MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2022

August 25, 2022

The following management's discussion and analysis ("MD&A") of Athabasca Minerals Inc.'s ("Athabasca", "AMI", "our" or the "Corporation") financial condition and results of operations should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three months ended June 30, 2022. The accompanying Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts referred to in this MD&A are Canadian dollars. Athabasca Minerals Inc. ("Athabasca", "AMI", "our" or the "Corporation") is a reporting issuer in each of the provinces of Canada. The Corporation's shares trade on the TSX Venture Exchange under the symbol AMI-V.

Athabasca's board of directors, on the recommendation of the audit committee, approved the content of this MD&A on August 25, 2022.

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

FORWARD LOOKING INFORMATION

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

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

Although the Corporation believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements are made, undue reliance should not be placed on the forward-looking statements because the Corporation can give no assurances that such statements and information will prove to be correct and such statements are not guarantees of future performance. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual performance and results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: known and unknown risks, including those set forth in the Corporation's annual information form dated April 28, 2022 (a copy of which can be found under Athabasca's profile on SEDAR at www.sedar.com); exploration and development costs and delays; weather, health, safety, market and environmental risks; integration of acquisitions, competition, and uncertainties resulting from potential delays or changes in plans with respect to acquisitions, development projects or capital expenditures and changes in legislation including, but not limited to incentive programs and environmental regulations; stock market volatility and the inability to access sufficient capital from external and internal sources; general economic, market or business conditions; the COVID-19 health pandemic; global economic events; changes to Athabasca's financial position and cash flow; the availability of qualified personnel, management or other key inputs; potential industry developments; and other unforeseen conditions which could impact the use of services supplied by the Corporation. Accordingly, readers should not place undue importance or reliance on the forward-looking statements. Readers *are cautioned that the foregoing list of factors is not exhaustive and should refer to "Risk Factors" set out in the Corporation's annual information form dated April 28, 2022.*

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

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

OUR BUSINESS

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

- **AMI Silica** division (amisilica.com) has resource holdings and business interests in Alberta, North-East British Columbia ("BC"), and the United States ("US").
- **AMI Aggregates** division produces and sells aggregates from its corporate pits and manages the Coffey Lake Public Pit on behalf of the Government of Alberta.
- **Métis North Sand & Gravel** (www.metisnorthrocks.com) is a strategic partnership with the Fort McKay Métis Group to deliver aggregates to the energy, infrastructure, and construction sectors in the Wood Buffalo region in Alberta ("AB"). Mining and delivery of premium sand commenced on February 22, 2022.
- **AMI RockChain** division (amirockchain.com) is a midstream, technology-enabled business using its proprietary RockChain™ digital platform, automated supply-chain and logistics solutions, quality-assurance & safety programs to deliver products across Canada.
- **TerraShift Engineering** (terrashift.ca) conducts resource exploration, regulatory, mining, environmental and reclamation engineering for a growing nation-wide customer base and is also the developer of the proprietary TerraMaps™ software.

BUSINESS HIGHLIGHTS

Athabasca Minerals reports the following key financial highlights in Q2 2022:

- Consolidated gross revenue for Q2-2022 was $7.5 million versus $3.3 million for Q2-2021, driven by increased demand in industrial sand from AMI Silica LLC. During Q2-2022, AMI Silica LLC consistently shipped over 100,000 tons a month and expects the monthly shipment volume to reach to 150,000 tons in coming quarters.
- An operating loss of $5.5 million in Q2-2022 versus an operating loss of $0.6 million in Q2-2021.The increase in loss was due to increased one-time operating expenses of $0.8 million in AMI Silica LLC, increased depreciation expense of $0.9 million resulting from the Wisconsin asset, the $0.63 million in severance payouts made due to the departures of two executives and a $3.3 million write-down expense for certain contract costs and some resource properties.
- In Q2-2022, the Corporation reported a total comprehensive loss of $4.8 million (versus a total comprehensive loss of $0.6 million in Q1-2021).
- For the six months ended June 30, 2022, the Corporation reported total comprehensive income of $17.5 million (versus a total comprehensive loss of $1.2 million for the six months ended June 30, 2021).
- For Q2-2022, on a per share basis, total comprehensive loss was $0.061/share basic and diluted (versus a total comprehensive loss of $0.009/share basic and diluted in Q2-2021).
- For the six months ended June 30, 2022, on a per share basis, total comprehensive income was $0.226/share basic and $0.223/share diluted (versus a total comprehensive loss of $0.018/share basic and diluted for the six months ended June 30, 2021).
- On May 2, 2022, the Corporation announced that it entered into an insider-led, non-dilutive shareholders' loan agreement (the "Loan") for funds of approximately $2 million. The loan is backed by Directors, Officers, members of senior management and two existing, arms-length AMI investors. The loan closed on April 29, 2022 and will support near-term working capital opportunities in 2022. The loan has a period of one (1) year from the closing date (the "Period"), with 12% interest, flexibility for accelerated repayment without penalties, and with no closing or ancillary fees.
- On May 3, 2022, the Corporation announced that its joint-venture, AMI Silica LLC in Wisconsin, USA reached a milestone surpassing more than 100,000 tons productions & sales of premium quality sand in the month of April, 2022.
- On May 16th, 2022, the Corporation announced the appointments of David Churchill, CPA, CA, ICD.D as Chief Financial Officer, and Philip Schuman, MBA, CIP as Vice-President of AMI RockChain, respectively.
- On June 23, 2022, the Corporation announced that Robert Beekhuizen has provided notice of his resignation as Chief Executive Officer and Director of the Corporation, effective immediately. Dana Archibald, Chief Operating Officer, has been appointed as interim Chief Executive Officer.
- On August 24, 2022, the Corporation began to phase out the operations of its engineering division, TerraShift.

