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Common indicators of impairment of a mineral property include, but are not limited to:

(i) the right to explore in a specific area has expired, or will soon expire, and is not expected to be renewed;
(ii) substantive expenditure on further exploration in a specific area is neither budgeted or planned;
(iii) exploration in an area has not led to the discovery of commercially viable quantities of mineral resources, or the results are not compelling enough to warrant further exploration, and the Corporation has decided to discontinue activities in the area; or
(iv) sufficient data exist to indicate that, although exploration or development in an area is likely to proceed, the carrying amount of the mineral property is unlikely to be recovered in full from successful development or by sale.

Note 3 – Significant management judgments, estimates and accounting changes (continued)

Management Judgments (continued)

Commencement of Commercial Production

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

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

When management determines that a property has commenced commercial production, costs deferred during development, and included in resource properties on the balance sheet, are reclassified as production costs and amortized.

Collectability of Accounts Receivable

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

Leases

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

Management Estimates

Impairment of Goodwill and Other Assets

Goodwill is tested for impairment annually (or more frequently if there is an indication of impairment).

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

Changes in any of the assumptions or estimates used in determining the fair value of goodwill or other assets could impact the impairment analysis.

Note 3 – Significant management judgments, estimates and accounting changes (continued)

Management Estimates (continued)

Useful Economic Life of Property and Equipment

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

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

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

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

Mineral Reserves

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

Calculation of Share-based Compensation

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

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

Note 3 – Significant management judgments, estimates and accounting changes (continued)

Management Estimates (continued)

Environmental Rehabilitation Obligations ("ERO")

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

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

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

Inventories

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

Income Taxes

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

Land Use Agreement Receivable

The Corporation has recognized a land use agreement receivable at Poplar Creek in connection with a long-term land use agreement with a work camp provider. Revenue was recognized at the beginning of the agreement based on estimated future receipts. The average daily work camp occupancy rates used in the determination of the total future proceeds of the land use agreement receivable is an estimate and therefore actual future proceeds under the land use agreement could vary significantly. The work camp was constructed primarily to serve the accommodation needs of the oil sands industry workers. The actual occupancy rate is largely dependent on oil sands development activity in the Fort McMurray region of Alberta.

Note 3 – Significant management judgments, estimates and accounting changes (continued)

Accounting Changes

Effective December 1, 2013, the Corporation adopted the following new standards and interpretations issued by the IASB or International Financial Reporting Interpretation Committee ("IFRIC").

Scope of the reporting entity

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

Stripping costs in the production phase of a surface mine

IFRIC 20, "Stripping Costs in the Production Phase of a Surface Mine" considers when and how to account separately for benefits arising from stripping activity, as well as how to measure these benefits both initially and subsequently. In surface mining operations, entities may find it necessary to remove mine waste materials (overburden) to gain access to mineral ore deposits. This waste removal activity is known as 'stripping.' IFRIC 20 only deals with waste removal costs that are incurred in surface mining activity during the production phase of the mine ('production stripping costs'). Adoption of this standard had no current impact on the Corporation's annual financial statements.

Joint arrangements

IFRS 11, "Joint Arrangements" was issued and supersedes IAS 31, "Interests in Joint Ventures" and SIC 13, "Jointly Controlled Entities-Non-monetary Contributions by Venturers", to establish principles for financial reporting by parties to a joint arrangement. As no joint venture interests are currently held in or between other entities, adoption of this standard had no current impact on the Corporation's annual financial statements.

Fair value measurement

IFRS 13, "Fair Value Measurement" was issued to set out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. Adoption of this standard had no current impact on the Corporation's annual financial statements.

Note 4 – Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on deposit with financial institutions and highly liquid short-term investments that have maturity of three months or less.

Accounts Receivable and Payable

Accounts receivable and payable are generally non-interest bearing and are recognized at face amount, except when fair value is materially different, in which case, they are subsequently measured at amortized cost. Where necessary, accounts receivable are net of allowances for uncollectible amounts.

Revenue Recognition

The Corporation derives revenues from the sale of aggregates from its corporate-owned pits. The Corporation recognizes revenue at the point that the aggregate material leaves the pit. In addition, the Corporation derives revenues through the management of the Susan Lake aggregate pit where a management fee is earned based on the volume extracted from the pit.

Revenue from the sale of aggregates, net of any discounts, is recognized on the sale of products at the time the Corporation has transferred to the buyer the significant risks and rewards of ownership; the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is recognized as it is earned on an accrual basis.

Inventory

Inventory is valued at the lower of average production cost and net realizable value. Net realizable value is calculated as the estimated selling price at the measurement date less future costs required to sell inventory. Production costs are included in inventory, including applicable amortization and depletion of estimated resource properties. The cost of inventory includes, when applicable, the associated costs of crushing and hauling.

Any write down of inventory is recognized as a charge against income in the period the write down occurs.

Inventory does not include any parts and supplies on hand. Those items are insignificant and are expensed in the period they are acquired.

Stripping and Clearing Costs

Stripping and clearing costs incurred during the development of a pit or mine are capitalized in resource properties. Stripping and clearing costs incurred subsequent to commencement of production are variable production costs that are included in the cost of inventory produced during the period in which they are incurred, unless the stripping and clearing activities can be shown to give rise to future benefits from the mineral property, in which case the stripping and clearing costs would be capitalized. Future benefits arise when stripping and clearing activities increases the future output of the pit or mine by providing access to an extension of an ore body or to a new ore body. Capitalized stripping costs are depleted based on the unit-of-production method using proven and probable mineral reserves as the depletion base.

Note 4 – Significant Accounting Policies (continued)

Intangible Assets

Intangible assets include management contracts relating to the management of aggregate pits at Susan Lake and Poplar Creek, which are carried at cost and amortized on a straight-line basis over the expected life of the contract, or the remaining life of the mine if shorter.

The Corporation has not identified intangible assets for which the expected useful life is indefinite.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and any accumulated impairment losses. The Corporation provides for depreciation on its property and equipment using the following methods and rates:

	Method	Rate
On-site buildings and fences	Straight line	10 years
Office complex	Straight line	15 years
Scale and scale houses	Straight line	10 years
Equipment		
Crushing equipment	Unit-of-production	
Mobile home	Straight line	10 years
Computer software	Straight line	1-3 years
Office equipment	Straight line	3 years
Computer hardware	Declining balance	30%
Large equipment	Declining balance	20%
Vehicles	Declining balance	30%

Costs for property and equipment include all costs required to bring the asset into its intended use by the Corporation. Significant components of an item of property and equipment with different useful lives are recognized and depreciated separately. Depreciation commences when the asset is available for use. Repairs and maintenance expenditures are charged to operations as incurred. Major improvements and replacements, which extend the useful life of an asset, are capitalized.

The residual values, useful lives and method of depreciation of property and equipment are reviewed each financial year and adjustments are accounted for prospectively, if appropriate. An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of an asset is included in profit or loss in the period the asset is derecognized.

Borrowing Costs

Borrowing costs are capitalized when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to prepare for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

Note 4 – Significant Accounting Policies (continued)

Resource Properties and Related Expenditures

Direct mineral exploration, evaluation and development costs are capitalized on a specific project basis until such time as a resource is defined or the project is abandoned. Any related environmental rehabilitation obligations are also capitalized on an individual project basis as part of resource properties. Costs for properties that are abandoned are written off. The capitalized costs will be amortized on the basis of units produced in relation to the proven and probable reserves available on the related property following commencement of production. Exploration and evaluation expenditures incurred before the Corporation has obtained the legal right to explore an area are expensed as incurred.

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

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

The Corporation typically concludes that it will receive future economic benefits from an exploration property after a bankable feasibility study has been completed and economically recoverable mineral resources for the project has been determined. At this stage, the property is considered to be under development. Previously capitalized exploration costs related to the property are at that time tested for impairment and are then transferred to development costs. Subsequent development costs are capitalized, including any costs incurred to increase or extend the life of existing production. Once a mineral property has been brought into commercial production, costs of any additional work on that property are expensed as incurred, except for development programs that extend the life or enhance the value of a property, which will be deferred and depleted over the useful life of the related assets. On the commencement of commercial production, net capitalized costs will be charged to operations on a unit-of-production basis, by property, using estimated proven and probable reserves as the depletion base.

Resource properties are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. When it is determined that a project or property will be abandoned the costs are written-off, or if its carrying value has been impaired, the costs are written down to the recoverable amount, which is the higher of fair value less costs to sell and value in use. Where future cash flows are not reasonably determinable, mineral property interests are evaluated for impairment based on results of exploration work, management's intent and ability to retain title to the property, and determination of the extent to which future exploration programs are warranted and likely to be funded.

Income per Common Share

Basic income per common share is calculated by dividing the net income for the period by the weighted average number of common shares outstanding during the financial reporting period.

