Athabasca MINERALS INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEAR ENDED NOVEMBER 30, 2011

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For the Year Ended November 30, 2011

GENERAL

This Management's Discussion and Analysis ("MD&A") of the financial condition and the results of operations of Athabasca Minerals Inc. ("Athabasca" or the "Corporation") should be read in conjunction with the audited financial statements and the notes thereto for the years ended November 30, 2011, and November 30, 2010, which have been prepared in accordance with Canadian generally accepted accounting principles. The following information was prepared by management as of March 22, 2012. All amounts have been expressed in Canadian dollars. Additional information relating to the Corporation can be found on SEDAR at www.sedar.com.

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A. COMPANY PROFILE

Athabasca is a management and exploration company specializing in developing and exploring for aggregates and industrial minerals in Alberta. The business strategies to grow the Corporation are:

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

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

The Corporation has employees and consultants with more than 200 years of combined experience in the aggregates industry to identify, explore and develop aggregate resources. Our team members have been involved with numerous acquisitions of aggregate resources and operations in Alberta. To date, the Corporation has acquired two 160-acre properties near Grimshaw, Alberta, and has purchased Aggregates Management Inc., the company that managed the two public pits north of Fort McMurray for the Alberta Government.

The Corporation has implemented a significant number of aggregate exploration programs on public land, and following review of the test programs, four aggregate mining applications have been submitted and have received approval from the Alberta Government. During Q1 2012 the Corporation initiated aggregates sales production from its corporate-owned House River pit. Over a quarter-million tonnes of House River pit asphalt aggregate will be supplied to a major road builder in this initial sales production from a corporate owned aggregate pit.

Currently, the Corporation holds Alberta Metallic and Industrial Minerals Permits on 376,832 hectares (931,172 acres) largely located in the Fort McMurray region in northeast Alberta. The Alberta Government has identified a rich variety of industrial minerals in this region such as silica sand and salt. These minerals are key ingredients for many products used to support the oil sands industry and Alberta infrastructure projects. The Corporation continues to assess its permitted land holdings for development based on mineral exploration programs that employ such methods as airborne magnetic surveys, stream sediment and outcrop sampling and deep well drilling.

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

B. AGGREGATE MANAGEMENT

The Corporation holds management contracts with the Alberta Government for the management of the Susan Lake and Poplar Creek aggregate operations, located north of Fort McMurray. The Corporation's mandate is to operate the aggregate resources for public use and generates its revenue from the management of these two aggregate operations. The business of the Corporation is seasonal with the majority of revenue earned in the 3rd and 4th quarters. This is due largely to construction projects starting up in the spring and summer seasons. Although the Corporation generates the majority of its revenue during these periods, operations continue year round.

Susan Lake Aggregate Operation

The aggregate operation is located approximately 85 Km north of Fort McMurray. It is approximately 9,260 acres (3,750 hectares) in size. Approximately 994 hectares or 27% of the pit has been developed. Approximately 66.0 million tonnes of sand and gravel have been removed from this pit since 1998. The majority of its sales were to neighboring oil sands companies. As at November 30, 2011 there are 72 months remaining on a ten year contract with the Alberta Government.

Between 2003 and 2010 sales from Susan Lake averaged 6.00 million tonnes per annum. In 2009 the Susan Lake Pit was named the top aggregate supplier in Canada for the amount of aggregate sold totaling 6.59 million tonnes. During 2010 and 2011 Susan Lake Pit sales increased to 7.13 million tonnes and 7.75 million tonnes respectively. The aggregate was utilized by oil sands companies and other infrastructure projects in the Fort McMurray area.

Poplar Creek Aggregate Operation

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

A 67 hectare (166 acre) area that is depleted of aggregate was converted to a lay-down storage area where equipment, pipe, plant components and supplies used by oil sands and industrial companies can be stored and assembled. The Corporation has obtained a miscellaneous lease approval from the Alberta Government to operate the site as a lay-down storage yard. The term of this lease is consistent with the term of the Poplar Creek management contract which has 15 months remaining as at November 30, 2011.

During fiscal 2011 the Corporation entered into a long-term land use agreement with a camp provider to transfer a 42 acre parcel of developed land out of the depleted portion of the Corporation's current miscellaneous lease at Poplar Creek to the camp provider. The camp provider has constructed a work camp facility on the lease that can currently accommodate approximately 500 workers, primarily employed in the oil sands industry. Pursuant to the land use agreement, the camp provider pays monthly fees to the Corporation. The camp provider also contributes toward the cost of future reclamation, in total not to exceed the non-refundable amount of $300,000, which the Corporation will maintain in a restricted cash account to be first applied toward any costs for reclamation of the Poplar Creek site. Work camp operations began during March 2011 and by November 30, 2011 the Corporation had received proceeds of $166,523 under the agreement with the camp provider. The current term of the land use agreement extends through to October 19, 2015.

Depletion of aggregate within the 67 hectare area resulted in Poplar Creek pit operations becoming largely inactive during fiscal 2011. Management feels substantial sand deposits may exist on the remaining 3,514 acre surface materials lease area not yet mined. A testing program has commenced to determine the sand quantity and quality that may be marketed to nearby oil sands operations and the City of Fort McMurray. More testing is to be performed during the second quarter of fiscal 2012. Since the testing results for sand deposits are at present unknown and because the pit was largely inoperative during fiscal 2011, management has written off the unamortized balance of the related Poplar Creek intangible assets at November 30, 2011, resulting in charges against 2011 Q4 income totaling $138,086.

C. OTHER AGGREGATE RESOURCES

Public Land

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

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

House River Pit

House River pit is located approximately 11 km east of highway 63 on the House River. In addition to supplying the oil sands market, this location is ideally situated to supply gravel for the highway 63 twinning project. During August, 2011 the Corporation received SML approval from the Alberta Government, to develop an open pit mine on the leased area, comprising 32.375 hectares of land for a term of ten years. On February 1, 2012 the Corporation announced the first sale of asphalt aggregate from the House River pit. Athabasca will supply 253,500 tonnes of asphalt aggregate to a major road building contractor in connection with the twinning of Highway 63, north of Wandering River, Alberta. A significant portion of the contract was fulfilled during Q1 2012 and was completed during Q2 2012.