SELECTED FINANCIAL INFORMATION

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
FINANCIAL HIGHLIGHTS:				
Product sales revenue	$ 5,967,509	$ 2,354,880	$ 11,873,269	$ 2,782,202
Services revenue	1,489,189	927,056	2,628,036	1,724,986
Gross revenue, including royalties	7,456,698	3,281,936	14,501,305	4,507,188
Less: provincial royalties	(122,229)	(40,703)	(182,390)	(169,298)
Gross revenue, net of royalties	7,334,469	3,241,233	14,318,915	4,337,890
Gross profit (loss)	(401,098)	467,114	781,527	667,793
Gross profit percentage	-5.5%	14.4%	5.5%	15.4%
Write-down of contract costs and resource properties	(3,322,735)	-	(3,322,735)	-
Severance expense	(638,985)	-	(638,985)	-
Total Operating loss	(5,489,541)	(591,798)	(5,260,817)	(1,281,344)
Gain on acquisition of Wisconsin assets	100,970	-	22,445,116	-
Other non-operating income	59,969	28,013	75,826	129,707
Total comprehensive income (loss)	$ (4,770,632)	$ (579,726)	$ 17,515,390	$ (1,181,638)
Comprehensive income (loss) per common share - basic	(0.061)	(0.009)	0.226	(0.018)
Comprehensive income (loss) per common share - diluted	(0.061)	(0.009)	0.223	(0.018)
Weighted Average # of Shares Outstanding	77,695,603	67,964,924	77,410,491	65,681,034

	As at	
	June 30, 2022	December 31, 2021
FINANCIAL POSITION:		
Working capital[1]	$ 405,997	$ 1,991,501
Total assets	61,024,198	20,936,866
Total liabilities	27,931,933	5,785,589
Shareholder's Equity	33,092,265	15,151,277

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

FINANCIAL AND OPERATIONAL REVIEW

REVENUE

Revenue net of royalties during Q2-2022 was $7.3 million compared to $3.2 million in Q2-2021. The increase in revenue of $4.2 million was due to increased demand for industrial sand and gravel from the resource industries and construction industries. AMI Silica LLC production has increased significantly since the closing of the Hixton acquisition in March 2022 and continues to see high demand from its customer base, growing total revenue from $3.1 million in Q1-2022 to $5.5 million in Q2-2022.

For year-to-date Q2-2022, the Corporation's gross revenue increased by $10.0 million compared to prior year to $14.6 million with divisional revenue contributions as follows:

- $8.6 million revenue from AMI Silica (which includes its 50% ownership in AMI Silica LLC.);
- $5.5 million in AMI Aggregates related to sales from the Coffey Lake, Firebag, Hargwen and Pelican pits;
- $2.8 million in AMI RockChain related to increased sales and logistics contracts in 2022;
- $0.5 million in TerraShift revenue; and
- $2.8 million in internal revenue, which is eliminated in consolidation, represents services provided by RockChain and TerraShift to other divisions.

The gross revenue by division includes internal revenue (see Segmented Reporting in page 12).

GROSS PROFIT (LOSS)

Gross loss for Q2-2022 was $0.4 million due to one-time operating expenses of $0.8 million in AMI Silica LLC and the increased depreciation expense of $0.9 million for the AMIL Silica LLC assets compared to gross profit of $0.5 million in Q2-2021. Gross profit for year-to-date Q2-2022 was $0.8 million vs. $0.7 million in Q2-2021.

General and Administrative Expenses

	Three months ended June 30,		Six months ended June 30,	
	2022	**2021**	**2022**	**2021**
Wages and benefits	**$ 615,669**	$ 515,225	**$ 1,208,548**	$ 1,062,652
Severance expense	**638,985**	-	**638,985**	-
Legal and professional fees	**111,087**	114,128	**161,904**	145,165
Insurance	**51,401**	110,659	**92,721**	186,913
Rent and office expenses	**115,543**	61,034	**171,104**	120,341
Directors fees and expenses	**42,000**	38,807	**84,000**	76,607
Consulting	**110,227**	33,340	**176,999**	68,808
Investor relations	**34,518**	2,878	**39,657**	26,255
Travel	**29,261**	952	**39,426**	5,065
Total general and administrative expenses	**$ 1,748,691**	$ 883,938	**$ 2,613,344**	$ 1,726,113

General and administrative expenses for Q2-2022 were $1.7 million, compared to $0.9 million for the same period in 2021. The increase is due mainly to the severance expense for two departed executives and is the main increase for the six months ended June 30, 2022 compared to six months ended June 30, 2021.