Diluted income per share is calculated by adjusting the weighted average number of shares for the dilutive effect of options and warrants. The computation of diluted income per share assumes the conversion, exercise or contingent issuance of securities only when such conversion would have a dilutive effect on income. It is assumed that outstanding options, warrants and similar items are exercised or converted into shares and that the proceeds that would be realized upon such exercise or conversion are used to purchase common shares at the average market price per share during the relevant period.

Note 4 – Significant Accounting Policies (continued)

Environmental Rehabilitation Obligations ("ERO")

The Corporation recognizes a liability for restoration, rehabilitation and environmental obligations associated with long-lived assets, including the abandonment of resource properties and returning properties to the condition required in order to satisfy regulatory obligations.

The Corporation records the present value of the estimated legal and constructive obligations required to reclaim and restore the sites in the period incurred, along with a corresponding increase in the carrying value of the related asset. The present value of the estimated future cash outflows to settle the obligation is determined using a risk-free pre-tax discount rate that reflects the time value of money. The liability is subsequently adjusted for the passage of time, and is recognized as a finance cost, known as accretion expense, in profit or loss. The liability is also adjusted due to revisions in either the timing or amount of the original estimated cash flows associated with the liability, or for changes to the current market-based discount rate. Changes resulting from revisions to the timing or amount of the original estimate of undiscounted retirement obligation cash flows are recognized as an increase or decrease in the carrying amount of the ERO with a corresponding increase or decrease in the carrying value of the related asset.

Impairment of Non-financial Assets

For the purposes of assessing impairment, the recoverable amount of an asset, which is the higher of its fair value less costs of disposal and its value in use, is estimated. If it is not possible to estimate the recoverable amount of an individual asset, the asset is included in the cash-generating unit to which it belongs and the recoverable amount of the cash generating unit is estimated. As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Intangible assets not yet available for use and cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the asset is impaired such as decreases in mineral prices, an increase in operating costs, or a decrease in mineable reserves. The Corporation also considers net book value of the asset, the ongoing costs required to maintain and operate the asset, and the use, value and condition of the asset.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount which is the higher of its fair value less costs of disposal and its value in use. To determine the value in use, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Future cash flows used in the determination of value in use are estimated based on expected future production, recoverability of reserves, commodity prices, operating costs, environmental rehabilitation costs, as well as capital costs. Management estimates of future cash flows are subject to risks and uncertainties. It is reasonably possible that changes in estimates could occur which may affect the recoverable amounts of assets, including the Corporation's investments in resource properties.

Fair value less costs of disposal is determined with reference to discounted estimated future cash flow analysis or on recent transactions involving dispositions of similar properties.

Note 4 – Significant Accounting Policies (continued)

Impairment of Non-financial Assets (continued)

An impairment loss for a cash-generating unit is first allocated to reduce the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is allocated on a pro rata basis to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist or may have decreased. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, however only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Share-based Compensation

The Corporation grants stock options to directors, officers, employees and consultants of the Corporation pursuant to a stock option plan. The fair value of options granted is recognized as an expense with a corresponding increase in contributed surplus.

Share-based compensation to employees and others providing similar services are measured on the grant date at the fair value of the instruments issued. Fair value is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value.

Share-based payments to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

Any consideration received upon exercise of options is credited to share capital and the associated amounts originally recorded in contributed surplus are transferred to share capital. In the event options are forfeited prior to vesting, the amount recognized in prior periods in relation to the option is reversed.

Leases

Leases are classified as finance or operating leases. A lease is classified as a finance lease if it effectively transfers substantially the entire risks and rewards incidental to ownership.

At the commencement of the lease the Corporation recognizes finance leases as an asset acquisition and an assumption of an obligation in the balance sheet at the amounts equal to the lower of the fair value of the leased property, or the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the incremental borrowing rate is used. The interest element of the lease payment is recognized as finance cost over the lease term to achieve a constant periodic rate of interest on the remaining balance of the liability. Any initial direct costs of the lessee are added to the amount recognized as an asset. The useful life and depreciation method is determined on a consistent basis with the Corporation's policies for property and equipment. The asset is depreciated over the shorter of the lease term and its useful life.

Any other leases are accounted for as operating leases, wherein payments are expensed as part of cost of sales over the term of the lease.

Note 4 – Significant Accounting Policies (continued)

Land Use Agreement Receivable

The Corporation has recognized a land use agreement receivable in connection with a long-term land use agreement with a work camp provider, whereby the Corporation transferred a parcel of developed land at Poplar Creek to the work camp provider. The land use agreement commenced on March 1, 2011 and expires on October 19, 2015, and will automatically renew for a similar period, under the same terms and conditions, unless otherwise terminated by written mutual agreement by both parties. Pursuant to the land use agreement, the work camp provider pays monthly fees and daily accommodation fees to the Corporation. The work camp provider also contributes toward the estimated cost of environmental rehabilitation obligations, not to exceed a non-refundable amount of $300,000 (see Note 7).

In determining the land use agreement receivable carrying value and the resulting gain or loss on land use agreement, an estimate of total future receipts under the land use agreement is required. The total estimated proceeds receivable by the Corporation under the agreement include both a fixed monthly component and estimated proceeds for daily work camp accommodation.

Provisions

Liabilities are recognized when the Corporation has a present legal or constructive obligation arising as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made.

A provision is a liability of uncertain timing or amount. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using the pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as a finance cost.

Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity and other comprehensive income, in which case the tax expense is also recognized directly in equity and other comprehensive income, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates and laws enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are provided for using the liability method on temporary differences between the tax bases and carrying amounts of assets and liabilities. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the year in which temporary differences are expected to be recovered or settled. Changes to these balances, including changes due to changes to income tax rates, are recognized in profit or loss in the period in which they occur.

Deferred tax assets are recognized to the extent future recovery is probable. Deferred tax assets are reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Note 4 – Significant Accounting Policies (continued)

Financial instruments

The Corporation has classified its financial assets and liabilities as follows:

Financial statement item	Classification	Measurement
Cash	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Land use agreement receivable	Loans and receivables	Amortized cost
Long-term deposits	Loans and receivables	Amortized cost
Restricted cash	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Long-term debt	Other financial liabilities	Amortized cost

i. Non-derivative financial assets

The Corporation classifies non-derivative financial assets as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available for sale financial assets as appropriate.

Financial assets at fair value through profit or loss
A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets in this category are measured at fair value, with any changes therein recognized in profit and loss when incurred, along with any attributable transaction costs.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method.

Held to maturity
A financial asset that has fixed or determinable payments and fixed maturity, and which the Corporation has the positive intention and ability to hold until maturity. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held to maturity investments are measured at amortized cost using the effective interest method.

Available for sale
Financial assets classified as available for sale are initially recognized at fair value and subsequently measured at fair value with any changes in fair value recognized in other comprehensive income.

Note 4 – Significant Accounting Policies (continued)

Financial instruments (continued)

ii. Non-derivative financial liabilities

The Corporation's non-derivative financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities, based on the purpose for which the liability was incurred.

Other financial liabilities
These financial liabilities are recognized initially at fair value net of any directly attributable transactions costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss are initially and subsequently measured at fair value with changes in fair values recognized in profit or loss.

iii. Impairment of financial assets

At each reporting date, the Corporation assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

Deferred Financing Costs

Deferred financing costs consist of costs incurred by the Corporation relating to the issuance of debt. They are amortized over the term of the related debt or if the debt is retired, they are expensed immediately. These costs are netted against the carrying value of the long-term debt, as described in Note 13.

New standards not yet adopted

Financial Instruments classification and measurement

IFRS 9 "Financial instruments" (IFRS 9) replaces the existing guidance found in IAS 39 "Financial instruments: recognition and measurement" (IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carried forward the guidance on recognition and de-recognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation will evaluate the impact of the changes to its financial statements based on the characteristics of its financial instruments at the time of adoption.

Revenue recognition

IFRS 15 "Revenue from contracts with customers" (IFRS 15) will replace IAS 18 "Revenue", IAS 11 "Construction contracts", and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The Corporation intends to adopt IFRS 15 in its financial statements for the annual period beginning on January 1, 2017. The Corporation does not expect the standard to have a material impact on its financial statements.

Note 4 – Significant Accounting Policies (continued)

New standards not yet adopted (continued)

Property, plant and equipment and intangible assets

On May 12, 2014, the IASB issued amendments to IAS 16 "Property, Plant and Equipment" (IAS 16) and IAS 38 "Intangible Assets: (IAS 38). The amendments clarify that the use of revenue-based methods to calculate the depreciation of a tangible asset is not appropriate because revenue generated by an activity that includes the use of a tangible asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption for an intangible asset, however, can be rebutted in certain limited circumstances. The standard is to be applied prospectively for reporting periods beginning on or after January 1, 2015 with early application permitted. The Corporation does not anticipate that there will be any impact on its method of calculating depreciation or depletion, and therefore, does not expect the standard to have a material impact on its financial statements.

