



THREE and NINE MONTHS ENDED SEPTEMBER 30, **2023**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

Table of Contents Updated on Final	Page
Interim Condensed Consolidated Statements of Financial Position	3
Interim Condensed Consolidated Statements of Income (Loss) And Comprehensive Income (Loss)	4
Interim Condensed Consolidated Statement of Changes in Shareholders' Equity	5
Interim Condensed Consolidated Statements of Cash Flows	6
Interim Condensed Consolidated Financial Statements	7 - 30

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim condensed consolidated financial statements of Athabasca Minerals Inc. (the "Corporation" or "AMI" or "Athabasca") have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by CPA Canada for a review of interim financial statements.

AMENDMENT

As a result of the amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021, the unaudited interim condensed consolidated financial statement comparative numbers for the three and nine months ended September 30, 2022 have been amended and restated from the original statements filed on November 23, 2022.

The restatement is a result of the Corporation identifying an error with respect to the accounting set up of its joint arrangement in AMI Silica LLC, entered into in 2021 (the "Joint Arrangement") subsequent to the issuance of the audited consolidated financial statements for the years ended December 31, 2022 and 2021. The audited consolidated financial statements as at and for the years ended December 31, 2022 and 2021 have been amended and restated as further discussed in Note 1 of the amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021 that were filed on SEDAR+ on November 14, 2023.

The Corporation initially accounted for the acquisition as a joint operation. Subsequently the Corporation has determined that the Joint Arrangement constitutes a joint venture. A joint operator shall account for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses whereas a joint venturer shall recognize its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. The restatement is not a result of any change to the Corporation's operations or the Corporation's business.

Interim Condensed Consolidated Statements of Financial Position (Unaudited)

	Notes	As at	
		September 30, 2023	December 31, 2022 Restated (Note 1)
ASSETS			
Current			
Cash		\$ 2,066,271	\$ 587,623
Trade and other receivables	7,23	180,562	1,389,738
Holdback receivable	6	400,000	-
Inventory	8	-	174,703
Prepaid expenses and deposits		278,837	93,686
Share purchase options		-	-
Joint venture loan receivable	4	677,200	677,200
Current Assets		3,602,871	2,922,950
Long-term deposits	9	788,876	788,876
Restricted cash	10	120,148	120,148
Contract costs	11	-	1,402,130
Property, plant and equipment	12	-	460,134
Right-of-use assets	15	254,284	321,126
Investment in Joint venture	4	20,507,629	23,462,149
Intangible assets	14	24,433	23,468
Resource properties	13	6,232,137	7,549,667
Total Assets		\$ 31,530,378	\$ 37,050,648
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	23	\$ 2,071,787	\$ 2,598,359
Income taxes payable - Canada		-	93,365
Income taxes payable - USA		177,217	496,685
Current portion of JMAC loan, bank and other loans	16	2,300,000	493,736
Current portion of shareholders' loans	17	\$ 2,400,000	-
Current portion of lease obligations	18	\$ 32,077	8,328
Current portion of environmental rehabilitation obligations	19	-	-
Current Liabilities		6,981,082	3,690,473
Bank and other loans	16	-	-
Lease obligations	18	\$ 303,492	295,125
Deposit liabilities		-	49,376
Shareholders' loans	17	-	1,900,000
Environmental rehabilitation obligations	19	\$ 697,350	2,501,114
Total Liabilities		7,981,924	8,436,088
Shareholders' Equity			
Share capital	20	23,509,890	23,509,890
Contributed surplus		5,561,624	5,493,352
Retained earnings (deficit)		(6,373,245)	(1,238,866)
Accumulated other comprehensive income		850,184	850,184
Total Shareholders' Equity		23,548,453	28,614,560
Total Liabilities and Shareholders' Equity		\$ 31,530,378	\$ 37,050,648

Note 1 Nature of Business and Going Concern and Notice of Intention and Restatement of Financial Results and Note 27 Subsequent Event
The accompanying notes are an integral part of these interim condensed consolidated financial statements