OPERATING INCOME (LOSS)

For Q2-2022, the Corporation had an operating loss of $5.5 million vs. an operating loss of $0.6 million in Q2-2021. This increased loss was driven by one-time operating expenses and increased depreciation expense for AMI Silica LLC, one-time severance payouts and the write-down of certain contract costs and resource properties.

For the six months ended June 30, 2022, the decrease in operating loss to $5.3 million versus $1.3 million for the same period in the prior year was due to the $1.1 million increase in gross profit offset by one-time severance payouts and $3.3 million write-down of certain contract and resource properties.

TOTAL INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

For the three months ended June 30, 2022, the Corporation had a total comprehensive loss of $4.8 million, $0.061 per share basic and diluted, as compared to a total comprehensive loss of $0.6 million, $0.009 per share basic and diluted for the three months ended June 30, 2021.

For the six months ended June 30, 2022, to the Corporation had $17.5 million in total comprehensive income , $0.226 per share basic and $0.223 per share diluted, as compared to a total comprehensive loss of $1.2 million, $0.018 per share basic and diluted for the six months ended June 30, 2021.

SUMMARY OF QUARTERLY RESULTS

The following selected information is derived from the Consolidated Financial Statements of the Corporation. The information has been prepared by Management in accordance with IFRS.

	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Product Sales Revenue	$ 5,967,509	$ 5,905,760	$ 805,233	$ 981,985
Services Revenue	1,489,189	$ 1,138,847	$ 2,475,780	$ 3,359,063
Gross Revenue, including royalties	7,456,698	7,044,607	3,281,013	4,341,048
Less: provincial royalties	(122,229)	(60,161)	(139,316)	(29,024)
Revenue, net of royalties	7,334,469	6,984,446	3,141,697	4,312,024
Gross (Loss) Profit	(401,098)	1,182,625	74,635	362,350
Total Comprehensive Income (Loss)	(4,770,632)	22,286,022	(643,621)	(361,829)
Comprehensive income (loss) per share, basic	(0.061)	0.289	(0.009)	(0.005)
Comprehensive income (loss) per share, diluted	(0.061)	0.284	(0.009)	(0.005)
Total Assets	61,024,198	65,237,872	20,936,866	20,548,032
Total Resource Properties	9,754,312	12,087,398	12,126,762	11,179,738
Current portion of shareholders' loans, loan and lease obligations	2,780,755	682,103	828,669	982,156
Total non-current Debt	4,128	304,128	304,899	335,384
	Q2 2021	**Q1 2021**	**Q4 2020**	**Q3 2020**
Product Sales Revenue	$ 821,402	$ 798,130	$ 389,039	$ 326,194
Services Revenue	2,460,534	427,122	125,108	99,537
Gross Revenue, including royalties	3,281,936	1,225,252	514,147	425,731
Less: provincial royalties	(40,703)	(128,595)	-	-
Revenue, net of royalties	3,241,233	1,096,657	514,147	425,731
Gross (Loss) Profit	467,114	200,679	(87,812)	(321,952)
Total Comprehensive Loss	(579,726)	(601,912)	(93,453)	(1,126,583)
Comprehensive loss per share, basic	(0.009)	(0.009)	(0.017)	(0.023)
Comprehensive loss per share, diluted	(0.009)	(0.009)	(0.017)	(0.023)
Total Assets	21,785,559	20,012,175	18,543,202	18,043,796
Total Resource Properties	11,927,504	11,629,111	6,250,770	6,685,322
Current portion of lease obligations	1,134,662	1,285,153	1,446,564	690,205
Total Debt (non-current)	225,005	240,374	218,521	1,126,158

Seasonality of Operations

The Corporation derives revenues from managing the supply of, and from the production of, various types of aggregates across Canada and the United States. Aggregate industrial sand sales and the associated delivery can be affected by, among other things:

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

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

COVID-19

COVID-19 is having an adverse impact on global economic conditions, which has had an adverse effect on the Corporation's business and financial position. The Corporation's revenue for 2022 has been primarily due to networked sales and transportation services with third parties via AMI RockChain, management services revenue at the US pit, and from the TerraShift operations. The Corporation is continuing to monitor the actual and potential financial impact of COVID-19, such as changes to discount rates and indicators of impairment of inventory and exploration assets, and is updating any accounting estimates that are impacted by the effects of COVID-19.