Levies

IFRIC 21 "Levies" (IFRIC 21) provides guidance on accounting for levies in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Asset". The interpretation defines a levy as an outflow from an entity imposed by the government in accordance with legislation and confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. The Corporation does not expect the standard to have a material impact on its financial statements.

Note 5 – Inventory

Inventory consists of the following:

	December 31, 2014	November 30, 2013
Stockpiled crushed gravel	$ 6,764,920	$ 5,296,985
Stockpiled sand	2,489,781	2,158,059
	$ 9,254,701	$ 7,455,044

During the thirteen months ended December 31, 2014, inventory with a production cost of $6,958,482 (twelve months ended November 30, 2013 - $5,230,558) was sold and forms part of cost of sales.

Note 6 – Long-Term Deposits

	December 31, 2014	November 30, 2013
Security deposits on gravel leases	$ 607,448	$ 324,900
Security deposits on miscellaneous leases	105,930	30,000
Deposits on lease obligations	125,629	125,629
	$ 839,007	$ 480,529

The long-term deposits are refundable to the Corporation upon expiration of the associated lease.

Note 7 – Restricted Cash

	December 31, 2014	November 30, 2013
Restricted Cash	$ 358,229	$ 336,317

Under the land use agreement with a camp provider (see Note 9), the Corporation has received and has placed funds on deposit totalling $294,155 (2013 - $286,317) to be applied toward any costs for reclamation of the Poplar Creek site.

The Corporation has also placed funds on deposit totalling $64,074 (2013 - $50,000) to be applied toward reclamation of the House River pit and other matters.

Note 8 – Property and Equipment

Cost at:	Crushing Spread	Equipment	On-site buildings and fences	Office Complex	Scales and scale houses	Total
November 30, 2012	$ 3,676,482	$ 5,279,450	$ 545,126	$ 173,867	$ 555,926	$ 10,230,851
Additions	1,767	2,525,892	46,065	-	99,993	2,673,717
Disposals	-	(401,962)	-	-	-	(401,962)
Write-offs	-	(14,515)	-	-	-	(14,515)
November 30, 2013	3,678,249	7,388,865	591,191	173,867	655,919	12,488,091
Additions	-	396,360	471,560	-	176,295	1,044,215
Disposals	-	(448,338)	-	-	-	(448,338)
December 31, 2014	**$ 3,678,249**	**$ 7,336,887**	**$ 1,062,751**	**$ 173,867**	**$ 832,214**	**$13,083,968**
Accumulated Depreciation at:						
November 30, 2012	$40,850	$ 816,467	$ 53,066	$ 23,966	$ 128,412	$1,062,761
Depreciation	393,786	1,137,712	58,710	11,591	63,670	1,665,469
Write-offs	-	(2,096)	(2,862)	-	-	(4,958)
November 30, 2013	434,636	1,952,083	108,914	35,557	192,082	2,723,272
Depreciation	247,829	1,282,617	106,616	12,557	87,760	1,737,379
Disposals	-	(157,654)	-	-	-	(157,654)
December 31, 2014	**$ 682,465**	**$ 3,077,046**	**$ 215,530**	**$ 48,114**	**$ 279,842**	**$ 4,302,997**
Net book value at:						
December 31, 2014	**$ 2,995,784**	**$ 4,259,841**	**$ 847,221**	**$ 125,753**	**$ 552,372**	**$ 8,780,971**
November 30, 2013	$ 3,243,613	$ 5,436,782	$ 482,277	$ 138,310	$ 463,837	$ 9,764,819
Net book value of leased assets included above:						
December 31, 2014	**$ 2,995,784**	**$ 2,241,618**	**$ 242,284**	**$ -**	**$ 52,512**	**$ 5,532,198**
November 30, 2013	$ 3,243,613	$ 2,825,577	$ 276,580	$ -	$ 60,114	$ 6,405,884

Depreciation expense for the following periods:	Total $
Thirteen months ending December 31, 2014	**$ 1,737,379**
Twelve months ending November 30, 2013	$ 1,665,469

During the year ended November 30, 2013 the Corporation participated in a lease buy back transaction (See Note 15).

Note 9 – Land Use Agreement Receivable

	December 31, 2014		November 30, 2013	
Land use agreement receivable	$	253,571	$	439,782
Less: Current portion of land use agreement receivable		(253,571)		(185,941)
Long-term land use agreement receivable	$	-	$	253,841
Components of (Loss) Gain on Land Use Agreement				
Revaluation of estimated future receipts	$	(89,859)	$	(661,510)
Change in estimated future rehabilitation obligations		(169,088)		63,053
	$	(258,947)	$	(598,457)

The Corporation has recognized a land use agreement receivable in connection with a long-term land use agreement with a work camp provider, whereby the Corporation transferred a 76 acre parcel of developed land out of the depleted portion of the Corporation's miscellaneous lease at Poplar Creek to the work camp provider, transferring 42 acres during fiscal 2011 and a further 34 acres during 2014.

During 2011, the work camp provider constructed a lodge on the lease that could accommodate approximately 500 workers, primarily employed in the oil sands industry. During June 2012, the work camp provider constructed and began operating a second lodge with occupancy for 600 workers. During May 2013, the work camp provider dismantled and removed the 500 worker lodge, leaving only the 600 worker lodge in operation since that time.

Pursuant to the land use agreement, the work camp provider pays monthly fees and daily accommodation fees to the Corporation. The work camp provider will also contribute toward the estimated cost of decommissioning and restoration, in aggregate not to exceed the non-refundable amount of $300,000, which the Corporation will maintain in a restricted cash account to be first applied toward any costs for decommissioning and restoration of the Poplar Creek site (see Note 7 – Restricted Cash). The land use agreement commenced on March 1, 2011 and expires on October 19, 2015. The agreement will automatically renew for an equivalent term period, under the same terms and conditions, subject to amendments agreed to in writing by both parties, unless otherwise terminated earlier by written mutual agreement by both parties.

In determining the land use agreement receivable carrying value and the gain on land use agreement, an estimate of total future receipts under the land use agreement is required. The total estimated proceeds receivable by the Corporation under the agreement include both a fixed monthly component and estimated earnings for daily work camp accommodation. At December 31, 2014 management valued the land use agreement receivable attributable to the lodges at $253,571. This value is based on the present value of expected future revenues of $5,000 per month and projected accommodation occupancy of approximately 35% of maximum capacity from January 1, 2015 through to October 19, 2015. This assumption is consistent with historical occupancy rates at the second lodge. These estimated future cash flows from were discounted at a rate of 3.01%.

The actual monthly fees collected from the two lodges were $96,352 during the thirteen months ended December 31, 2014 (twelve months ended November 30, 2013 - $525,424). The loss on land use agreement for the thirteen months ended December 31, 2014, as shown above, is comprised of the revaluation of estimated future receipts of $89,859 (twelve months ended November 30, 2013 - $661,510) and the increase in estimated future reclamation obligations for this property of $169,088 (twelve months ended November 30, 2013 – decrease of $63,053).

Note 10 – Resource Properties

	December 31, 2014	November 30, 2013
Exploration costs	$ 4,416,427	$ 3,253,368
Production costs	1,849,863	1,798,271
Environmental rehabilitation obligation assets	556,025	327,622
Land	157,100	157,100
Mineral permits	30,625	39,375
Mineral leases	28,832	33,443
Miscellaneous lease costs	241,659	211,982
	$ 7,280,531	$ 5,821,161

The exploration and production costs reflected above are also summarized on the schedule included in this note. These costs were incurred across various Athabasca operations and development projects, which are located primarily in the Fort McMurray area of Northern Alberta.

The projects are summarized as follows:

Current pits

The Logan, Kearl, House River, Cowper and KM248 pits are all active “corporate-owned” pits located in the Fort McMurray area. Each pit is operated by the Corporation under the terms of the existing surface material lease in place at each location. Each of these pits is used to supply aggregate (gravel and sand) to customers

Exploration projects

Pelican Hill pit

Pelican Hill is a 32 hectare “corporate-owned” pit located near Fort McMurray. The Corporation received surface material lease approval on this mixed sand and gravel pit in June, 2011, but has not yet produced and sold any aggregate material from this operation.

Boyle Project

The Corporation holds mineral leases for an area located northeast of Boyle, Alberta. The Corporation is considering this area for the development of salt.

Firebag Project

The Corporation received approval for a 32 hectare surface material lease in August 2014 for this project that could end up being a 200 hectare frac sand project. The leases and permitted lands contain silica sand.

Note 10 – Resource Properties (continued)

Exploration projects (continued)

Hinton Project

The Corporation holds a mineral lease and mineral permits for this area near Hinton, Alberta on which it has identified a deposit of conglomerate.

Richardson Project

The Corporation holds mineral permits for an area located north of Fort McMurray on which it has identified a deposit of granite and dolomite.