Approved by the Board of Directors

"Dale Nolan"
Director

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022 Restated (Note 1)	2023	2022 Restated (Note 1)
Product sales revenue	\$ 17,816	\$ 361,900	\$ 56,472	\$ 3,661,952
Services revenue	330,949	4,297,412	2,364,719	6,925,448
Gross revenue, including royalties	348,766	4,659,312	2,421,192	10,587,400
Less: provincial royalties	-	\$(33,600)	\$(388,487)	(215,990)
Revenue, net of royalties	348,766	4,625,712	2,032,705	10,371,410
Operating costs	(14,998)	(4,368,609)	(1,428,469)	(8,978,507)
Depreciation, depletion, and amortization expense	(34,712)	(57,545)	(93,997)	(156,197)
Cost of sales	(49,709)	(4,426,154)	(1,522,465)	(9,134,704)
Gross profit (loss)	299,056	199,558	510,239	1,236,706
General and administrative expenses	(1,276,574)	(1,183,230)	(3,443,723)	(3,157,589)
Severance expense	-	(34,361)	-	(673,346)
Share-based compensation	(12,919)	(84,438)	(37,453)	(155,882)
Write-down of inventory, contract costs and resource properties	-	-	-	(3,322,735)
Other operating expenses	(5,667)	(3,819)	(35,468)	(38,640)
Operating income (loss)	(996,104)	(1,106,290)	(3,006,405)	(6,111,486)
Finance costs	(169,632)	(64,176)	(440,551)	(129,201)
Share of profit (loss) on joint venture	(1,463,764)	496,921	(2,954,510)	23,005,184
Gain on disposition of non-core assets and other income	(26,060)	14,922	1,181,090	90,748
Interest income	5,462	1,327	5,762	2,849
Income (loss) before income taxes	(2,650,098)	(657,296)	(5,214,614)	16,858,094
Current tax recovery	-	-	80,235	-
Deferred tax recovery	-	-	-	-
Net income (loss)	(2,650,098)	(657,296)	(5,134,379)	16,858,094
Other comprehensive income (loss)				
Foreign exchange differences from translating foreign operations	751,760	-	-	-
Total comprehensive income (loss)	\$ (1,898,338)	\$ (657,296)	\$ (5,134,379)	\$ 16,858,094
Note 1 Nature of Business and Going Concern and Notice of Intention and Restatement of Financial Results and Note 27 Subsequent Event				
Net income (loss) per common share - basic	\$ (0.034)	\$ (0.008)	\$ (0.065)	\$ 0.217
Net income (loss) per common share - diluted	\$ (0.034)	\$ (0.008)	\$ (0.065)	\$ 0.214
Weighted average number of shares outstanding	78,582,686	78,399,492	78,582,686	77,743,781

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

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

	Notes	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Shareholders' Equity
Balance as at December 31, 2021, Restated (Note 1)		76,964,088	\$ 22,971,793	\$ 5,324,170	\$ 2,484	\$ (13,128,128)	\$ 15,170,319
Shares issued	20	100,000	\$ 32,990	\$ -	\$ -	\$ -	\$ 32,990
Share-based compensation	20	-	-	190,171	-	-	190,171
Stock options exercised	20	1,335,404	391,125	(46,923)	-	-	344,202
Total income and comprehensive income for the period		-	-	-	-	16,858,094	16,858,094
Balance as at September 30, 2022, Restated (Note 1)		78,399,492	\$ 23,395,908	\$ 5,467,418	\$ 2,484	\$ 3,729,966	\$ 32,595,776
Balance as at December 31, 2022, Restated (Note 1)		78,582,686	\$ 23,509,890	\$ 5,493,352	\$ 850,184	\$ (1,238,866)	\$ 28,614,560
Share-based compensation - options	20	-	-	\$ 68,272	-	-	\$ 68,272
Total loss and comprehensive loss for the period		-	-	-	-	(5,134,379)	(5,134,379)
Balance as at September 30, 2023		78,582,686	\$ 23,509,890	\$ 5,561,624	\$ 850,184	\$ (6,373,245)	\$ 23,548,453

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

Interim Condensed Consolidated Statements of Cash Flows (Unaudited)