AMI is navigating the situation on an ongoing basis with respect to making appropriate and prudent business decisions, including right-sizing the organization accordingly. The Corporation's divisions and associated operations have been deemed an essential business supporting construction, infrastructure, and the energy sector. AMI will continue to monitor and adhere to the required protocols to ensure compliance and to mitigate the risks to staff, and to key stakeholders in its supply chain.

OPERATIONS

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

PIT MANAGEMENT CONTRACTS

Coffey Lake Public Pit – In Production

- Effective January 13, 2020, the Government of Alberta issued the Corporation a disposition for the Coffey Lake Public Pit and a Surface Mineral Lease that allows for the extraction of sand and gravel. This authorization enabled the Corporation, as pit management contractor on behalf of the Government of Alberta, to commence activities to open aggregate operations at Coffey Lake to the public.
- Coffey Lake has been active since 2020, with activity increasing into 2022.

Corporate-Owned Pits

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

Table 1. Resource Properties

Resource Properties	Location	Land Size (hectares)	Resource Type	Status
Coffey Lake	90 kms North of Fort McMurray, AB, Canada	335	Sand and gravel	In production[1]
Firebag	97 kms North of Fort McMurray, AB, Canada	32	Sand	In production
Kearl	76 kms North of Fort McMurray, AB, Canada	32	Sand and gravel	In production
Hixton	Hixton, Wisconsin, US	440	Sand	In production
Hargwen	27 kms East of Hinton, AB, Canada	32	Sand and gravel	Production ready[2]
Emerson	27 kms Southeast of Hinton, AB, Canada	30	Sand and gravel	Production ready
House River	South of Fort McMurray, AB, Canada	65	Sand and gravel	Production ready
Logan	110 kms North of Lac La Biche, AB, Canada	81	Sand and gravel	Production ready
Pelican Hill	70 kms Southeast of Wabasca, AB, Canada	32	Sand and gravel	Production ready
KM248	37 kms south of Anzac, AB	28	Sand and gravel	Production ready
Prosvita	County of Athabasca, AB, Canada	320	Sand	Development[3]
Richardson Quarry	130 kms North of Fort McMurray, AB, Canada	3,900	Granite and dolomite	Exploration[4]
Montney In-basin	South of Fort St. John, BC, Canada	112,000	Sand	Exploration

Strategic Partnerships

- **Fort McKay Métis Group:** AMI and Fort McKay Métis Group entered into a project partnership agreement creating Métis North Sand & Gravel.
- **Ministikwan Lake Cree Nation:** TerraShift entered an Engineering Services Contract and has subsequently been awarded an environmental site assessment project and a waste management project with a combined value of approximately $200,000 with activity throughout 2021 and into 2022.
- **Montana First Nation (MFN):** AMI and MFN have entered into a 10-year Aggregates Management Agreement to explore and develop potential aggregate resources on 3,885 hectares (9,600 acres) of MFN lands, as well as develop commercial opportunities with AMI RockChain.

[1] In production – Currently providing product to customers.
[2] Production ready – All permits are in place for site and the site is ready to provide product to customers.
[3] Development – Resource has been identified and the site is developed into a production ready site.
[4] Exploration – Site is explored to find viable resource.

Firebag Sand Resource – In Production

- The Firebag Sand Resource, containing premium domestic sand, is located north of Fort McMurray, Alberta with an active SML covering 32 hectares (80 acres).
- The Firebag Sand Resource was opened and commenced production in February, 2022 on a temporary winter (ice) road. The Corporation is preparing and submitting a regulatory application in Q2-2022 to construct a permanent (all-season) access road.

Kearl Pit – In Production

- The Kearl corporate pit is located on 32 hectares (80 acres) of crown land north of Fort McMurray, Alberta on an all-season road near Imperial Oil /Exxon Kearl Oilsands Operations. The Surface Materials Lease (SML) is in effect until October 2030. The Kearl Pit is production-ready, and has stockpiled sand which is being sold and transported to meet regional customer needs.
- In the second quarter of 2022, management re-assessed the recovery of pit development costs compared to saleable product and determined there was shortfall and wrote-down costs of $542,000.

Hargwen – Development Project

- Hargwen aggregates deposit is located on 32 hectares (80 acres) of crown land about 21 km east of the community of Hinton, Alberta on an all-season road:
    - During April 2021, the Corporation announced SML approval from the Government of Alberta to develop an open-pit aggregate operation of the leased land for a term of 10 years.
    - During March 2022, the Corporation announced AMI is going to be opening Hargwen in Q2, 2022 on the basis of being awarded a $1.1 million aggregate supply contract.

Emerson Pit – Development Project

- The Emerson corporate pit is located on 30 hectares (75 acres) of crown land approximately 27 km south-east of the community of Hinton, Alberta on an all-season road.
- The pit is production ready but there were no sales in the past year.
- In the second quarter of 2022, management re-assessed the recovery of pit development costs compared to saleable product and determined there was shortfall and wrote-down costs of $490.