Birch Mountain Project

The Corporation holds mineral leases and mineral permits at a location north of Fort McMurray on which it has identified a deposit of silica sand.

Dover Project

The Corporation holds mineral leases and mineral permits for this project near Fort McMurray, Alberta. On the property is a salt formation which the Corporation has identified and evaluated. Management feels the property may be usable for housing industrial waste products or for storage of petroleum products, and is assessing its strategic options for this project.

All Other Projects

This category consists of several individual projects which have not yet reached the stage where they have been separately broken out. The related properties are located in the Fort McMurray area, and principally pertain to the exploration of gravel, limestone, granite, lithium and other minerals.

Additional detail on all of the above properties is included in the Management's Discussion and Analysis document.

During the thirteen months ended December 31, 2014 a total of $89,412 (twelve months ended November 30, 2013 - $345,875) was written off pertaining to abandoned projects that had been previously capitalized. Management re-evaluated the future economic potential of these projects and determined that further financial investment would be unjustified. Consequently those projects were abandoned and their costs written off as a charge against current income.

Note 10 – Resource Properties (continued)

The following table is a summary of exploration and production costs by project:

Exploration Costs	Logan Pit	Kearl Pit	House River Pit	Cowper Pit	KM248 Pit	Pelican Hill Pit	Boyle Project	Firebag Project	Hinton Project	Richardson Project	Birch Mountain	Dover Project	All Other Projects	Total
Balance at November 30, 2013	$ -	-	-	-	-	72,636	95,173	522,675	52,253	425,937	442,191	1,008,750	633,753	$ 3,253,368
Thirteen months ended December 31, 2014 activity:														
Consulting fees	-	-	-	3,219	32,673	-	-	211,961	1,485	440	-	-	36,574	$ 286,352
Testing and drilling	-	-	-	-	-	-	-	59,373	-	456,850	-	-	42,602	558,825
Equipment and aircraft rental	-	-	-	8,850	29,172	-	-	1,844	-	33,091	8,917	-	12,840	94,714
Land leases	-	-	-	-	-	-	22,103	48,482	972	-	7,610	972	-	80,139
Salaries and employee benefits	-	-	-	19,113	327	891	-	23,781	1,618	43,371	-	108	33,232	122,441
Travel	-	-	-	10,419	1,130	-	-	3,791	-	6,036	697	-	8,569	30,642
Other	-	-	-	232,912	144,048	31,966	212	72,433	59	70,478	-	-	9,113	561,221
Abandoned projects	-	-	-	-	-	-	-	-	-	-	-	-	(89,412)	(89,412)
Total	-	-	-	274,513	207,350	32,857	22,315	421,665	4,134	610,266	17,224	1,080	53,518	1,644,922
Transferred to Production Costs	-	-	-	(274,513)	(207,350)	-	-	-	-	-	-	-	-	(481,863)
Cumulative Exploration Costs- December 31, 2014	**-**	**-**	**-**	**-**	**-**	**105,493**	**117,488**	**944,340**	**56,387**	**1,036,203**	**459,415**	**1,009,830**	**687,271**	**4,416,427**
Production Costs														
Balance at November 30, 2013	$ 534,991	1,123,604	139,676	-	-	-	-	-	-	-	-	-	-	$ 1,798,271
Transferred from Exploration costs	-	-	-	274,513	207,350	-	-	-	-	-	-	-	-	481,863
Thirteen months ended December 31, 2014 activity:														
Salaries and employee benefits	49	-	21,036	-	-	-	-	-	-	-	-	-	-	21,085
Other	25	525	1,307	-	-	-	-	-	-	-	-	-	-	1,857
Total spending in current period	74	525	22,343	274,513	207,350	-	-	-	-	-	-	-	-	504,805
Total production costs prior to depletion	535,065	1,124,129	162,019	274,513	207,350	-	-	-	-	-	-	-	-	2,303,076
Current period depletion	-	(38,561)	-	(274,513)	(140,139)	-	-	-	-	-	-	-	-	(453,213)
Cumulative Production Costs- December 31, 2014	**535,065**	**1,085,568**	**162,019**	**-**	**67,211**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,849,863**
Total Exploration and Production Costs- December 31, 2014	**$ 535,065**	**$ 1,085,568**	**$ 162,019**	**$ -**	**$ 67,211**	**$105,493**	**$ 117,488**	**$944,340**	**$ 56,387**	**$ 1,036,203**	**$459,415**	**$ 1,009,830**	**$ 687,271**	**$ 6,266,290**

Exploration Costs	Logan Pit	Kearl Pit	House River Pit	Cowper Pit	KM248 Pit	Pelican Hill Pit	Boyle Project	Firebag Project	Hinton Project	Richardson Project	Birch Mountain	Dover Project	All Other Projects	Total
Balance at November 30, 2012	$ -	-	-	-	-	70,838	72,758	416,197	25,540	72,330	431,993	1,006,319	1,055,715	$ 3,151,690
Twelve months ended November 30, 2013 activity:														
Consulting fees	-	-	-	-	-	-	-	33,030	25,200	89,175	3,520	1,813	49,826	$ 202,564
Testing and drilling	-	-	-	-	-	-	-	-	-	174,032	-	-	20,762	194,794
Equipment and aircraft rental	-	-	-	-	-	-	-	-	-	9,507	-	-	(5,867)	3,640
Land leases	-	-	-	-	-		21,655	47,319	108	-	6,606	167	-	75,855
Salaries and employee benefits	-	-	-	-	-	225	760	20,796	1,349	16,228	72	441	27,212	67,083
Travel	-	-	-	-	-	-	-	3,177	-	39,150	-	-	8,669	50,996
Other	-	-	-	-	-	1,573	-	2,156	56	25,515	-	10	37,776	67,086
Abandoned projects	-	-	-	-	-	-	-	-	-	-	-	-	(345,875)	(345,875)
Total	-	-	-	-	-	1,798	22,415	106,478	26,713	353,607	10,198	2,431	(207,497)	316,143
Transferred to Development Costs	-	-	-	-	-	-	-	-	-	-	-	-	(53,487)	(53,487)
Transferred to Miscellaneous Lease Costs	-	-	-	-	-	-	-	-	-	-	-	-	(160,978)	(160,978)
Cumulative Exploration Costs- November 30, 2013	**$ -**	**-**	**-**	**-**	**-**	**72,636**	**95,173**	**522,675**	**52,253**	**425,937**	**442,191**	**1,008,750**	**633,753**	**$ 3,253,368**
Production Costs														
Balance at November 30, 2012	$ 612,976	1,247,794	78,435	-	-	-	-	-	-	-	-	-	-	$ 1,939,205
Transferred from Exploration Costs	8,233	10,653	34,601	-	-	-	-	-	-	-	-	-	-	53,487
Twelve months ended November 30, 2013 activity:														
Clearing and stripping	39,450	-	-	-	-	-	-	-	-	-	-	-	-	39,450
Survey	-	-	8,750	-	-	-	-	-	-	-	-	-	-	8,750
Salaries and employee benefits	14,471	74	7,897	-	-	-	-	-	-	-	-	-	-	22,442
Other	316	1,320	9,993	-	-	-	-	-	-	-	-	-	-	11,629
	675,446	1,259,841	139,676	-	-	-	-	-	-	-	-	-	-	2,074,963
Current Year Depletion	(140,455)	(136,237)	-	-	-	-	-	-	-	-	-	-	-	(276,692)
Cumulative Production Costs- November 30, 2013	**534,991**	**1,123,604**	**139,676**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,798,271**
Total Exploration and Production Costs- November 30, 2013	**$ 534,991**	**$ 1,123,604**	**$ 139,676**	**$ -**	**$ -**	**$ 72,636**	**$ 95,173**	**$522,675**	**$ 52,253**	**$ 425,937**	**$442,191**	**$ 1,008,750**	**$ 633,753**	**$ 5,051,639**

Production Costs	Logan Pit	Kearl Pit	House River Pit	Cowper Pit	KM248 Pit	Pelican Hill Pit	Boyle Project	Firebag Project	Hinton Project	Richardson Project	Birch Mountain	Dover Project	All Other Projects	Total
Cost at:														
December 31, 2014	$ 717,523	$ 1,285,194	$ 184,317	$ 274,513	$207,350	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,668,897
November 30, 2013	$ 717,449	$ 1,284,668	$ 161,975	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,164,092
Accumulated Depletion at:														
December 31, 2014	$ 182,458	$ 199,626	$ 22,299	$ 274,513	$140,138	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 819,034
November 30, 2013	$ 182,458	$ 161,064	$ 22,299	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 365,821

Note 10 – Resource Properties (continued)

The environmental rehabilitation obligation assets pertain to resource properties where the Corporation has the legal and constructive obligation to complete decommissioning, reclamation and restoration costs on the property. Upon recognizing the environmental rehabilitation obligation (ERO), the Corporation sets up an asset in resource properties and the asset is depreciated over the expected life of the associated resource property. See Note 16 for details on the related ERO for the assets included here.