	Notes	Three months ended September 30,		Nine months ended	
		2023	2022	2023	2022
			Restated (Note 1)		Restated (Note 1)
OPERATING ACTIVITIES					
Net income (loss)		\$ (2,650,098)	\$ (657,296)	\$ (5,134,379)	\$ 16,858,094
Adjustments for non-cash items					
Depreciation, depletion, and amortization expense		34,712	57,545	93,997	156,197
Amortization of resource property lease costs		-	778	-	4,988
Amortization of environmental rehabilitation obligations asset		-	2,318	-	14,377
Amortization of contract costs		-	18,120	-	18,120
Change in estimate for environmental rehabilitation obligations	19	-	-	-	-
Change in discount rate for environmental rehabilitation obligations	19	-	(22,358)	-	(58,051)
Accretion of environmental rehabilitation obligations	19	-	42,074	11,334	59,206
Writedown of inventory, contract and resource properties	8,11,13	-	-	-	3,322,735
Gain on disposal of non-core assets	6,25	26,060	-	(1,181,090)	-
Share of profit (loss) on joint venture	4	1,463,764	(496,923)	2,954,510	(22,644,232)
Change in deferred tax liability		-	84,438	-	-
Share-based compensation	20	21,100	-	68,272	155,882
Changes in non-cash working capital balances					
Trade and other receivables		229,725	(1,164,616)	846,138	(3,101,638)
Prepaid expenses and deposits		(64,216)	162,456	(185,151)	90,465
Inventory	8	-	1,000,000	-	2,570,077
Accounts payable and accrued liabilities		(72,753)	(881,643)	(528,094)	(1,649,337)
Income taxes payable (recoverable)		91,624	43,742	(321,154)	61,206
Net cash used in operating activities		(920,082)	(1,811,365)	(3,375,616)	(4,141,911)
INVESTING ACTIVITIES					
Restricted cash		-	(148)	-	(148)
Proceeds on sale of non-core assets (net of holdback)	6	-	-	2,800,000	-
Purchase of property and equipment	12	-	-	-	-
Spending on resource properties	13	-	(58,366)	-	(58,366)
Net cash used in investing activities		-	(58,514)	2,800,000	(58,514)
FINANCING ACTIVITIES					
Proceeds from issuance of common shares, private placement		-	-	-	32,990
Proceeds from JMAC loan	16	-	-	2,000,000	-
Increase in bank loans		-	1,811,810	-	1,811,810
Proceeds from shareholders' loans	17	-	-	500,000	1,900,000
Repayment of bank loans	16	-	-	(193,736)	(1,489,840)
Interest payment on shareholders' loan	17	(84,000)	-	(252,000)	(276,998)
Repayment of lease obligations	18	-	(23,900)	-	(50,853)
Net proceeds from exercise of stock options	20	-	141,765	-	344,202
Net cash from (used in) financing activities		(84,000)	1,929,675	2,054,264	2,271,311
Net change in cash		(1,004,082)	59,797	1,478,648	(1,929,114)
Cash, beginning of period		3,070,354	528,522	587,623	2,517,433
Cash, end of period		\$ 2,066,271	\$ 588,319	\$ 2,066,271	\$ 588,319

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

Note 1 - Nature of Business and Going Concern and Notice of Intention and Restatement of Financial Results

a) General

Athabasca Minerals Inc. (the “Corporation”) is a public corporation incorporated under the Business Corporations Act (Alberta) in 2006, and its shares are listed on the TSX Venture Exchange under the symbol AMI-V. The Corporation’s head office is located at 4409 94 Street NW, Edmonton, Alberta, Canada T6E 6T7.

The Corporation is an integrated group of companies capable of full life-cycle development and supply of aggregates and industrial sand. The Corporation is comprised of the following business units:

- **AMI Silica** division has resource holdings and business interests in Alberta, North-East BC, and the United States with its 50% joint venture interest in AMI Silica LLC.
- **AMI Aggregates** division produces and sells aggregates from its corporate pits.
- **AMI RockChain** division 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.
- **Métis North Sand & Gravel** is a strategic partnership with the McKay Métis Group to deliver aggregates to the energy, infrastructure, and construction sectors in the Wood Buffalo region. In December 2022, the Corporation ceased its limited partner position in the partnership but continues to provide services to the partnership under an operating agreement.
- **TerraShift Engineering** 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. As of August 24, 2022, the Corporation began to phase out the operations of TerraShift as part of the Corporation's staged plan to create a sustainable and resilient business model. TerraMaps™ and other assets will be maintained to continue to be of benefit to other AMI divisions.

The unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2023 were approved and authorized for issue by the Corporation’s Board of Directors on November 28, 2023.

b) Going Concern

The basis of presentation below notes the Corporation’s interim condensed consolidated financial statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future. The Corporation’s ability to continue as a going concern is dependent upon, but not limited to, its ability to raise the financing necessary to discharge its liabilities as they become due and generate positive cash flows from operations. During the nine months ended September 30, 2023, the Corporation had a net loss of \$5,134,379 (year ended December 31, 2022 – net income of \$11,889,261 including a \$24,057,043 gain on the Hixton acquisition) and negative cash flow from operations of \$3,375,616 (year ended December 31, 2022-negative cash flow from operations of \$2,209,817). These aforementioned conditions have resulted in material uncertainties that may cast significant doubt about the Corporation’s ability to continue as a going concern. The ability of the Corporation to continue as a going concern and to meet its obligations will be dependent upon generating positive cash flows from operations as well as obtaining debt or equity financing. However, there can be no assurance that the steps management is taking will be successful. The accompanying interim condensed consolidated financial statements do not reflect any adjustments in the carrying values of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used, that would be necessary if the Corporation were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. These adjustments could have a material impact on the condensed consolidated financial statements.