House River Pit – Development Project

- The House River corporate pit is located on 65 hectares (160 acres) across two leases of Crown land south of Fort McMurray, Alberta, approximately 11 km east of Highway 63 on the House River. The pit is currently inactive.
- In the second quarter of 2022, management re-assessed the recovery of pit development costs compared to saleable product and additional costs required for production and determined there was shortfall and wrote-off costs of $175,267

Logan Pit – Development Project

- The Logan corporate pit is located on 81 hectares (200 acres) across 3 leases of crown land, approximately 110 km north of Lac La Biche, Alberta, and is accessible by an all-season road to the south and a seasonal winter road from the east. The SML for this pit has been extended until October 2030.
- The Logan corporate pit is currently inactive due to changes in the regional demand market and seasonal access limitations which require advanced orders versus crushing on-demand.
- In the second quarter of 2022, management re-assessed the recovery of pit development costs compared to saleable product and determined there was shortfall and wrote-down costs of $370,000.

Pelican Hill Pit – Development Project

- The Pelican corporate pit is located on 32 hectares (80 acres) of crown land approximately 70 km south-east of the hamlet of Wabasca, Alberta. In early 2021, a winter-access road was converted into an all-season road by a regional 3rd party contract operator.
- The Pelican corporate pit is production-ready, and is expected to be contract-operated by a 3rd party in late-Q2 or Q3-2022.

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

The Corporation has strategic inventory staging hubs on accessible, year-round roads to support product supply and deliveries on demand to local projects and industry customers. These staging hubs are also accessible in relation to nearby corporate pits. AMI's key staging hubs include:

- **Conklin** - The Conklin staging hub, located 13km East of the Town of Conklin, Alberta. The Conklin staging hub is accessible by the Corporation's Logan Pit and has inventory on location.
- **Sunday Creek** - The Sunday Creek staging hub is located 26km North of the Town of Conklin, Alberta on roads accessible to nearby industry SAGD operations. The Sunday Creek hub has historically staged and delivered product from various aggregate sources in the area to service annual orders.
- **KM248** - Located at kilometer 248 of Highway 881, KM248 hub was historically an aggregate source (now depleted) and has been re-purposed as a staging hub for industrial customers near the town of Anzac, Alberta, south of Fort McMurray.
- **True North Staging Hub** - Strategically located 7 km from the Coffey Lake Public Pit at the Highway-63 junction, near Fort McMurray, Alberta. AMI received its disposition from Alberta Environment & Parks in Q1-2020. The Corporation will manage the True North Staging Hub to provide stockpiling and crushing access for aggregate producers in the area. The Corporation completed vegetation clearing activities in Q1-2020. The vegetation clearing activities gave rise to an ERO which was included in the Corporation's liabilities as of December 31, 2020.

Richardson Quarry Project – Exploration Project

- The Corporation holds leases for a potential large-scale quarry located approximately 40 km north of Coffey Lake and 130 km north of Fort McMurray, Alberta for the Richardson Project. It contains high quality granite and dolomite in large volumes (683 million tonnes). on a possible transportation corridor.
- In the second quarter of 2022, management re-assessed the recovery of pit development costs compared to saleable product and the significant additional costs required for production and the viability of markets for the products. Based on this, management wrote-down costs of $1,230,421

AMI RockChain

AMI RockChain is a technology-enabled business using its proprietary *RockChain*™ digital platform, automated supply-chain and logistics solutions, quality-assurance & safety programs to deliver products across Canada. The subsidiary is uniquely focused on enhanced price/delivery solutions in matching customer orders to aggregates suppliers and transportation companies using technology for greater speed and efficiency. AMI RockChain purchases and takes custody of aggregates using its 'Solution Finder' algorithm in conjunction with its *RockChain*™ digital platform. This gives AMI RockChain distinctive advantages in the scope of its outreach, its ability to handle a large volume of bids, and in the response time for networking optimal solutions for customers requiring aggregates. AMI RockChain is additionally reinforced by an in-house Quality Control / Quality Assurance program to ensure customer requirements are met upon delivery.

Through the acquisition of TerraShift, AMI RockChain acquired proprietary technology that focuses on resource data, search intelligence, and geospatial software that will further strengthen the functionality and capabilities of AMI's RockChain™ digital platform. TerraShift also brings technical services with highly efficient methods and streamlined approaches for resource exploration and development, environmental and regulatory planning, resource management, compliance reporting, and reclamation that benefit a growing customer base across Western Canada and Ontario.

AMI Silica LLC.