Kearl Pit

Kearl pit is located approximately 60 km east of the Susan Lake gravel pit. During March, 2011 the Corporation received SML approval from the Government of Alberta. The Corporation completed construction of an all-weather road linking the aggregate operation to a number of major oil sands operations surrounding the project area. Kearl pit is available for year-round aggregate extraction and sales. On February 21, 2012 the Corporation announced National Instrument 43-101 Resource Calculations for the Kearl aggregate deposit. The "indicated" aggregates include 3,770,330 tonnes of gravel and 7,636,390 tonnes of sand. Also reported is an "inferred" quantity of a further 434,000 tonnes of gravel. The quality of the aggregate materials has been determined suitable for road construction and maintenance. The Corporation is currently engaged in marketing discussions with prospective customers. Proposed aggregates production and sales from the Kearl pit is anticipated to commence during Q2 2012.

Logan Pit

Logan pit is located approximately 160 km south of Fort McMurray. As a result of road conditions, the Logan pit 80-acre property will only be suitable for operations during the winter months. The Corporation received approval to develop this pit in early 2010. On February 21, 2012 the Corporation announced National Instrument 43-101 Resource Calculations for the Logan aggregate deposit. The "indicated" aggregate include 1,357,000 tonnes of gravel and a further "inferred" quantity of 662,600 tonnes of gravel. The quality of the aggregate materials has been determined suitable for road construction and maintenance.

This pit contains very little vegetation, topsoil and overburden, and could be prepared for mining extraction within a few weeks upon receiving aggregate orders. Access to the Logan pit is provided via an existing county winter road that runs through the site. Aggregate from this pit will be supplied primarily to oil sands and government infrastructure projects in the area.

The Corporation has cleared approximately 40 acres of this property, and intends to begin stripping a portion of this area during the third quarter of 2012 to prepare the site for gravel extraction. The Corporation is in discussions with prospective customers in the

Conklin, Alberta area for potential aggregates delivery during January through March 2013.

Pelican Hill Pit

Pelican Hill pit is located approximately 70 km southeast of the Hamlet of Wabasca, where heavy petroleum is produced. The Corporation received SML approval in June, 2011 on this 79.7 acre mixed sand and gravel pit. While the proposed development of this property has not been established to date, the Corporation expects to supply aggregate from this property primarily to the oil and gas industries, as well as for government infrastructure projects in the area. This pit will be available for year-round aggregates extraction and sales.

Private Land

Warrensville Pit

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

Over the course of the lease agreement $150,000 had been recorded as prepaid expense, entitling the Corporation to 300,000 cubic yards (equal to 375,000 tonnes) of pit run aggregate. Since 2007, with the objective of utilizing aggregates sourced from this pit, the Corporation has bid on several projects but to date has been unsuccessful. During the third quarter of 2011 the lease expired. The Corporation remains entitled to obtain and sell the prepaid aggregate; however, due to the uncertainty of its future saleability, the Corporation wrote off $150,000 prepaid gravel as a charge against income during fiscal 2011.

The Corporation also purchased two 160-acre parcels of land near the previously leased Warrensville Pit property. These lands are located within and underlain by the "Grimshaw Gravels", a pre-glacial sand and gravel deposit. Pre-glacial deposits are known to contain high quality aggregates. The carrying value of the acquired land is $157,100. Management is of the opinion there has not been impairment to the carrying value of this property.

Acquisition and/or Joint Venture

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

D. MINERAL PROPERTIES

As at March 22, 2012 the Corporation holds Alberta Metallic and Industrial Minerals Permits for 376,832 hectares (931,172 acres) and Alberta Metallic and Industrial Minerals Leases for 18,635.5 hectares (46,049 acres) of land in northern Alberta. Mineral permits are maintained in good standing by making allowable exploration assessment expenditures. Minerals Leases are maintained in good standing by paying land rental and royalties on annual minerals sales production to the Alberta Government. The Corporation continuously evaluates its mineral permit holdings, relinquishing and/or acquiring permits as dictated by exploration and strategic priorities, as well as financial considerations. The mineral permits are located largely in the Fort McMurray area.

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

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

	March 22, 2012 (hectares)	November 30, 2011 (hectares)	August 31, 2011 (hectares)
Balance at beginning of period:	227,282	289,929	325,917
Mineral permits acquired during the period:	149,550	6,257	9,216
Mineral permits relinquished during the period:	-	(68,904)	(45,204)
Balance at end of period:	376,832	227,282	289,929

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

	March 22, 2012 (hectares)	November 30, 2010 (hectares)	August 31, 2011 (hectares)
Balance at beginning of period:	18,635.5	-	-
Mineral leases acquired during the period:	-	18,635.5	18,635.5
Mineral leases relinquished during the period:	-	-	-
Balance at end of period:	18,635.5	18,635.5	18,635.5

During the year ended November 30, 2011 the Corporation obtained Alberta Metallic and Industrial Minerals Leases on seven mineral leases covering 12,800 hectares (31,629 acres). The leases are situated in the Wood Buffalo region of Alberta, and contain silica sand resources which the Corporation plans to develop for the production of frac sand. Extensive independent laboratory testing has been performed to date on the silica sand, testing for appropriateness in use as frac sand. The results are encouraging as the Corporation's frac sand is found to comply favorably with specifications and technical standards used in the fracking industry.

Athabasca also holds four mineral leases covering 5835.5 hectares (14,420 acres) containing salt resources in the northeast area of Boyle, Alberta, which the Corporation is considering development for the production of salt.

Salt

The Corporation has mineral lease holdings on 5835.5 hectares (14,420 acres) of property overlying the Lotsberg salt formation in the area of Boyle, Alberta. The salt appears to be of a high quality and is attractively situated nearby roadway, rail, power and water resources. The Corporation is of the opinion that this salt would provide a suitable feedstock for a Chlor-Alkali chemical plant. In August 2011, Athabasca also acquired mineral permits totaling 6,257 hectares adjacent to and directly north and east of the Boyle Leases and north of the Athabasca River. The Corporation maintains a 100% interest in these salt leases and permits.

The Corporation has also identified and evaluated a salt formation in the Fort McMurray area. Studies have indicated that this salt would also provide a suitable feedstock for a Chlor-Alkali chemical plant to supply the oil sands industry.

Salt projects are being deferred as substantial working capital will be required to conduct further studies and testing to determine whether salt projects could be economically viable. The Corporation may seek industrial partners to further pursue salt project opportunities.

Once salt mining has been performed, the resulting salt caverns can provide for a further attractive commercial opportunity. The salt caverns can potentially be utilized for the purpose of housing industrial waste products or for storage of petroleum products.

Silica Sand

Extensive testing of the silica sand deposit on the Corporation's Firebag property in the Fort McMurray region of northeast Alberta was conducted during 2011. Testing for frac sand suitability was performed by Stim-Lab Inc of Oklahoma.