c) Notice of Intention

On March 28, 2023, the Corporation announced that its Board of Directors (the “Board”), together with the support of management, initiated a process to evaluate potential strategic alternatives to maximize shareholder value. As part of the process, the Board considered a full range of strategic alternatives, which included financing alternatives, merger, amalgamation, plan of arrangement, reorganization, other business combinations, sale of assets, or other transactions. Accordingly, the Board established a special committee of independent members of the Board (the “Special Committee”) to explore opportunities to enhance shareholder value (the “Process”).

Note 1 - Nature of Business and Going Concern and Notice of Intention and Restatement of Financial Results - continued

On September 21, 2023, the Corporation announced that it had entered into a definitive arrangement agreement (the “Arrangement Agreement”) with JMAC Energy Services LLC (the “Purchaser” or “JMAC”) pursuant to which the Purchaser had agreed to acquire all of the issued and outstanding common shares of Athabasca (“Athabasca Shares”), other than Athabasca Shares already owned or controlled by the Purchaser, or persons or entities related to the Purchaser for cash consideration of \$0.145 per Athabasca Share (the “Purchase Price”). The proposed transaction (the “Transaction”) was to be completed by way of a plan of arrangement under the *Business Corporations Act* (Alberta) (the “Plan of Arrangement”). Based on the closing price of the Athabasca Shares on the TSX Venture Exchange (“TSXV”) on September 20, 2023, the last trading day prior to the announcement of the Transaction, the Purchase Price represented a 45% premium to the closing price of Athabasca Shares and a 45% premium over the volume-weighted average trading price of the Athabasca Shares on the TSXV for the last 20 trading days. Under the Transaction, the Purchaser would have acquired all of the issued and outstanding Athabasca Shares, other than Athabasca Shares already owned or controlled by the Purchaser, or persons or entities related to the Purchaser, in exchange for the payment to Athabasca shareholders of the Purchase Price for each Athabasca Share held. Athabasca was seeking approval of the Transaction by its shareholders and holders of options (together, the “Securityholders”) at a special meeting expected to be held on November 3, 2023.

On October 30, 2023 the Corporation announced that, based on discussions with its auditors, the Corporation was required to amend and restate its audited consolidated financial statements for the years ended December 31, 2021 and December 31, 2022 (“Annual Financial Statements”) and the associated Management’s Discussion & Analysis, as well as the interim condensed consolidated financial statements and the associated Management’s Discussion & Analysis for the three and six month periods ended June 30, 2023 (together with the Annual Financial Statements, collectively, the “Consolidated Financial Statements”) See also Note 1 (c). As a result of Athabasca restating its Consolidated Financial Statements, and to ensure that all shareholders and optionholders of Athabasca (collectively, “Athabasca Securityholders”) have an opportunity to review the Consolidated Financial Statements, the Corporation postponed (the “Postponement”) the special meeting of Athabasca Securityholders originally scheduled to be held on November 3, 2023 (the “Meeting”).

On November 10, 2023, the sole manager of JMAC provided the Corporation with a notice terminating the Arrangement Agreement (the “NoT”), as a result of the conditions set out in Section 6.2(b) and Section 6.2(c) of the Arrangement Agreement being incapable of being satisfied by the Outside Date (as defined in the Arrangement Agreement) in connection with, and as evidenced by, the Amendment and Restatement of the Financial Statements as set out above. Concurrently with the NoT, Jon McCreary submitted his resignation as director to the Corporation, and the Board of Directors of the Corporation, being Don Paulencu and Dale Nolan, accepted his resignation. Accordingly, the Corporation would no longer proceed with the special meeting of the securityholders and its application for a final order of the Court of King’s Bench of Alberta. The Corporation would continue to explore and evaluate a full range of potential strategic alternatives in order for the Corporation to continue as a going concern which includes the repayment of the Corporation’s C\$2.0 million Non-Revolver Term Loan Agreement between JMAC and Athabasca which matures on November 30, 2023 and other debt obligations.