- On March 3, 2022 AMI Silica LLC. which is owned on a 50/50 basis by the Corporation and JMAC Energy Services LLC. announced the closing of an acquisition of an operational U.S. sand mine and facilities in Wisconsin (the "Assets"). The Assets include real-estate of 1,100 acres, a fully functional and staffed mine and processing plant capable of 2 million tons sand production annually, fixed storage, rail transload with unit train capability (i.e. loading/unloading 100 railcar shipments), mobile equipment and active supply chain contracts. The portfolio of land and facilities, originally developed at a cost of more than USD $100 million within the past 10 years, were procured at less than 10% the development value as per terms of the acquisition first announced in the December 1, 2021 press release.
- From June 1, 2021 until January 31, 2022, AMI Silica LLC operated the Assets under a management services agreement.
- Upon closing of the acquisition, AMI Silica LLC owns the Assets and generates revenue directly from the purchased Assets, of which the Corporation owns 50%.

Prosvita Sand Project

- On February 3, 2020, AMI Silica Inc and Shell ratified a Master Purchase Contract to purchase Premium Domestic sand from AMI's Prosvita Sand Project beginning on the later of mid-2021 or 30 days after the Prosvita facility has been commissioned. The Corporation invested $1,000,735 in contract costs to secure this agreement. Under terms of the contract, there is a minimum sales volume at predetermined prices, with an optional maximum annual volume that books a significant portion of the Prosvita Sand Project production capacity. The contract has a five-year term from the effective delivery date and gives Shell the right to extend for an additional two 12-month terms thereafter, with the option to procure sand from AMI's future Montney In-Basin Project. Due to lengthy regulatory approvals and increasing cost estimates for production facilities, it is unlikely silica sand will be produced from the Duvernay site before mid-2026, meaning the Corporation will not be able to meet the terms of this contract. Therefore, the contract costs of $1,000,735 were written off at June 30, 2022.
- On February 5, 2021, the Corporation acquired the full ownership interest for additional consideration of 8 million shares at $0.25 per share, for incremental consideration of $2.0 million, in addition to costs previously incurred.
- On June 21, 2021, the Corporation announced that it has filed its regulatory application with Alberta Environment and Parks (AEP) allowing for the operation of a Class 1 Pit under the Code of Practice for Pits in Alberta.
- On August 5, 2021, a NI 43-101 technical report for the associated Whitetail Sand Resource was completed, demonstrating measured and indicated resources of 40/140 mesh fraction which were calculated to be 11.9 million tonnes (MT) with an additional 0.9 MT of inferred resources further increasing the mineral resources for the project.
    - The lab analysis for Whitetail reported consistent crush strengths of 8K for 40/140 size fractions, with shape factors of 0.6 and 0.7-0.8 for roundness and sphericity respectively.
    - An updated NI 43-101 was also issued for White Rabbit on August 5, 2021. AMI updated the measured in-place mineral resource focused on the optimal 18.8 MT from the original 24.7 MT.
    - The Whitetail and White Rabbit deposits collectively now represent a measured in-place mineral resource of 30.7 MT for the Prosvita Sand Project.

Montney In-Basin Project

- On December 14, 2018, the Corporation purchased a 49.2% ownership interest in the numbered Alberta corporation that owns the Montney In-Basin Project (Privco1) located in the vicinity of Dawson Creek and Fort St. John, British Columbia, recorded at a historical cost basis of $1.6 million. On February 5, 2021, the Corporation acquired the remaining 50.8% ownership interest for additional consideration of one dollar. The Corporation is also using AMI shares to make one final Annual Minimum Royalty ("AMR") payment relating to the Montney deposit, valued at $0.2 million, with three corresponding milestone installments.

- The Corporation is taking a measured approach concerning expenditures to confirm the most suitable and cost-effective location for development within the 150,000 hectare (370,000 acre) mineral lease.

SEGMENTED REPORTING

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

A summary of key financial information by reportable segment for the quarter ended June 30, 2022 (along with comparative information for 2021) is as follows:

	AMI Aggregates		AMI RockChain		AMI Silica		TerraShift		Corporate & Eliminations		Consolidated	
For the three months ended June 30,	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Revenue:												
Product sales revenue	$ 444,525	$ -	$ 2,471	$ 2,354,882	$ 5,510,754	$ (2)	$ -	$ -	$ 9,759	$ -	$ 5,967,509	$ 2,354,880
Services revenue	721,503	233,190	681,631	4,406	-	444,451	209,932	367,464	- 123,877	- 122,455	1,489,189	927,056
Gross revenue, including royalties	1,166,028	233,190	684,102	2,359,288	5,510,754	444,449	209,932	367,464	(114,118)	(122,455)	7,456,698	3,281,936
Revenue, net of royalties	1,043,799	192,487	684,102	2,359,288	5,510,754	444,449	209,932	367,464	- 114,118	- 122,455	7,334,469	3,241,233
Gross profit (loss)	$ 244,279	8,364	$ 30,783	165,877	$ (905,486)	12,149	$ 232,797	315,548	$ (3,471)	(34,824)	$ (401,098)	$ 467,114
For the six months ended June 30,	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Revenue:												
Product sales revenue	$ 3,922,311	$ -	$ 1,976,934	$ 2,782,204	$ 8,573,217	$ (2)	$ -	$ -	$ (2,599,193)	$ -	$ 11,873,269	$ 2,782,202
Services revenue	1,625,067	$ 968,324	820,079	$ 4,406	-	$ 444,451	493,707	$ 575,761	(310,817)	(267,956)	$ 2,628,036	1,724,986
Gross revenue, including royalties	5,547,378	968,324	2,797,013	2,786,610	8,573,217	444,449	493,707	575,761	(2,910,010)	(267,956)	14,501,305	4,507,188
Revenue, net of royalties	5,364,988	799,026	2,797,013	2,786,610	8,573,217	444,449	493,707	575,761	(2,910,010)	(267,956)	$ 14,318,915	4,337,890
Gross profit (loss)	$ 785,887	275,560	$ 102,634	198,751	$ (517,252)	(274,297)	$ 417,201	509,556	$ (6,943)	(41,777)	$ 781,527	$ 667,793
As at	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
Segment assets	$ 54,076,527	$ 9,705,916	$ (1,610,053)	$ 446,181	$ 44,009,187	$ 13,589,565	$ 419,953	$ 282,420	$ (35,871,416)	$ (3,087,216)	$ 61,024,198	$ 20,936,866
Segment liabilities	$ 5,891,153	$ 4,551,286	$ 728,648	$ 421,641	$ 22,353,297	$ 324,537	$ 178,547	$ 60,000	$ (1,219,712)	$ 428,125	$ 27,931,933	$ 5,785,589

The Corporation has four reportable Operations segments:

AMI Aggregates

The Corporation produces and sells aggregate out of its Corporate Owned Pits (see the Operations section of this MD&A); manages the Coffey Lake aggregate pit on behalf of the Government of Alberta for which aggregate management services revenue are earned and manages other contract work for customers.

Total revenues net of royalties of $1.0 million from AMI Aggregates for Q2-2022 were $0.8 million higher compared to $0.2 million in Q2-2021 due to higher volumes from Coffey Lake, Hargwen and Pelican pits.

AMI RockChain

Segmented revenues for the quarter decreased to $0.7 million as compared to $2.4 million for the comparable period in 2021 as the first phase of a large contract with an oilsands customer has ended during the summer. The contact is expected to resume in the winter months. In Q2-2022, AMI RockChain kick started supplying gravel to a large construction project in Saskatchewan.

AMI Silica

AMI Silica is reported as a segment representing the Corporations sand assets including 50% ownership in AMI Silica LLC., 100% ownership of the Prosvita Sand Project, and 100% ownership of the Montney In-Basin Project.

Revenue of $5.5 million in Q2-2022 includes the 50% net proportional share of AMI Silica LLC. Gross loss generated from the Wisconsin assets was $0.9 million in Q2-2022 due to one-time operating expenses and increased depreciation expense.

TerraShift

TerraShift earned $0.2 million in services revenue for Q2-2022 compared to $0.4 million in Q2-2021.

The "Corporate & Eliminations" segment represents services provided by RockChain and TerraShift to other segments and is disclosed for reconciliation purposes only.

Liquidity & Capital Resources

WORKING CAPITAL

Working capital is a non-IFRS measure calculated by subtracting current liabilities from current assets. There is no directly comparable IFRS measure for working capital. Management uses working capital as a measure for assessing overall liquidity. The Corporation had net working capital of $0.4 million as of June 30, 2022 (2021: $2.0 million) which in management's opinion is sufficient to fund ongoing operations. The $0.3 million decrease in working capital was predominately due to a $2.3 million increase in trade and other receivables, the increase in inventory of $2.5 million, the repayment of $0.3 million of the current portion of bank loans, offset by a decrease in cash of $1.3 million and a $5.3 million increase in accounts payable and accrued liabilities and shareholders' loans. Receivables and payables increased in line with higher operating volumes.

The Corporation's sources of liquidity as of June 30, 2022 were cash, accounts receivable, shareholders' loans, the Corporation's credit facility with Canadian Western Bank ("CWB"), and funds secured through the Canadian Emergency Business Account program. Management believes it is able to generate sufficient cash to meet its commitments, support operations, finance capital expenditures, and support growth strategies. The Corporation's capital expenditures may be funded by working capital, cash flows from operations, and proceeds from debt and equity offerings.

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

AVAILABLE CREDIT FACILITIES

CWB Bank Loan

On January 28, 2020, the Corporation entered into an arrangement with CWB whereby $1,500,000 was advanced to the Corporation by CWB for the development of the Coffey Lake Pit, repayable upon demand. Provided full repayment of the bank loan is not demanded by CWB, the term of the loan is thirty-nine months with thirty-three monthly loan payments of $49,022 which started in August 2020, after nine months of interest only payments. The bank loan was originally for three years; however in 2020, CWB added three months of interest only payments from May 2020 to July 2020 and extended the term of the loan by three months due to the economic uncertainty in Alberta and around the world due to the COVID-19 pandemic. The interest rate on the bank loan is 5.4%. The interest paid from in the quarter, totaling $9,445, has been expensed as finance costs.