The results indicated the silica sand meets API/ISO Specifications for proppants used in Hydraulic Fracturing and Gravel Packing Operations, and are well within the ranges of frac sands currently used as industry standards.

During August 2011 the Corporation received approval for Alberta Metallic and Industrial Minerals Leases on its Firebag property covering 12,800 hectares (31,629 acres) which contain silica sand reserves.

Dolomite

The Corporation has suspended further consideration of dolomite exploration, choosing instead to focus on expediting development of aggregate production within its approved surface materials leases.

E. SELECTED ANNUAL INFORMATION

	Year Ended	Year Ended	Year Ended
	Nov 30/11	**Nov 30/10**	**Nov 30/09**
Revenue	$12,179,997	$11,120,433	$9,710,008
Interest and Miscellaneous Income	$2,246	$49,485	$37,680
Gain on land use agreement	$732,180	$0	$0
Write down of resource properties and exploration costs	$(451,656)	$(82,165)	$0
Net Income and Comprehensive Income	$2,895,688	$1,681,808	$1,333,323
Net income per share-basic and diluted	$0.11	$0.06	$0.05
Total Assets	$20,232,495	$18,680,984	$18,467,100

Resource Properties	$4,729,270	$3,445,276	$2,999,617
Callable debt	3,883,479	$5,723,729	$7,383,146
Long-term debt	$0	$0	$60,000
Dividends declared	$0	$0	$0

F. SUMMARY OF QUARTERLY RESULTS

	Three Months Ended	Three Months Ended (Restated)	Three Months Ended (Restated)	Three Months Ended
	Nov 30/11	**Aug 31/11**	**May 31/11**	**Feb 28/11**
Revenue	$4,713,129	$3,746,966	$2,371,573	$1,348,330
Interest and Miscellaneous Income (Expense)	8,945	$8,273	$664	$(15,636)
Gain on land use agreement	673,730	$0	$58,450	$0
Write down of prepaid gravel	$0	$(150,000)	$0	$0
Write down of intangible assets	$(138,086)	$0	$0	$0
Write down of resource properties and exploration costs	$(447,906)	$(2,500)	$0	$(1,250)
Net Income and Comprehensive Income	$1,415,600	1,095,031	$364,652	$20,405
Basic Net Income Per Share	$0.052	$0.041	$0.014	$Nil
Diluted Net Income Per Share	$0.051	$0.038	$0.013	$Nil
Total Assets	$20,232,495	$18,674,493	$17,601,947	$17,932,606
Resource Properties	$4,729,270	$4,863,086	$4,461,488	$3,552,085

	Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended
	Nov 30/10	**Aug 31/10**	**May 31/10**	**Feb 28/10**
Revenue	$4,711,823	$3,559,303	$1,763,173	$1,086,134
Interest and Miscellaneous Income	$17,759	18,328	$6,846	$6,552
Gain on land use agreement	$0	$0	$0	$0
Write down of prepaid gravel	$0	$0	$0	$0
Write down of intangible assets	$0	$0	$0	$0
Write down of resource properties and exploration costs	$(12,114)	$(4,697)	$(52,925)	$(12,429)
Net Income (Loss) and Comprehensive Income (Loss)	$1,309,855	$819,938	$(300,716)	$(147,269)
Basic Net Income (Loss) Per Share	$0.047	$0.029	$(0.011)	$(0.005)
Diluted Net Income (Loss) Per Share	$0.047	$0.029	$(0.011)	$(0.005)
Total Assets	$18,680,984	$17,160,292	$16,702,511	$17,369,475
Resource Properties	$3,445,276	$3,340,398	$3,211,004	$3,140,072

The Corporation derives the majority of its revenues from producing various types of aggregates in Northern Alberta. The ability to remove gravel from its gravel pits is hampered by cold and wet weather conditions. As a result, winter and spring are traditionally the slowest time for the Corporation.

G. OUTLOOK

The Oil Sands Developers Group (OSDG) advises that Canada's oil reserves are the second largest in the world ranking only behind Saudi Arabia. Oil sands, primarily situated near the Fort McMurray area in Alberta, at 170 billion barrels, represent 97% of Canada's total oil reserves. The additional construction necessary to develop these reserves requires an abundance of aggregates for new and existing oil sands projects and regional infrastructure. Much of the Corporation's aggregate supply and industrial minerals are strategically situated nearby the expected demand for these resources. Oil sands projects typically consume 5 to 8 million tonnes of aggregates for plant construction and another 0.5 to 1.0 million tonnes annually to maintain roads and other infrastructure. Over the next 25 years OSDG estimates that oil sands investment will generate $1.7 trillion in economic activity in Canada. The supply and utilization of aggregates will lie at the very foundation of this future economic growth. With its focus on the strategic supply of aggregates and its goal to provide key industrial minerals in support of oil sands development, management views the Corporation as being well positioned now and into the future.

Aggregate Management

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

The Corporation determines demand for the year by discussing expected aggregate requirements with its major customers. On March 1, 2011, the Corporation announced a forecast demand for aggregates for fiscal year 2011 to be approximately 7.5 million tonnes. For the fiscal year ended November 30, 2011, the Corporation sold 7,758,612 tonnes of aggregates, surpassing the estimate by 258,612 tonnes, or 3.4%.