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

The mineral permits are located largely in the areas of Fort McMurray and Hinton, Alberta. These mineral permits currently consist of approximately 194,000 hectares of land. They have a term of 14 years covering seven assessment periods of two years each. The spending commitment to retain the existing permits is $5 per hectare for the first two year period, $10 per hectare for the second two year period, $10 per hectare for the third two year period, $15 per hectare for the fourth two year period, $15 per hectare for the fifth two year period, $15 per hectare for the sixth two year period and $15 per hectare for the seventh two year period.

The Corporation has various mineral leases for silica sand, salt, and conglomerate covering approximately 21,500 hectares with expiry dates ranging from 2026 to 2028. Annual lease rental payments of $3.50 per hectare are required as payment to maintain a mineral lease in good standing.

Miscellaneous lease (MLL) costs pertain to lease renewal costs related to several properties where the Corporation owns the property via a MLL. These properties are all in Alberta.

Note 11 – Intangible Assets

Cost at:		**Susan Lake Management Contract**		**Poplar Creek Management Contract**		**Poplar Creek Environmental Rehabilitation Obligation Asset**		**Total**
November 30, 2012	$	7,800,000	$	105,000	$	364,604	$	8,269,604
Additions (reductions)		-		-		(219,665)		(219,665)
November 30, 2013		7,800,000		105,000		144,939		8,049,939
Additions		-		-		149,994		149,994
December 31, 2014	**$**	**7,800,000**	**$**	**105,000**	**$**	**294,933**	**$**	**8,199,933**
Accumulated Amortization at:								
November 30, 2012	$	3,490,741	$	105,000	$	364,604	$	3,960,345
Amortization for the period		866,667		-		-		866,667
Additions (reductions)		-		-		(219,665)		(219,665)
November 30, 2013		4,357,408		105,000		144,939		4,607,347
Amortization for the period		938,888		-		-		938,888
Additions		-		-		149,994		149,994
December 31, 2014	**$**	**5,296,296**	**$**	**105,000**	**$**	**294,933**	**$**	**5,696,229**
Net book value at:								
December 31, 2014	**$**	**2,503,704**	**$**	**-**	**$**	**-**	**$**	**2,503,704**
November 30, 2013	$	3,442,592	$	-	$	-	$	3,442,592

Note 11 – Intangible Assets (continued)

Intangible assets consist of two management contracts with the Province of Alberta relating to the management of aggregate pits at Poplar Creek, Alberta and Susan Lake, Alberta.

The Susan Lake management contract is amortized on a straight-line basis over the life of the contract, with an expiry date of November 30, 2017. As at December 31, 2014 the remaining term of the contract is 35 months. No intangible asset has been established for potential environmental rehabilitation obligations for the disturbed areas of the site covered under the Susan Lake management agreement as it is expected that a third party(ies) will assume the reclamation obligations when they mine the area for oil deposits once the gravel deposits have been depleted.

The Poplar Creek pit has been depleted and accordingly its management contract and decommissioning and restoration costs carrying values were written off as at November 30, 2011.

During the thirteen months ended December 31, 2014, the estimate for future decommissioning and restoration costs for the Poplar Creek pit increased by $149,994 (twelve months ended November 30, 2013 – decreased by $219,665). Of the increase, an increase of $169,088 (2013 – decrease of $63,053) was attributable to the 76 acres related to the land use agreement (see Note 9) and was recorded as a loss on the land use agreement receivable, while a decrease of $19,094 (2013 – decrease of $156,612) was attributable to the 90 acre laydown storage yard and recorded as a recovery on the write-down of intangible assets. These amounts are included in other expenses on the financial statements (see Note 24 for additional detail).

The terms of the contracts give the Province of Alberta the right to terminate the contracts without cause upon three months written notice. The contracts provide that the Province of Alberta may at any time during the term of the agreement require the Corporation to operate the tender location in cooperation with oil sand lease development. The Province of Alberta also has the right to withdraw any portion of the lands from the contracts and those lands withdrawn shall cease to be the responsibility of the Corporation with respect to any environmental rehabilitation obligations. In January 2015, the Province of Alberta amended the boundary of Susan Lake effective January 22, 2015, but the amendment had no impact on the value of the management contract and no significant impact on the Corporation.

Note 12 - Goodwill

The goodwill arose as a result of the acquisition of Aggregates Management Inc. that closed on November 20, 2008. The acquired entity held the management contracts to operate on behalf of the Province of Alberta, two aggregate pits in the Fort McMurray area of Alberta.

In accordance with IFRS guidance, impairment of goodwill has been tested annually in 2014 and 2013 with the conclusion reached that no impairment has occurred.

The Susan Lake pit cash generating unit ("CGU") now represents virtually all of the revenues and cash inflows of the acquired entity, with the result that all goodwill is allocated to the Susan Lake pit CGU for the purposes of impairment testing.

The recoverable amount of a CGU is determined based on the higher of value in use calculations or fair value less cost to sell. The Corporation's value in use calculations use after-tax cash flow projections expected to be generated by the CGU based on the actual results of operations from the preceding fiscal year and management's projections. The cash flows were done over the duration equal to the remaining life of the current term of the Susan Lake management contract (three years at November 30, 2014).

Note 12 – Goodwill (continued)

Key assumptions for the valuation model include revenues and the discount rate.

In the valuation model, a 1% annual growth rate was applied to the price per tonne projections as the management fee revenue increases with the consumer price index changes. The valuation of the CGU is sensitive to changes in the revenue assumptions. All other things being equal, a decrease of revenues, arising from a decrease in tonnes or pricing, of 5% in each of the remaining three years of the contract would result in the carrying value of the CGU being in excess of the fair value by approximately $266,000 and would have required an impairment of goodwill for that amount.

A discount rate of 19.3% was used based on the Corporation's after-tax weighted cost of capital. All other things being equal, an increase in the discount rate of 2% to 21.3% would result in the carrying value of the CGU being in excess of the fair value by approximately $114,000 and would have required an impairment of goodwill for that amount.

Note 13 – Long-Term Debt

	December 31, 2014		November 30, 2013	
Bank loan, repayable in monthly instalments of $83,333 plus interest at the bank's prime lending rate plus 1.75%, due June 8, 2016	$	1,500,000	$	2,583,333
Deferred financing costs, amortized over life of debt agreement		(14,609)		(25,781)
		1,485,391		2,557,552
Current portion - principal due within one year		1,485,391		1,000,000
	$	-	$	1,557,552

Unless demanded, the principal repayment requirements for the upcoming years are as follows:

2015	$	1,000,000
2016		500,000
	$	1,500,000

The Corporation has a credit facility, which includes an operating loan, a capital loan, two leasing equipment facilities, and a credit card facility.

The capital loan, as shown in the table above, has an outstanding balance as at December 31, 2014 of $1,500,000 (2013 - $2,583,333) before deferred financing costs. The whole amount outstanding is considered current as at December 31, 2014 due to demand loan provisions which took effect in June 2014, as per the credit facility.

Note 13 – Long-Term Debt (continued)

The Corporation has access to a $3,000,000 demand operating loan with a sub-limit of $2,000,000 available for letters of commercial credit. The operating loan bears interest at the bank's prime lending rate plus 1%. Availability of operating loan borrowing is subject to margin requirements, and is determined based upon acceptable accounts receivable and inventory. No balance was outstanding on the operating loan as at December 31, 2014 (2013 - $nil); however, $675,880 (2013 - $675,880) of the operating loan is committed, although not funded, in order to secure letters of credit totalling $1,351,760 (2013 - $1,351,760) as described below, which bear a different rate of interest.

The Corporation has a letter of commercial credit for $603,000 to the benefit of the Government of Alberta for decommissioning and restoration at the Susan Lake pit. The Corporation has a letter of commercial credit for $248,760 to the benefit of the Government of Alberta for decommissioning and restoration in relation to a miscellaneous lease for a storage yard located at the Poplar Creek site. The Corporation has a letter of commercial credit for $500,000 to the benefit of the Government of Alberta for decommissioning and restoration at the Poplar Creek pit. A cost of 2.50% per annum is charged for each of the letters of commercial credit.

The Corporation's leasing facility is used to finance the acquisition of equipment. See the note on Lease Obligations (Note 14) for additional information.

The Corporation also has access to a corporate credit card facility, up to a maximum of $100,000.

Security under the existing facility is as follows:

- general security agreement creating a first priority security interest in all present and after acquired personal property of the Corporation and a floating charge over all the Corporation's present and after acquired real property;
- collateral land mortgage over half of a section of land located near Peace River, Alberta;
- assignment of risk insurance;
- environmental agreement and indemnity;
- security agreement over cash, credit balances and deposit instruments; and
- current account overdraft agreement in support of line of credit.