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

Letter of Guarantee Facility

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

		As at	
	Note	June 30, 2022	December 31, 2021
Susan Lake pit		$ 228,540	$ 228,540
Poplar Creek Site, storage yard		180,000	180,000
Emerson pit		75,240	75,240
Coffey Lake reclamation		296,520	296,520
Coffey Lake industrial miscellaneous lease		74,130	74,130
Coffey Lake performance bond		100,000	100,000
		$ 954,430	$ 954,430

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

Coffey Lake Performance Bond

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

COMMITMENTS

The following table summarizes the expected contractual maturities of the Corporation's financial liabilities as at June 30, 2022:

	As at June 30, 2022			
	0 - 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 5,145,327	$ -	$ -	$ 5,145,327
Income taxes payable	64,408	-	-	64,408
Bank loans, including interest	790,019	-	-	790,019
Lease obligations, including interest	48,024	4,245	-	52,269
Total	**$ 6,047,778**	**$ 4,245**	**$ -**	**$ 6,052,023**

SHARE CAPITAL

As of August 25, 2022 there were 78,582,686 Common Shares issued and outstanding, and other securities convertible into Common Shares as summarized in the following table:

	Number outstanding as of August 25, 2022	Number outstanding as of June 30, 2022
Common shares issued and outstanding	78,582,686	78,069,388
Options	4,517,600	5,347,200

As of June 30, 2022, the authorized share capital of the Corporation consisted of an unlimited number of common voting shares with no par value, and preferred shares issuable in series. The Corporation did not declare or pay dividends during the three months ended or the six months ended June 30, 2022, or for the year ended December 31, 2021.

RELATED PARTY TRANSACTIONS

All related party transactions during the three months ended June 30, 2022 were in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties. Refer to note 16 of the Unaudited Interim Condensed Consolidated Financial Statements for disclosure with respect to related party transactions.

FINANCIAL INSTRUMENTS

Classification

The Corporation's financial instruments consist of the following:

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

For further information regarding the Corporation's financial instruments and how the Corporation manages the risk associated with the instruments refer to Note 17 in the Unaudited Interim Condensed Consolidated Financial Statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements as at June 30,2022 or December 31, 2021.

RISKS & UNCERTAINTIES

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

Outlined below are a list of the Corporation's significant business risks. See also the risks and risk factors set out in the Corporation's annual information form dated April 28, 2022 and filed on SEDAR at www.sedar.com.

- Exposure to fluctuations in foreign currency exchange, especially U.S. dollars;
- Economic cyclicality of the energy industry;
- Commodity risk;
- Environmental and regulatory;
- Conditions of equity markets;
- Access to capital;
- Risk of delays to projects and stakeholder management;
- Seasonality;
- Loss of key personnel;
- Shortage of equipment or other supplies;
- Sales and inventory turnover versus production;
- Profitability from production and operations;
- Reclamation and remediation obligations;
- Estimation of resource reserves;
- Health, safety and environment operations risks;
- Cyber security risk; and
- Litigation.

SIGNIFICANT MANAGEMENT ESTIMATES

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

The most significant accounting estimates and judgements used in the preparation of the Corporation's Unaudited Interim Condensed Consolidated Financial Statements are included in Note 2 of the Consolidated Financial Statements for the Year Ended December 31, 2021.

SIGNIFICANT ACCOUNTING POLICIES

The Corporation's accounting policies are included in Note 3 of the Consolidated Financial Statements for the Year Ended December 31, 2021.

New accounting standards issued effective January 1, 2022

The IASB issued an amendment to IAS 16, Property, Plant and Equipment, to prohibit the deducting from property, plant and equipment amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds and its related costs must be recognized in profit or loss. The amendment requires companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the item of property, plant and equipment available for its intended use. The amendment is effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. The Company adopted the amendment effective January 1, 2022, which did not have any impact on the condensed interim consolidated financial statements.

APPROVAL

The Board of Directors has approved the disclosure in this MD&A, and related Unaudited Interim Condensed Consolidated Financial Statements for the three months ended June 30, 2022 at the Board of Directors meeting on August 25, 2022.

Under National Instrument 52-109F2 Certification of Disclosure in Issuers' Annual and Interim Filings, TSX Venture Exchange issuers like Athabasca are required to certify using the Venture Issuer Basic Certificate. This certificate states that the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Corporation each certify that the documents prepared for the year ended December 31, 2021 have been reviewed, contain no misrepresentations, and provide a fair presentation of the financial condition, financial performance and cash flows of the Corporation, to the best of their knowledge. This Venture Issuer Basic Certificate does not include any representations relating to the establishment and maintenance of disclosure controls and procedures and/or internal controls over financial reporting. Please refer to the Form 52-109FV2 for additional details. The CEO and CFO of Athabasca have each certified using the Venture Issuer Basic Certificate for the three months ended June 30, 2022.

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