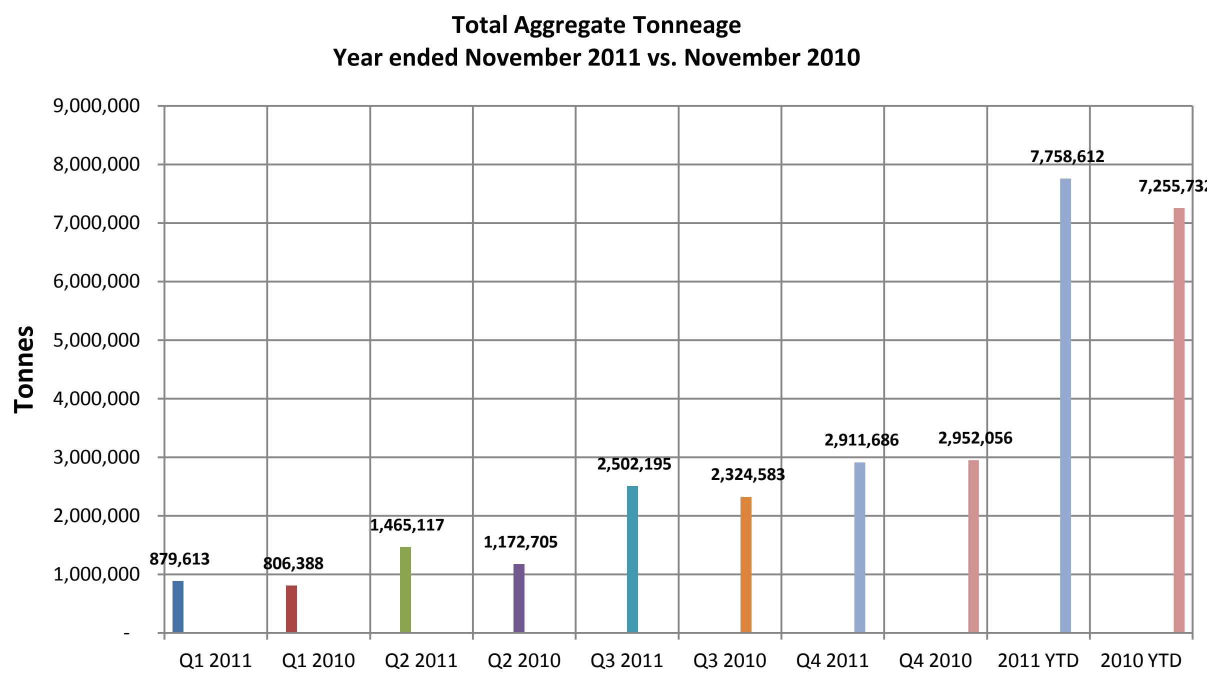
In the first quarter of 2011, the Corporation sold 879,613 tonnes of aggregate, of which 879,236 tonnes were from Susan Lake and 377 tonnes from Poplar Creek.

In the second quarter of 2011, the Corporation sold 1,465,117 tonnes of aggregate, of which 1,458,400 tonnes were from Susan Lake and 6,717 tonnes from Poplar Creek.

In the third quarter of 2011, the Corporation sold 2,502,195 tonnes of aggregate, of which 2,501,076 tonnes were from Susan Lake and 1,119 tonnes from Poplar Creek.

In the fourth quarter of 2011, the Corporation sold 2,911,687 tonnes of aggregate, of which 2,910,906 tonnes were from Susan Lake and 781 tonnes from Poplar Creek.

The table below compares quarterly Susan Lake pit and Poplar Creek pit combined aggregate sales during fiscal year 2011 versus fiscal year 2010. 2011 aggregate tonneage sales exceeded 2010 aggregate tonneage sales by 6.9%. During Q1 2011, the combined demand for aggregates surpassed Q1 2010 sales by 9.1%. During Q2 2011, the combined demand for aggregates surpassed Q2 2010 sales by 24.9%. During Q3 2011, the combined demand for aggregates surpassed Q3 2010 by 7.6%. During Q4 2011, combined demand for aggregates fell below Q4 2010 sales by 1.4%. As various oil sands companies have announced plans to increase their production, strong continuing demand for aggregate is anticipated.



1) 6.9% increase in tonneage volume YE 2011 vs. YE 2010
2) 2011 forecasted volume (7,500,000 tonnes) exceeded by 258,612 tonnes

Other Aggregate Resources

The retail price of aggregate is made up of a number of components including extraction and processing costs, haul distance, quality of aggregate, and order volume.

The largest component in the price of aggregate is transportation. Gravel resources become more competitive the closer they are to the end user. Aggregate sales from Susan Lake have been transported as far away as two hundred kilometers, which bodes well for the new gravel deposits the Corporation is developing. The Logan pit is much closer to numerous oil sand developments south of Fort McMurray. The Kearl pit is located approximately 60 kilometers east of the Susan Lake aggregate operation and in the immediate vicinity of major oil sands operations surrounding the project area. During Q1 2012 the House River pit initiated production with a 253,500 tonnes asphalt aggregates sale to a major road builder.

Public Land

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

Private Land

The Corporation will continue to look for a market and customers for its 300,000 cubic yards (375,000 tonnes) of purchased pit run from the Warrensville pit. Since there are other gravel pits in the area and competing for the same market, a concerted effort will be required to sell the aggregate on economic terms. During fiscal 2011 the Corporation wrote off the prepaid gravel carrying value of $150,000 as a charge against income.

Mineral Properties

The Corporation continually assesses its mineral exploration program.

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

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

Currently, the Province of Alberta is reviewing regional land use for the Lower Athabasca area that will impact on mineral activities in the area. A plan has been drafted, known as the Lower Athabasca Regional Plan (LARP), which will identify and set resource and environmental management protocols with respect to air, land, water, and biodiversity, and will guide future resource decisions while considering social and economic impacts. Permit approval of area properties is not expected before the review process has been completed.

The Lower Athabasca area includes several of the Corporation's properties that are proposed for or had been actively explored by the Corporation. The government has indicated that it will consider extending the expiry date for permit holdings to allow for completion of assessment work where the work was delayed as a result of the review process.

The Corporation is suspending further mineral exploration in the area until the results of the LARP process are made public.

H. OPERATING RESULTS

	Three Months Ended November 30, 2011	Three Months Ended November 30, 2010
Aggregate Management Fee Revenue	$4,713,129	$4,711,823
Royalties	$1,322,423	$1,405,025
Aggregate Management Fee Revenue, net of Royalties	$3,390,706	$3,306,798
Aggregate Management Operating Expenses		
Clearing and stripping expenses	$336,729	$274,721
Other Aggregate Management Operating Expenses	$320,703	$445,531
Expenses (Income)		
Amortization and accretion	$263,455	$276,287
General and administrative	$742,335	$456,159
Interest on callable debt	$50,910	$72,205
Gain on land use agreement	$(673,730)	$0
Stock based compensation	$9,818	$37,445
Interest	$2,348	$5,857
Miscellaneous	$6,597	$11,902
Write down of intangible assets	$138,086	$0
Write down of resource properties and exploration costs	$447,906	$12,114

Revenues for the three months ended November 30, 2011 have increased to $4,713,129 from $4,711,823 for the three months ended November 30, 2010. The sale of aggregate decreased by 1.4%, with 2,911,686 tonnes sold in the three months ended November 30, 2011 compared with 2,952,056 sold in the three months ended November 30, 2010.

Revenues for the year ended November 30, 2011 have increased by 9.5% to $12,179,997 from $11,120,433 for the year ended November 30, 2010. The sale of aggregate increased by 6.9%, with 7,758,612 tonnes sold in the year ended November 30, 2011 compared with 7,255,732 tonnes sold in the year ended November 30, 2010.