The Corporation is subject to three financial covenants as part of the credit facility. The funded debt to earnings before interest, taxes, depreciation and amortization (EBITDA) ratio must be less than 2.75 to 1 for all reporting periods subsequent to and including December 31, 2014. The debt service coverage ratio must be more than 1.25 to 1 for all reporting periods subsequent to and including December 31, 2014. The Corporation must maintain a current ratio for all reporting periods subsequent to and including December 31, 2014 in excess of 1.25 to 1.

As at December 31, 2014 the Corporation is in compliance with the lender's covenants (see Note 21 c) and Note 22 for additional information).

Total interest expense on the bank loan for the thirteen months ended December 31, 2014 is $99,482 (2013 - $147,414). These amounts are disclosed as part of Finance costs (Note 24).

Note 14 – Lease Obligations

	Interest Rate	Monthly Instalments	December 31, 2014	November 30, 2013
Finance Leases				
Lease #1, due May 30, 2017	4.124%	$ 38,817	$ 1,069,748	$ 1,515,767
Lease #2, due August 31, 2017	4.250%	65,253	1,970,897	2,709,984
Lease #3, due August 31, 2017	4.250%	6,627	200,247	275,306
Lease #4, due September 21, 2018	4.614%	7,452	307,463	386,814
Lease #5, due October 12, 2018	4.593%	7,481	315,053	394,482
			3,863,408	5,282,353
Current portion - principal due within one year			1,368,959	1,307,465
			$ 2,494,449	$ 3,974,888

Future minimum lease payments for the subsequent four years are as follows:

January 1, 2015 to December 31, 2015	$ 1,507,544
January 1, 2016 to December 31, 2016	1,507,544
January 1, 2017 to December 31, 2017	948,608
January 1, 2018 to December 31, 2018	142,072
	4,105,768
Less: interest included in payments above (year one)	138,584
Less: interest included in payments above (years two and beyond)	103,776
	242,360
Lease loan principal outstanding	$ 3,863,408

Security is provided for the lease obligation as part of the Corporation's credit facility. See Note 13 for additional information.

Total interest expense on the lease obligations for the year ended December 31, 2014 is $208,301 (2013 - $216,572). These amounts are disclosed as part of Finance costs (Note 24).

Anticipated operating lease payments for vehicles leased by the Corporation for the period January 1 to December 31, 2015 are $229,697. Operating lease payments for the period January 1, 2016 to December 31, 2018 are $168,184.

Note 15 – Deferred Gain on Sale and Leaseback

	December 31, 2014	November 30, 2013
Deferred gain	$ 18,661	$ 27,006

During the year ended November 30, 2012, the Corporation received lease proceeds on the sale and leaseback of property and equipment in an amount of $38,515 exceeding the carrying value of the assets that were sold. The deferred gain on sale and leaseback will be realized over the 60 month term of the lease. During the thirteen months ended December 31, 2014, $8,345 (2013 - $7,703) of the deferred gain on sale and leaseback was realized and taken into income. See Note 24 for further details on this income item that is included in other expenses on the income statement.

Note 16 – Environmental Rehabilitation Obligations (ERO)

Provisions for environment rehabilitation obligations were recognized for mining activities at the Corporate owned pits. The provision is estimated based on management's estimates of projected reclamation costs and the timing of such reclamation activities.

The following is a reconciliation of the environmental rehabilitation obligations of the Corporation:

	Thirteen months ended December 31, 2014	Twelve months ended November 30, 2013
Opening balance, ERO	$ 707,894	$ 1,098,041
New obligations from disturbance in new pits	170,530	60,610
Change in estimate	348,268	(441,783)
Accretion expense	14,325	17,405
Reclamation funded during the period	(29,108)	-
Change in interest rate	26,730	(26,379)
Ending balance, ERO	1,238,639	707,894
Less: Current portion, obligations to be funded within one year	(100,292)	-
	$ 1,138,347	$ 707,894

New obligations from disturbance in new pits refer to disturbance in the current period at the Cowper, KM248, Pelican Hills and Logan Camp sites; all sites which had not been previously environmentally disturbed by the Corporation. The amount now included in the ERO provision is based on estimated future costs of reclamation activities to reclaim the existing disturbance at the date of these financial statements. In 2013, the Logan pit and the Conklin pit were environmentally disturbed for the first time, resulting in an increase to the ERO provision in that period.

Note 16 – Environmental Rehabilitation Obligations (continued)

The change in estimate is the result of additional disturbance in existing pits during the period, as well as changes in cost estimates for projected reclamation activities and/or timing assumptions that cause the ERO provision to increase or decrease.

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.

Reclamation funded during the period includes reclamation work done at the Cowper site to level areas of the property.

Change in interest rate reflects changes to the ERO provision based on changes in the discount rate used in the ERO estimates during the period. 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 0.96% to 1.70% as at December 31, 2014.

It is expected that reclamation activities for the existing pits will occur between 2015 and 2023 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.

The Corporation has estimated that it will require $1.4 million in undiscounted cash flows to settle these obligations over the next ten years. The payments are expected to be funded by cash generated from operations. It is expected that the Corporation will complete $100,292 of reclamation in 2015 at the Cowper site, so that is considered the current portion of ERO on the financial statements.

The Corporation has paid cash security deposits of $527,478 as at December 31, 2014 (2013 - $324,900) to the Government of Alberta on behalf of the Corporation for these ERO obligations. The Corporation has also posted letters of credit of $748,760 to the benefit of the Government of Alberta on behalf of the Corporation for ERO obligations at the Poplar Creek sites (see Note 13 – Long-Term Debt for more details).

No ERO provision has been provided for by the Corporation for the disturbed areas of the site covered under the Susan Lake management agreement as it is expected that a third party(ies) will assume the reclamation obligations when they mine the area for oil deposits once the gravel deposits have been depleted. Despite the fact that it is expected that the Corporation will not be expected to complete the reclamation activities at the Susan Lake site, the Corporation has posted a letter of credit of $603,000 to the benefit of the Government of Alberta on behalf of the Corporation for ERO obligations at the Susan Lake property (see note 13 for more details).

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

Note 17 - Income Taxes

The estimation of the Corporation's deferred tax assets and liabilities involves significant judgment to determine the future earning potential, the expected timing of the reversal of deferred tax assets and liabilities, or the result of interpretation of tax legislation which might differ from the ultimate assessment of the tax authorities. These differences may affect the tax amounts or the timing of the payment of taxes.

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

The tax effects of temporary differences that give rise to the net deferred tax liability are:

	December 31, 2014	November 30, 2013
Deferred tax assets:		
Cumulative eligible capital	$ 34,930	$ 37,784
Share issuance costs and finance fees	94,366	-
Deferred gain on sale and leaseback	4,665	6,751
	133,961	44,535
Deferred tax liabilities:		
Resource properties	$ 1,259,985	$ 1,054,996
Intangible assets	625,926	860,648
Property and equipment	428,009	313,084
Land use agreement receivable	63,393	140,771
	2,377,313	2,369,499
Net deferred tax liability	$ 2,243,352	$ 2,324,964

Income tax expense varies from the amount that would result from applying the combined federal and provincial income tax rates to income before income taxes. These variances are present here:

	Thirteen months ended December 31, 2014	Twelve months ended November 30, 2013
(Loss) Income before income taxes	$ (621,352)	$ 2,828,059
Statutory Canadian combined corporate tax rate	25.0%	25.0%
Expected tax (recovery) expense	(155,338)	707,015
Increase (decrease) from income taxes resulting from:		
Non-deductible expenses	400,653	187,755
Change in unrecognized assets	-	37,500
Other	(35,488)	(25,851)
	$ 209,827	$ 906,419

The provision for taxes is comprised of:

Provision for current taxes	$ 170,580	$ 1,123,877
Provision for deferred taxes	39,247	(217,458)
	$ 209,827	$ 906,419

Note 18 – Share Capital

a) Authorized:

An unlimited number of:
Common voting shares with no par value
Preferred shares, issuable in series

On January 14, 2014 the Corporation issued 3,965,517 common shares in a private placement for cash consideration of $5,750,000. Legal and filing fees of $138,437 and commissions of $345,000 associated with the private placement were incurred for net cash proceeds of $5,266,563.

b) Repurchased common shares:

The Corporation had in place a normal course issuer bid that commenced on August 14, 2012 and terminated on August 14, 2013. No common shares were repurchased pursuant to the normal course issuer bid.

c) 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:

	Thirteen months ended December 31, 2014			**Twelve months ended November 30, 2013**		
	Number of Options	Weighted Average Exercise Price		Number of Options	Weighted Average Exercise Price	
Options outstanding:						
Beginning of period	2,326,666	$	0.87	1,836,666	$	0.58
Issued	1,487,931		2.45	1,185,000		1.31
Expired or cancelled	(200,000)		1.02	(368,333)		1.24
Exercised	(608,333)		0.65	(326,667)		0.42
End of period	3,006,264	$	1.69	2,326,666	$	0.87

Of the outstanding stock options, 1,922,643 (2013 – 1,411,666) options have vested and therefore, were exercisable at December 31, 2014 at a weighted average exercise price of $1.38 per share (2013 - $0.67 per share).