On November 14, 2023 the Corporation filed a Notice of Intention to its creditors under the Bankruptcy and Insolvency Act (Canada) (the “BIA”). Pursuant to the Notice of Intention, KSV Restructuring Inc. was appointed by the Corporation as the trustee in the Corporation’s proposal proceedings and will assist the Corporation in its restructuring efforts. The decision to file the Notice of Intention was made by the Board after extensive discussions following receipt of the NoT in order to ensure that Athabasca can continue as a going concern. While under BIA protection, the Corporation will continue with its efforts to pursue strategic alternatives, including restructuring its existing debt obligations.

A Notice of Intention is the first stage of a restructuring process under the BIA, which permits the Corporation to pursue a restructuring of its financial affairs, through a formal proposal process. The filing of the Notice of Intention has the effect of imposing an automatic stay of proceedings (“Stay”) that will protect the Corporation and its assets from the claims of creditors while the Corporation pursues this objective. The initial Stay period of 30 days can be extended by court order, during which time the Corporation will assess its ability to present a viable proposal to its creditors. There can be no assurance that the current process will result in a transaction or, if a transaction is undertaken, that it will be successfully concluded in a timely manner or at all.

Due to the above-mentioned filing, the Corporation was informed by the TSX Venture Exchange (the “TSX-V”) that trading of Athabasca common shares (the “Athabasca Shares”) would be suspended until such a time as the Corporation is in compliance with the TSX-V continued listing requirements (the “Continued Listing Requirements”). There is no certainty as to timing or likelihood that the Athabasca Shares will recommence trading on the TSX-V, and the Athabasca Shares could be transferred to the NEX Board, a subsidiary board of the TSX-V, if the Continued Listing Requirements are not met.

Note 1 - Nature of Business and Going Concern and Notice of Intention and Restatement of Financial Results - continued

The accompanying interim condensed consolidated financial statements do not reflect any adjustments in the carrying values of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used, that would be necessary if the Corporation were unable to realize its assets and settle its liabilities as a result of the outcome of the Stay process. These adjustments could have a material impact on the interim condensed consolidated financial statements.

d) Restatement of Financial Results

The Corporation has determined that the investment in the AMI Silica LLC joint arrangement, entered into in 2021, was incorrectly accounted for as a joint operation rather than a joint venture in the 2021 and 2022 audited consolidated financial statements. A joint operator shall account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses whereas a joint venturer shall recognise its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. The associated audited consolidated financial statements as at and for the years ended December 31, 2022 and 2021 originally filed on SEDAR+ on May 19, 2023, have been amended and restated as further discussed in Note 1 of the amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021. The restatement is not a result of any change to the Corporation's operations or the Corporation's business.

As a result of the amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021, the following unaudited interim condensed consolidated financial statement line items for the three and nine months ended September 30, 2022 have been adjusted as follows:

	Original		Adjustment		Three months ended			Nine months ended		
					2022	Original	Adjustment	2022	Original	Adjustment
Product sales revenue	\$	7,224,168	(6,862,268)		\$ 361,900	\$	19,097,437	(15,435,485)	\$	3,661,952
Services revenue		4,297,412	-		4,297,412		6,925,448	-		6,925,448
Gross revenue, including royalties		11,521,580	(6,862,268)		4,659,312		26,022,885	(15,435,485)		10,587,400
Less: provincial royalties		(33,600)	-		(33,600)		(215,990)	-		(215,990)
Revenue, net of royalties		11,487,980	(6,862,269)		4,625,711		25,806,895	(15,435,486)		10,371,409
Operating costs		(11,185,742)	6,817,133		(4,368,609)		(23,655,949)	14,677,442		(8,978,507)
Depreciation, depletion, and amortization expense		(1,102,377)	1,044,832		(57,545)		(2,169,558)	2,013,361		(156,197)
Cost of sales		(12,288,119)	7,861,964		(4,426,155)		(25,825,507)	16,690,802		(9,134,705)
Gross profit (loss)		(800,139)	999,696		199,557		(18,612)	1,255,317		1,236,705
General and administrative expenses		(1,183,230)	-		(1,183,230)		(3,157,589)	-		(3,157,589)
Severance expense		(34,361)	-		(34,361)		(673,346)	-		(673,346)
Share-based compensation		(84,438)	-		(84,438)		(155,882)	-		(155,882)
Write-down of contract costs and resource properties		-	-		-		(3,322,735)	-		(3,322,735)
Other operating expenses		(3,819)	-		(3,819)		(38,640)	-		(38,640)
Operating loss		(2,105,987)	999,695		(1,106,292)		(7,366,804)	1,255,316		(6,111,488)
Finance costs		(64,176)	0		(64,176)		(129,201)	-		(129,201)
Share of profit (loss from joint venture)		-	496,923		496,923		22,644,232	360,952		23,005,184
Other non-operating income		14,922	(0)		14,922		90,748	-		90,748
Interest income		1,327	0		1,327		2,849	-		2,849
Income (loss) before income taxes		(2,153,914)	1,496,619		(657,295)		15,241,824	1,616,269		16,858,093
Deferred tax expense		-	-		-		-	-		-
Net income (loss)		(2,153,914)	1,496,619		(657,295)		15,241,824	1,616,271		16,858,093
Other comprehensive income		1,496,619	(1,496,619)		-		1,616,271	(1,616,271)		-
Total comprehensive income (loss)		(657,295)	(0)		(657,295)		16,858,093	-		16,858,093