Aggregate management operating expenses for the three months ended November 30**,** 2011 were $657,432 representing a decrease of $62,820 or 8.7% from $720,252 for the three months ended November 30**,** 2010. Clearing and stripping expenses had risen during Q4 2011 to $336,729 from $274,721 during Q4 2010, an increase of $62,008 or 22.6%. Payroll costs attributable to aggregate operations in Q4 2011 reduced by $79,000 or 23.2%, to $261,074 compared to $340,074 in Q4 2010. Reduced travel, survey and cost of field and supply materials accounted for most of the remaining cost reduction.

Aggregate management operating expenses for the year ended November 30**,** 2011 were $1,521,181 representing a decrease of $943,080 or 38.3% from $2,464,261 for the year ended November 30**,** 2010. The decrease is primarily attributed to an $834,182 or 71.2% reduction in clearing and stripping expenses during fiscal 2011, at $336,730 down from $1,170,912 during fiscal 2010. All other aggregate management operating expenses had reduced by $108,897 during fiscal 2011, to $1,184,451 from $1,293,349. The cost decrease is primarily due to a $106,029 decline in payroll costs attributable to aggregate operations during fiscal 2011 compared to fiscal 2010, to $929,844 from $1,035,873. As a percentage of sales, Other Aggregate Management Operating Expenses decreased by 1.9% for year ended November 30, 2011, compared to the year ended November 30, 2010 (9.7% compared to 11.6%).

General and administrative expenses for the three months ended November 30, 2011 increased by $286,176 or 62.7% to $742,335 from $456,159 for the three months ended November 30, 2010. The increase is primarily due to increased salary and wages, severance pay on employee termination, increased legal fees and increased equipment repairs during the three months ended November 30, 2011.

General and administrative expenses for the year ended November 30, 2011 increased by $369,408 or 27.1% to $1,731,697 from $1,362,289 for the year ended November 30, 2010. The increase is primarily due to increased salary and wages, severance pay on employee termination, increased equipment repairs and maintenance, and increased legal fees during the year ended November 30, 2011.

Interest expense was $50,910 for the three months ended November 30, 2011, down $21,295 from $72,205 for the three months ended November 30, 2010. The decrease is due to lower loan balances through principal repayment.

Interest expense was $237,893 for the year ended November 30, 2011, down $49,885 from $287,778 for the year ended November 30, 2010. The decrease is due to lower loan balances through principal repayment but is partially offset by increased interest rates during the first three quarters of the year ended November 30, 2011 compared to 2010.

Interest income from cash on deposit and short-term investment for the three months ended November 30, 2011 totalled $2,348 as compared to $5,857 for the three months ended November 30, 2010. The decrease in interest income results from a lower interest rate received on the short term investment and a reduced balance of cash on deposit.

Interest income from cash on deposit and short-term investment for the year ended November 30, 2011 totalled $8,742 as compared to $25,504 for the year ended November 30, 2010. The decrease in interest income results from a lower interest rate received on the short term investment and a reduced balance of cash on deposit.

Gain on land use agreement was $673,731 for the three months ended November 30, 2011 and $732,180 for the year ended November 30, 2011 compared to $Nil for the prior year. The land use agreement had an effective starting date of March 1, 2011.

During the three months ended November 30, 2011, the Corporation wrote off resource properties and exploration costs totalling $447,906 compared to $12,114 during the three months ended November 30, 2010, an increase of $435,792. The increase was due to abandoned projects with greater exploration costs being written off during the three months ended November 30, 2011.

During the year ended November 30, 2011, the Corporation wrote off resource properties and exploration costs totalling $451,656 compared to $82,165 during the year ended November 30, 2010, an increase of $369,491. The increase was due to abandoned projects with greater exploration costs being written off during the year ended November 30, 2011.

The Corporation wrote off $Nil prepaid gravel for the three months ended November 30, 2011 and $150,000 for the year ended November 30, 2011 compared to $0 for the three months and year ended November 30, 2010.

The Corporation wrote down intangible assets by $138,086 for the three months ended and the year ended November 30, 2011 compared to $0 for the three months and year ended November 30, 2010. During Q4 2011 it was determined that the Poplar Creek management contract and reclamation cost asset were fully impaired due to depletion of proven aggregate resources. As a result, the management contract was written down by $30,196 and the reclamation cost asset was written down by $107,890 during Q4 2011.

During the three months ended November 30, 2011, the Corporation earned net income and comprehensive income of $1,415,600 or +$0.05 basic and diluted income per share. This reflects an increase in net income of $105,745 compared to $1,309,855 net income and comprehensive income or +$0.05 basic and diluted income per share during Q4 2010. Changes in the composition of net income primarily include increased revenues (net of royalties) of $83,908, a gain on land use agreement of $673,730, a $62,820 reduction in aggregate management operating expenses, and reduced income taxes of $91,295. This was offset by a $286,176 increase in general and administrative expenses, a write down of intangible assets of $138,086, and a $435,792 increased write down of resource properties and exploration costs compared to the three months ended November 30, 2010.

During the year ended November 30, 2011, the Corporation earned net income and comprehensive income of $2,895,688 or +$0.11 basic and diluted income per share compared to $1,681,808 net income and comprehensive income or +$0.06 basic and diluted income per share during the year ended November 30, 2010. The increase in net income is primarily due to increased revenues (net of royalties) of $847,003, a gain on land use agreement of $732,180, an $834,182 reduction in clearing and stripping expenses and a $108,898 reduction in all other aggregate management operating expenses. This was partially offset by the $369,408 increase in general and administrative expenses, a write down of intangible assets of $138,086, a $369,491 increased write down of resource properties and exploration costs, a write down of prepaid gravel of $150,000, and increased income taxes of $326,362 compared to the year ended November 30, 2010.

I. OPERATING ACTIVITIES

Cash flow from operating activities for the three months ended November 30, 2011 was $1,493,370 as compared to $1,695,978 for the three months ended November 30, 2010, a decrease of $202,608. Various factors primarily accounted for the decrease. Net income adjusted for non-cash items was $1,389,817 for the three months ended November 30, 2011 compared to $1,544,571 for the three months ended November 30, 2010, a decrease of $154,754. Cash in the amount of $678,104 was provided through an increase in the balance owed in accounts payable and accrued liabilities in the three months ended November 30, 2011, compared to $369,983 in the three months ended November 30, 2010, an increase of $308,121. During the three months ended November 30, 2011, $690,238 of cash was used due an increase in accounts receivable compared to $846,191 in the three months ended November 30, 2010, a decrease in cash used of $155,953. Cash in the amount of $180,003 was preserved in the three months ended November 30, 2011 through an increase in income tax payable compared to an increase in income tax payable of $506,217 during Q4 2010, a decrease in cash preserved of $326,213. A $64,317 increase in prepaid expense during the three months ended November 30, 2011 compared to an increase of $153,324 in prepaid expense during Q4 2010 resulted in $89,007 less cash being used in Q4 2011 due to increased prepaid expenses. Cash in the amount of $Nil was preserved in the three months ended November 30, 2011 for prepaid clearing and stripping costs during Q4 2011, whereas cash in the amount of $274,721 had been preserved during Q4 2010 due to a decrease in prepaid clearing and stripping costs.