The weighted average remaining contractual life of the options is 3.13 years (2013 – 3.65 years).

The weighted average share price on the dates options were exercised in the thirteen months ended December 31, 2014 is $2.26 (2013 – $1.29).

Note 18 – Share Capital (continued)

Stock options: (continued)

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. The stock option plan provides for a floating maximum limit of 10% of the outstanding common shares, as permitted by the policies of the TSX Venture Exchange. Options may be exercisable for up to ten years from the date of grant, but the Board of Directors has the discretion to grant options that are exercisable for a shorter period. Options under the stock option plan are not transferable or assignable. Pursuant to the stock option plan, options must be exercised within a reasonable period following termination of employment or cessation of the optionee's position with the 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.

The fair value of the options granted during the thirteen months ended December 31, 2014 was estimated on the dates of the grant using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

Grant date	January 14, 2014
Exercise price	$1.63 (equal to closing price on date of grant)
Dividend yield	Nil
Expected Volatility	71.1%
Risk free rate of return	1.75%
Expected life	5 years
Weighted Average Fair Value per option	$0.96
Forfeiture rate	0%

Grant date	June 26, 2014
Exercise price	$2.90 (equal to closing price on date of grant)
Dividend yield	Nil
Expected Volatility	71.6%
Risk free rate of return	1.53%
Expected life	5 years
Weighted Average Fair Value per option	$1.72
Forfeiture rate	0%

Grant date	October 29, 2014
Exercise price	$1.60 (equal to closing price on date of grant)
Dividend yield	Nil
Expected Volatility	83.4%
Risk free rate of return	1.04%
Expected life	5 years
Weighted Average Fair Value per option	$1.05
Forfeiture rate	0%

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

Note 18 – Share Capital (continued)

Stock options: (continued)

Occasionally, the Corporation issues stock options to agents which do not fall under the plan. On January 14, 2014 the Corporation, in connection with a private placement of common shares and warrants, granted agent options to purchase 237,931 common shares for a price of $1.45 per common share for a period of 24 months (see Note 18 (d)). The value of these options is $162,983 and this was recorded as a share issuance cost.

The fair value of the options granted to the agents was estimated on the dates of the grant using the Black-Scholes Option Pricing Model with the following assumptions:

Grant date	January 14, 2014
Exercise price	$1.45 (less than closing price on date of grant)
Dividend yield	Nil
Expected Volatility	69.5%
Risk free rate of return	1.05%
Expected life	2 years
Forfeiture rate	0%

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

The fair value of the options granted during the year ended November 30, 2013 was estimated on the dates of the grant using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

Grant date	September 6, 2013
Exercise price	$1.02 (equal to closing price on date of grant)
Dividend yield	Nil
Expected Volatility	93.8%
Risk free rate of return	2.11%
Expected life	5 years
Weighted Average Fair Value per option	$0.74
Forfeiture rate	0%

Grant date	December 11, 2012
Exercise price	$1.64 (equal to closing price on date of grant)
Dividend yield	Nil
Expected Volatility	97.0%
Risk free rate of return	1.30%
Expected life	5 years
Weighted Average Fair Value per option	$1.20
Forfeiture rate	0%

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

Note 18 – Share Capital (continued)

Stock options: (continued)

The following is a summary of the outstanding stock options as at December 31, 2014:

Expiry Date	Exercise Price	Options Outstanding - December 31, 2014	Options Outstanding - November 30, 2013
September 21, 2014	$ 0.25	-	75,000
April 27, 2015	$ 2.90	100,000	-
October 15, 2015	$ 0.26	160,000	160,000
January 14, 2016	$ 1.45	237,931	-
October 6, 2016	$ 0.35	-	70,000
March 29, 2017	$ 0.63	573,333	886,666
August 24, 2017	$ 1.04	50,000	150,000
December 11, 2017	$ 1.64	360,000	360,000
September 6, 2018	$ 1.02	375,000	625,000
January 14, 2019	$ 1.63	150,000	-
June 26, 2019	$ 2.90	900,000	-
October 29, 2019	$ 1.60	100,000	-
		3,006,264	2,326,666

d) Warrants:

	Thirteen months ended December 31, 2014		Twelve months ended November 30, 2013	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
		$		
Warrants outstanding:				
Beginning of period	-	-	-	$ -
Issued	1,982,758	1.75	-	-
Expired or cancelled	-	-	-	-
Exercised	(422,300)	1.75	-	-
				-
End of period	1,560,458	$ $1.75	-	$ -

On January 14, 2014 the Corporation issued 3,965,517 common shares in a private placement for cash consideration of $5,750,000. Legal and filing fees of $138,437 and commissions of $345,000 associated with the private placement were incurred for net cash proceeds of $5,266,563. Each common share issued in the private placement is accompanied by one common share purchase warrant entitling the holder to acquire one-half additional common share at a price of $1.75 for a period of two years from January 14, 2014. The fair values attributed to the common shares and warrants were $4,870,096 and $879,904 respectively.

Note 18 – Share Capital (continued)

Warrants: (continued)

The fair value of the warrants was determined using the Black-Scholes Option Pricing Model with the following assumptions:

Exercise price	\$1.75
Dividend yield	Nil
Expected Volatility	69.5%
Risk free rate of return	1.05%
Expected life	2 years
Forfeiture rate	0%

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

Of the outstanding warrants, 1,560,458 were exercisable at December 31, 2014 at a weighted average exercise price of \$1.75 per share.

The weighted average remaining contractual life of the options is 1.04 years.

The weighted average share price on the dates warrants were exercised is \$2.66.

e) Net (loss) income per common share

	Thirteen months ended December 31, 2014	Twelve months ended November 30, 2013
Net (loss) income per common share – basic		
Net (loss) income	\$ (831,179)	\$ 1,921,640
Weighted average number of common shares outstanding	32,231,384	28,179,596
Net (loss) income per common share	\$ (0.026)	\$ 0.068
Net (loss) income per common share - diluted		
Net (loss) income	\$ (831,179)	\$ 1,921,640
Weighted average number of common shares outstanding	32,231,384	28,179,596
Effect of dilutive stock options	-	696,692
Weighted average number of common shares outstanding, assuming dilution	32,231,384	28,876,288
Net (loss) income per common share	\$ (0.026)	\$ 0.067

During the thirteen months ended December 31, 2014, the Corporation was in a net loss position therefore the conversion of convertible securities is considered to be anti-dilutive.

During the twelve months ended November 30, 2013, 313,452 options outstanding were not dilutive.

Note 19 - Related Party Transactions

During the thirteen months ended December 31, 2014, the Corporation incurred expenses of $224,710 (twelve months ended November 30, 2013 - $185,406) for services provided by certain directors and officers and certain companies controlled by certain directors and officers of the Corporation as further described below.

These costs are recorded in the financial statements as follows:

	Thirteen months ended December 31, 2014		Twelve months ended November 30, 2013	
Directors and Officers:				
Directors fees and expenses	$	108,080	$	79,886
Travel and miscellaneous		25,630		10,320
	$	133,710	$	90,206
Companies controlled by Directors and Officers:				
Rent	$	91,000	$	84,000
Travel and miscellaneous		-		750
Property and equipment		-		10,450
		91,000		95,200
	$	224,710	$	185,406

Accounts payable and accrued liabilities includes $79,210 from the above expenses as at December 31, 2014 (2013 - $68,491).

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 20 – Compensation of Key Management

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

	Thirteen months ended December 31, 2014		Twelve months ended November 30, 2013	
Salaries and other benefits	$	1,025,943	$	805,888
Share-based compensation		1,142,711		531,389
	$	2,168,654	$	1,337,277

Note 21 - Financial Instruments

The Corporation's financial instruments consist of cash, restricted cash, accounts receivable, land use agreement receivable, and long-term deposits, which are classified as loans and receivables with a carrying value of $8,800,863 (2013 - $5,618,786); and accounts payable and accrued liabilities, and long-term debt, which are classified as other financial liabilities with a carrying value of $ 5,422,815 (2013 - $7,531,397).

a) Fair Value

The financial assets and liabilities that are recognized on the balance sheet at fair value are grouped into three levels of a hierarchy based on the observability of significant inputs used in making the measurements, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation can assess at the measurement date;

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly as prices or indirectly derived from prices; and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Due to the short-term nature of cash, accounts receivable, and accounts payable and accrued liabilities, the carrying value of these financial instruments approximate their fair value. The fair value of restricted cash and long-term debt is a Level 2 measurement and approximates their carrying values as they are at the market rate of interest. Long-term deposits are refundable. The fair value of long-term deposits is a Level 2 measurement and is not materially different from carrying value. Land use agreement receivable is a Level 2 measurement and is an estimate of discounted future cash flow with carrying value approximating fair value.

b) Credit Risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist primarily of cash, restricted cash, accounts receivable, long-term deposits and land use agreement receivable. The Corporation’s maximum credit risk at December 31, 2014 is the carrying value of these financial assets.