Cash flow from operating activities for the year ended November 30, 2011 was $3,734,754 as compared to $1,898,052 for the year ended November 30, 2010, an increase of $1,836,702. Various factors primarily accounted for the increase. Net income adjusted for non-cash items was $3,952,086 for the year ended November 30, 2011 compared to $2,872,833 for the year ended November 30, 2010, an increase of $1,079,253. Cash in the amount of $604,792 was provided through an increase in the balance owed in accounts payable and accrued liabilities in the year ended November 30, 2011, compared to $202,314 cash used through a reduction of accounts payable and accrued liabilities during the year ended November 30, 2010, a difference in cash preservation of $807,106 during 2011. During the year ended November 30, 2011, $567,880 of cash was used due an increase in accounts receivable compared to $1,440,537 in the year ended November 30, 2010, a difference in cash preservation of $872,657 during 2011. Cash in the amount of $429,280 was used in the year ended November 30, 2011 through a reduction in income tax payable compared to cash in the amount of $659,153 being preserved during year ended November 30, 2010 due to an increase in income tax payable, a $1,088,433 increased use of cash during 2011. $175,036 of cash was preserved during year ended November 30, 2011 through a decrease in prepaid expense during the year, compared to $330,685 cash used during year ended November 30, 2010 due to an increase in prepaid expense, preserving a difference of $505,721 cash during fiscal 2011. Cash in the amount of $Nil was preserved in the year ended November 30, 2011 for prepaid clearing and stripping costs, whereas cash in the amount of $339,602 had been preserved during year ended November 30, 2010 through a decrease in prepaid clearing and stripping costs.

J. INVESTING ACTIVITIES

Investing activities for the three month periods ended November 30, 2011 and 2010 are as follows.

	Three Months Ended November 30, 2011	Three Months Ended November 30, 2010
Purchase of property and equipment	($625)	$(182,584)
Restricted cash	$(4,176)	$0
Development costs related to land use agreement	$(13,494)	$0
Resource properties	$(285,652)	$(116,993)
Total	$(303,947)	$(299,577)

During the three months ended November 30, 2011, the Corporation invested $4,176 in a restricted cash account, pursuant to its land use agreement with a work camp provider. These funds are invested for the purpose of future funding of Poplar Creek pit reclamation costs. The land use agreement has an effective date of March 1, 2011 therefore there was no investment in restricted cash during the prior year.

During the year ended November 30, 2011, the Corporation invested $25,522 in a restricted cash account, pursuant to its land use agreement with a work camp provider. These funds are invested for the purpose of future funding of Poplar Creek pit reclamation costs. The land use agreement has an effective date of March 1, 2011 therefore there was no investment in restricted cash during the prior year.

During the three months ended November 30, 2011, the Corporation invested $13,494 in development costs related to a land use agreement. No investment in development costs related to a land use agreement was made during Q4 2010.

During the year ended November 30, 2011, the Corporation invested $214,653 in development costs related to a land use agreement. No investment in land use agreement was made during the year ended November 30, 2010.

During the three months ended November 30, 2011, the Corporation invested $281,277 in exploration and development of its mineral resource properties and funded additional mineral properties applications in the amount of $4,375. During the three months ended November 30, 2010, the Corporation invested $110,126 in exploration of its mineral resource properties and funded additional mineral properties applications in the amount of $6,867.

During the year ended November 30, 2011, the Corporation invested $1,549,463 in exploration and development of its mineral resource properties and funded additional minerals properties applications in the amount of $80,849. During the year ended November 30, 2010, the Corporation invested $490,836 in exploration of its mineral resource properties and funded additional minerals properties applications in the amount of $36,988.

During the year ended November 30, 2011, the Corporation invested $81,540 in long-term deposits. These are security deposits on three approved surface material leases held by the Corporation, and are refundable at the expiry of the leases. No investment in long-term deposits was made during Q4 2011.

During the year ended November 30, 2010, the Corporation invested $25,050 in long-term deposits. This is a security deposit on one approved surface material lease held by the Corporation, and is refundable at the expiry of the lease. No investment in long-term deposits was made during Q4 2010.

K. FINANCING ACTIVITIES

	Three Months Ended November 30, 2011	Three Months Ended November 30, 2010
Proceeds from land use agreement	$19,226	$0
Proceeds from issue of share capital	$32,984	$0
Proceeds from callable debt	$0	$155,000
Repurchase of share capital	$0	$(188,908)
Repayment of callable debt	$(460,062)	$(457,480)
Total	$(407,852)	$(491,388)

During the three months ended November 30, 2011, the Corporation received proceeds of $19,226 under a land use agreement with a work camp provider, consisting of receipts for monthly land access, work camp daily accommodation, and future reclamation funding. The land use agreement has an effective date of March 1, 2011 therefore there were no proceeds under the land use agreement during the prior year.

During the year ended November 30, 2011, the Corporation received proceeds of $166,523 under a land use agreement with a work camp provider, consisting of receipts for monthly land access, work camp daily accommodation, and future reclamation funding.

During the three months ended November 30, 2011, the Corporation received proceeds of $32,984 from the issue of share capital, resulting from the exercise of employee stock options. No exercise of stock options or proceeds from issue of share capital occurred during Q4 2010.

During the year ended November 30, 2011, the Corporation received proceeds of $67,151 from the issue of share capital, resulting from the exercise of employee stock options. No exercise of stock options or proceeds from issue of share capital occurred during the prior year.

During the year ended November 30, 2011 the Corporation expended $58,498 for the repurchase of its share capital pursuant to a normal course issuer bid that terminated on July 5, 2011. No shares were repurchased during Q4 2011.

During the three months ended November 30, 2010 the Corporation expended $188,907 for the repurchase of its share capital pursuant to a normal course issuer bid that terminated on July 5, 2011.

During the year ended November 30, 2010 the Corporation expended $213,177 for the repurchase of its share capital pursuant to a normal course issuer bid that terminated on July 5, 2011.

L. LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2011, the Corporation reported working capital of $688,396. Despite the repayment terms extending over four years, the callable debt has been classified as a current liability due to the demand feature of the loans. As at November 30, 2011, the Corporation is in compliance with the lender's financial covenants. The lender removes the callable debt when calculating working capital for loan covenant purposes which results in working capital of $4,571,875 for that purpose.

As the Corporation is in compliance with the lender's covenants, management is unaware of any condition that would indicate the lender will demand immediate repayment of the callable debt. Working capital as calculated by the lender is sufficient for the Corporation to meet its obligations as they come due. Should the bank demand immediate repayment, the Corporation believes it has sufficient resources through internally generated cash flows or alternative sources of financing to satisfy the demand.

Subsequent to the year end, the Corporation announced that it has signed a non-binding term sheet with a Canadian Chartered bank for a new credit facility in the amount of $10 million dollars. Leasing and lending commitment letters were executed during the month of March, 2012 and funding is expected to occur later that month.

The new financing arrangement includes $4,000,000 of term debt that will be used to retire callable debt outstanding with the Corporation's current lender, being approximately $3,423,417 at March 22, 2012, and will provide approximately $576,583 in further working capital, before paying transaction costs. A lease financing component is available for the acquisition of $3,000,000 of capital expenditures. As well, a $3,000,000 margin-based operating line of credit is available. This will be utilized to replace $1,353,000 of existing letters of credit, and will also provide access to further operating line credit available to finance the Corporation's working capital requirements.

The $4,000,000 term debt bears interest at bank prime plus 1.75%; the $3,000,000 lease facility will bear a fixed rate of interest to be determined at time of funding, currently set at 4.15%; the operating loan bears interest at bank prime plus 1%; the letters of credit issued from the operating loan bear interest at bank prime plus 2.5%.

The term debt and the lease loan will be repaid over a four and five year period respectively. A maturity date does not apply to the operating line of credit.

The callable debt which is due on demand as at November 30, 2011 has been replaced by term debt which is to be repaid in monthly amounts over four years The Corporation's liquidity risk has therefore been reduced as a result of refinancing.

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

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

As at March 22, 2012 the Corporation holds mineral permits covering 376,832 hectares. The Corporation has spending commitments totaling approximately $863,000 in fiscal 2012 and $1,288,000 in fiscal 2013 to retain these mineral permits held by the Corporation.

As at March 22, 2012 the Corporation holds mineral leases covering 18,635 hectares. In order to keep the land under mineral leases in good standing, the Corporation is required to pay annual rental of $3.50 per hectare on the mineral leases. In addition, applicable royalties will be payable to the Alberta Government once sales production on the mineral leases commences. Currently, the Corporation has an annual rental commitment of $65,223 over the 15 year life of the mineral leases which expire in 2026.

In managing the exploration permits, the Corporation relinquishes mineral permits in areas that the exploration activities indicate have a low potential of discovering mineral reserves. As permits are relinquished, the number of hectares is reduced thereby reducing the spending commitment.

The Corporation is in the process of exploring aggregate and mineral properties and has not yet determined whether these properties contain deposits that are economically recoverable. The continuing operations of the Corporation to meet its commitments, including the development of the properties, securing and maintaining title and financing exploration and development of the properties is dependent upon the internal generation of cash flow and obtaining necessary financing through debt and public and private share offerings.

M. OUTSTANDING SHARE DATA

Athabasca is authorized to issue an unlimited number of common shares. The following details the common shares outstanding and securities that are convertible into common shares as at March 22, 2012:

Number of Common Shares Outstanding	27,199,166
Number of Stock Options Outstanding	1,258,333

The Corporation had 1,258,333 outstanding options with the following exercise prices and expiry dates:

Number	Exercise Price	Expiry Date
150,000	$0.26	October 15, 2012
75,000	$0.40	May 13, 2013
450,000	$0.25	September 21, 2014
513,333	$0.26	October 15, 2015
70,000	$0.35	October 6, 2016
1,258,333		

A total of 991,666 options were exercisable at a weighted average price of $0.27.

Normal Course Issuer Bid:

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

During the year ended November 30, 2011 the Corporation obtained regulatory approval to proceed with a normal course issuer bid (the "Bid"). In accordance with the terms of the Bid, the Corporation may purchase up to a total of 1,353,375 common shares representing approximately 5% of the common shares of the Corporation issued and outstanding as at August 1, 2011. The Bid commenced on August 12, 2011 and will terminate on August 12, 2012. All acquisitions of common shares by the Corporation pursuant to the Bid will be made through the facilities of TSX Venture Exchange Inc. (the "Exchange") at the market price for the common shares at the time of the acquisition. The purchase and payment for the common shares will be made by the Corporation in accordance with the by-laws and rules of the Exchange. There are no persons acting jointly or in concert with the Corporation in respect of the Bid. The Corporation is making the Bid in order to stabilize the trading price and provide liquidity in the market for its common shares. During the year ended November 30, 2011, no shares had been repurchased pursuant to the Bid that commenced on August 12, 2011.

Purchases on behalf of the Corporation will be made by Mackie Research Capital, 428, 1851 Sirocco Drive S.W., Calgary, Alberta – T3H 4R5. Shareholders of the Corporation can obtain a copy of the Notice of Intention to Make a Normal Course Issuer Bid (Form 5G), which was submitted by the Corporation to the Exchange in order to obtain the necessary regulatory approval, without charge, by contacting the Chief Financial Officer of the Corporation at (780) 465-5696.

N. RELATED PARTY TRANSACTIONS

During the year ended November 30, 2011 the Corporation incurred expenses of $513,587 (2010 - $603,148) for services provided by certain directors and officers and certain companies controlled by certain directors and officers of the Corporation.

These fees are recorded in the financial statements as follows:

	2011	2010
Directors and officers:		
Directors fees and expenses	$ 33,389	$ 42,272
Travel and miscellaneous	45,857	30,352
Exploration costs	839	2,812
	80,085	75,436
Companies controlled by directors and officers:		
Consulting fees for services rendered	346,399	406,633
Travel and miscellaneous	13,357	6,105
Exploration costs	13,746	37,345
Interest	-	296
Letter of credit fees	-	13,333
Rent	60,000	64,000
	433,502	527,712
	$ 513,587	$ 603,148

There is $39,492 related to these expenses recorded in accounts payable and accrued liabilities at November 30, 2011 (2010 - $54,411).

During the year ended November 30, 2011 there was a $Nil promissory note (2010- $4,000) repayment to directors and officers and $Nil promissory notes repayment (2010- $44,000) to companies controlled by directors and officers. All promissory notes were fully repaid during the year ended November 30, 2010.