In the normal course of business the Corporation evaluates the financial condition of its customers on a continuing basis and reviews the credit worthiness of all new customers. Management assesses the need for allowances for potential credit losses by considering the credit risk of specific customers, historical trends and other information. At December 31, 2014, 57.0% (November 30, 2013 – 71.7%) of the Corporation's accounts receivable was due from four customers.

As at December 31, 2014, the Corporation’s aged accounts receivable are comprised of 33.3% current, 57.4% past due up to 60 days and 9.3% past due over 60 days. As at November 30, 2013, the Corporation’s aged accounts receivable were comprised of 49.6% current, 35.2% past due up to 60 days and 15.2% past due over 60 days.

While certain amounts are past due, management considers there is no impairment of the accounts receivable except as provided in the following paragraph.

The Corporation wrote off $628,716 of accounts receivable in 2014, of which $250,000 was expensed to bad debts during fiscal 2014 and $259,509 during fiscal 2013.

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 so they bear little credit risk.

Note 21- Financial Instruments (continued)

c) Liquidity Risk

The Corporation manages liquidity risk by ensuring sufficient funds are available to meet liabilities when they come due. As part of Athabasca's credit facility, the Corporation must maintain certain ratios. The Corporation has complied with all ratios as at December 31, 2014.

As at December 31, 2014 the Corporation has sufficient working capital to fund ongoing operations and meet its liabilities when they come due. Accordingly, the Corporation is not exposed to significant liquidity risk. The Corporation has identified its financial liabilities as accounts payable and accrued liabilities, long-term debt, including interest but excluding deferred financing costs, and lease obligations, including interest.

As at December 31, 2014	**0 - 1 year**	**2 - 3 years**	**4 - 5 years**	**Total**
Accounts payable and accrued liabilities	$ 3,937,424	$ -	$ -	$ 3,937,424
Long-term debt, including interest	1,049,479	506,927	-	1,556,406
Lease obligations, including interest	1,507,544	2,456,152	142,072	4,105,768
Total	$ 6,494,447	$ 2,963,079	$ 142,072	$ 9,599,598

As at November 30, 2013	**0 - 1 year**	**2 - 3 years**	**4 - 5 years**	**Total**
Accounts payable and accrued liabilities	$ 4,973,845	$ -	$ -	$ 4,973,845
Long-term debt, including interest	1,096,979	1,639,740	-	2,736,719
Lease obligations, including interest	1,507,544	3,015,087	1,216,309	5,738,940
Total	$ 7,578,368	$ 4,654,827	$ 1,216,309	$ 13,449,504

The Corporation's projected cash flow from operating activities and existing availability from credit facilities are expected to be greater than anticipated capital expenditures and the contractual maturities of the Corporation's financial liabilities as at December 31, 2014. The expectation could be adversely affected by a material negative change in the demand for aggregate or the Corporation's management contracts (see Note 11 – Intangible Assets for additional information).

d) Foreign Currency Risk

The Corporation maintains a USD currency bank account with a nominal balance for the infrequent need to fund supplier purchases denominated in USD currency. As at December 31, 2014 the Corporation had USD cash of $875 (CAD $1,010), and no significant USD denominated accounts payable or receivables. As the amounts involved are insignificant, management feels the foreign currency risk for the Corporation is minimal.

Note 21- Financial Instruments (continued)

e) Interest Rate Risk

The Corporation is exposed to interest rate risk on the variable rate capital loan. The Corporation's capital loan bears interest at 1.75% over the bank's prime lending rate. The Corporation's operating loan bears interest at 1.00% over the bank's prime lending rate. As the bank's prime lending rate fluctuates so will the cost of borrowing.

A 100 basis point increase in the interest rate on outstanding debt with variable interest rates would have negatively impacted earnings in the thirteen month period ended December 31, 2014 by approximately $30,000.

Note 22 - Capital Disclosures

The capital structure of the Corporation consists of net debt (borrowings, as detailed in Note 13 and Note 14, offset by cash) plus equity (comprised of share capital, contributed surplus and retained earnings).

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

There were no changes to the Corporation's capital management during the thirteen months ended December 31, 2014.

The Corporation is subject to externally imposed covenants as part of the credit facility. These covenants include restrictions on capital expenditures and buy-back of share capital, minimum debt service coverage, minimum working capital ratio and a maximum funded debt to EBITDA ratio. As at December 31, 2014, the Corporation is in compliance with these covenants.

Note 23 - Supplemental Cash Flow Disclosures

	Thirteen months ended December 31, 2014	Twelve months ended November 30, 2013
The Corporation received (paid) cash during the period for:		
Interest received	$ 12,060	$ 12,241
Interest paid	(307,782)	(364,942)

During the thirteen months ended December 31, 2014, the Corporation obtained property and equipment in the amount of $nil (2013 - $802,169) by entering into finance leases. Of the total acquired in 2013, $401,962 was acquired on a sale and leaseback basis, and a further $400,207 of acquired property and equipment was not previously owned by the Corporation.

Acquiring assets by entering into a finance lease involves non-cash investing and financing activities, and accordingly does not appear in the statement of cash flows.

Note 24 - Supplemental Income Statement Disclosures

Finance costs are comprised of the following:

	Thirteen months ended December 31, 2014	Twelve months ended November 30, 2013
Interest on long-term debt (Note 13)	$ 99,482	$ 147,414
Interest on lease obligations (Note 14)	208,301	216,572
Amortization of deferred financing costs (Note 13)	11,172	9,123
ERO accretion expense (Note 16)	14,325	17,405
Other interest expense and bank fees	107,177	46,469
	$ 440,457	$ 436,983

Other expenses are comprised of the following:

	Thirteen months ended December 31, 2014	Twelve months ended November 30, 2013
Loss on land use agreement receivable (Note 9)	$ 258,947	$ 598,457
Write-down of resource properties (Note 10)	89,412	352,750
Recovery of intangible assets (Note 11)	(19,094)	(156,612)
Loss (gain) on disposal of property and equipment	139,013	(15,530)
Amortization of deferred gain on sale and leaseback	(8,345)	(7,703)
Other miscellaneous income	(53,071)	(77,948)
	$ 406,862	$ 693,414

Employee benefit expenses include wages, salaries, severance pay, bonuses, and group benefit premiums, as well as Canada Pension Plan, Employment Insurance and Workers' Compensation Board contributions. Employee benefit expenses are included in cost of sales and general and administrative expenses on the income statement.

The following table shows the total expenses for the period:

	Thirteen months ended December 31, 2014	Twelve months ended November 30, 2013
Employee benefit expenses	$ 5,843,414	$ 5,560,907

Note 24 - Supplemental Income Statement Disclosures (continued)

During the period, the Corporation recognized aggregate sales to individual customers whose purchases represented more than 10% of the Corporation's revenue, as follows:

	Thirteen months ended December 31, 2014	Twelve months ended November 30, 2013
Sales to first major customer	$ 7,102,543	$ 8,994,353
Sales to second major customer	3,191,586	4,775,163
Sales to third major customer	2,989,377	2,899,456
Sales to fourth major customer	2,979,918	-
Total sales from major customers	$ 16,263,424	$ 16,668,972

During the thirteen months ended December 31, 2014, total sales of $16,263,424 (or 61.8%) (twelve months ended November 30, 2013 - $16,668,972 (or 65.7%)) were sold to four (2013 – three) major customers (whose individual purchases represented more than 10% of the Corporation's annual revenues for the respective period).

Note 25 – Comparative Figures

The Corporation has reclassified certain income statement balances from the prior year in order to maintain consistency with presentation for the current year.

Note 26 – Subsequent Events

On March 18, 2015, Athabasca received a Statement of Defence and Counterclaim (the "Counterclaim") from Syncrude Canada Ltd. ("Syncrude") in respect of the Corporation's dispute with Syncrude regarding approximately $620,000 in user fees and government royalties the Corporation believes are owing by Syncrude to the Corporation in respect of Gravel used by Syncrude from the Susan Lake Public Pit. In addition to denying all allegations in Athabasca's initial Statement of Claim (the "Statement of Claim"), Syncrude has brought several counterclaims against the Corporation and is seeking damages in excess of $68,000,000 (the "Counterclaim").

The Corporation intends to pursue the claims set out in its Statement of Claim. The Corporation considers the Counterclaim to be without merit and will vigorously defend all of the alleged claims in the Counterclaim.