The Corporation has entered into consulting agreements for services rendered with companies controlled by directors and officers and an employment agreement with a director and officer of the Corporation.

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

O. FUTURE CHANGES IN ACCOUNTING POLICIES

International Financial Reporting Standards

The Canadian Accounting Standards Board (ACSB) announced in 2008 that for fiscal years commencing on or after January 1, 2011, all publicly accountable enterprises are required to report their financial results using IFRS as issued by the International Accounting Standards Board (IASB). IFRS uses a conceptual framework similar to Canadian Generally Accepting Accounting Principles (GAAP) but there are some differences in recognition, measurement and disclosures.

The first reporting period Athabasca Minerals Inc. will use IFRS will be for the year ended November 30, 2012, however, to be compliant with IFRS the Corporation will be required to prepare interim and annual financial statements with comparative numbers for the prior year. As a result, the Corporation will require the restatement for comparative purposes the amounts reported by Athabasca for each of the quarters in fiscal 2011 and for the year ended November 30, 2011. IFRS also requires the converted opening balance sheet as of December 1, 2010, the Corporation's date of transition to IFRS, be subject to audit. The conversion to IFRS from Canadian GAAP is a significant undertaking. The process will involve completion of successive phases, as follows: scoping and diagnostic, analysis and development, initial application, and implementation and reporting. The Corporation has commenced its conversion to IFRS, led by the Corporation's Chief Financial Officer, and supported by the Corporation's skilled IFRS service providers.

The key accounting policy differences between Canadian GAAP and IFRS indicates to the Corporation that areas most affected by the transition to IFRS are likely to be:

- First time adoption of International Financial Reporting Standards
- Impairment of assets
- Stock based compensation
- Income taxes
- Asset retirement obligations
- Clearing and stripping costs
- Property and equipment
- Related party disclosures

The Corporation recognizes there will be a significant increase in disclosure resulting from the adoption of IFRS and compliance with the new reporting standards will impact the Corporation's financial reporting. The Corporation's business processes, internal controls and information systems will be evaluated for potential related impact and modification.

The compulsory use of IFRS could materially impact future reported earnings and recognized values of assets and liabilities. It is anticipated the Corporation's incremental costs of compliance with IFRS reporting standards may be significant.

P. FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash, restricted cash, accounts receivable, land use agreement receivable, short-term investment, long-term deposits, accounts payable and accrued liabilities, and callable debt.

a) Fair Value

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

b) Credit Risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist primarily of cash, restricted cash, short-term investment, accounts receivable and land use agreement receivable. The Corporation's maximum credit risk at November 30, 2011 is the carrying value of these financial assets.

In the normal course of business the Corporation evaluates the financial condition of its customers on a continuing basis and reviews the credit worthiness of all new customers. Management assesses the need for allowances for potential credit losses by considering the credit risk of specific customers, historical trends and other information. At November 30, 2011, 79% of the Corporation's accounts receivable was receivable from four customers.

The Corporation's aged accounts receivable are comprised of 49.6% current, 20.9% past due up to 60 days and 29.5% past due over 60 days. While certain amounts are past due, management considers there is no impairment of the accounts receivable.

Included in accounts receivable past due over 60 days is $800,035 owed to the Corporation from a customer who is an oil sands industry participant. This amount has been disputed by the customer however management expects to collect the receivable during the year ending November 30, 2012.

Credit risk associated with cash and short-term investment is minimized substantially by ensuring that these financial assets are placed with major financial institutions that have been accorded strong investment grade rating.

c) Liquidity Risk

The Corporation manages liquidity risk by ensuring sufficient funds are available to meet liabilities when they come due. Under its long-term credit facilities, the Corporation must maintain certain ratios. The Corporation has complied with all ratios as at November 30, 2011 however the credit facilities are due on demand. The demand feature of the credit facilities increases the Corporation's liquidity risk as the bank could demand repayment. Management has assessed this risk and believes that it has sufficient capital through internally generated cash flows or alternate sources of financing to mitigate this risk.

As at November 30, 2011 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 and callable loans. In aggregate the contractual maturities and amount due at maturity by fiscal year for these financial liabilities are as follows:

Year	
2012	$ 5,359,550

The Corporation expects the callable debt will be repaid in monthly amounts, however, the balance of $3,883,479 has been reported above as the lender has the right to demand at any time.

The Corporation's existing credit facilities and cash flow from operating activities is expected to be greater than anticipated capital expenditures and the contractual maturities of the Corporation's financial liabilities for 2012. The expectation could be adversely affected by a material negative change in the demand for aggregate or the Corporation's management contracts.

Subsequent to the year end, the Corporation has refinanced its credit facilities. As a result, the credit facilities which are due on demand as at November 30, 2011 have been replaced by term debt which is to be repaid in monthly amounts over four years. The Corporation's liquidity risk has therefore been reduced as a result of refinancing.

d) Foreign Currency Risk

The Corporation maintains a USD currency bank account with a nominal balance for the infrequent need to fund supplier purchases denominated in USD currency. As at November 30, 2011 the Corporation had USD cash on hand in the amount of $19,734 (CAD $20,111), and no USD denominated accounts payable and accrued liabilities.

e) Interest Rate Risk

The Corporation has an interest bearing term deposit and carries variable rate debt financing. Given the interest rate is fixed on the term deposit the Corporation is not exposed to any interest rate risk on this financial instrument. However, the Corporation is exposed to interest rate risk on the variable rate callable debt. A 100 basis point increase in interest rate on the callable debt would decrease net income and comprehensive income by approximately $28,000.

The Corporation's bank loans bear interest at 1.875% and 2% over the bank's prime lending rate. As the bank's prime lending rate fluctuates so will the cost of borrowing. While exposed to interest rate risk in the short term, the Corporation has the ability to convert the variable rate financing to fixed rate financing on the demand loan bearing the bank's prime lending rate plus 1.875%, due December 31, 2013 thereby significantly reducing the exposure to interest rate risk. Given the ability to convert to a fixed rate bank loan, the Corporation is not exposed to significant interest rate risk.

Subsequent to the year end, the Corporation has refinanced its credit facilities. Upon refinancing, the Corporation's term debt will bear interest at bank prime plus 1.75% and the operating loan will bear interest at bank prime plus 1%, except for the letters of credit issued from the operating loan that will bear interest at 2.5% over the bank's prime lending rate. The lease facility will bear a fixed rate of interest to be determined at time of funding, currently set at 4.15%.

Q. RISKS AND UNCERTAINTIES

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

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

R. FORWARD LOOKING INFORMATION

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

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