Note 1 - Nature of Business and Going Concern and Notice of Intention and Restatement of Financial Results - continued

Interim Consolidated Statements of Cash Flows (Unaudited)						
	Original	Adjustment	Three months 2022	Original	Adjustment	Nine months ended 2022
OPERATING ACTIVITIES						
Net income (loss)	\$ (2,153,915)	1,496,620	\$ (657,295)	\$ 15,241,823	\$ 1,616,270	\$ 16,858,093
Adjustments for non-cash items						
Depreciation, depletion, and amortization expense	1,102,377	(1,044,832)	57,545	2,169,558	(2,013,361)	156,197
Amortization of resource property lease costs	778	-	778	4,988	-	4,988
Amortization of environmental rehabilitation obligations asset	2,318	-	2,318	14,377	-	14,377
Amortization of contract costs	18,120	-	18,120	18,120	-	18,120
Change in estimate for environmental rehabilitation obligations	-	-	-	-	-	-
Change in discount rate for environmental rehabilitation obligations	(22,358)	-	(22,358)	(58,051)	-	(58,051)
Accretion of environmental rehabilitation obligations	42,074	-	42,074	59,206	-	59,206
Writedown of contract and resource properties	-	-	-	3,322,735	-	3,322,735
Share of profit on Joint venture	-	(496,923)	(496,923)	(22,644,232)	-	(22,644,232)
Share-based compensation	84,438	-	84,438	155,882	-	155,882
Shares issued in payment of royalties	-	-	-	-	-	-
Share of loss from associates	-	-	-	-	-	-
Changes in non-cash working capital balances						
Trade and other receivables	(2,873,046)	1,708,429	(1,164,617)	(5,221,725)	1,504,082	(3,717,643)
Amounts due from related entities	-	-	-	-	-	-
Prepaid expenses and deposits	51,925	110,531	162,456	(170,860)	261,325	90,465
Inventory	(80,610)	1,080,610	1,000,000	(2,580,133)	5,150,210	2,570,077
Accounts payable and accrued liabilities	3,372,100	(4,253,743)	(881,643)	6,893,630	(7,926,962)	(1,033,332)
Income taxes payable (recoverable)	43,742	-	43,742	61,206	-	61,206
Net cash used in operating activities	(412,057)	(1,399,308)	(1,811,365)	(2,733,476)	(1,408,436)	(4,141,911)
INVESTING ACTIVITIES						
Restricted cash	(148)	-	(148)	(148)	-	(148)
Purchase of property and equipment	(348,394)	348,394	-	(1,033,744)	1,033,744	-
Spending on resource properties	(58,366)	-	(58,366)	(58,366)	-	(58,366)
Cash acquired in acquisition of associates	-	-	-	-	-	-
Cash consideration paid for interest in associates	-	-	-	-	-	-
Net cash used in investing activities	(406,908)	348,394	(58,514)	(1,092,258)	1,033,744	(58,514)
FINANCING ACTIVITIES						
Proceeds from issuance of common share units	-	-	-	32,990	-	32,990
Common share issuance costs	-	-	-	-	-	-
Increase in bank loans	1,811,810	-	1,811,810	1,811,810	-	1,811,810
Increase in shareholders' loans	-	-	-	1,900,000	-	1,900,000
Repayment of bank loans	(141,190)	141,190	-	(418,188)	(1,071,652)	(1,489,840)
Interest payment on Shareholders Loan	-	-	-	-	(276,998)	(276,998)
Acquisition of new lease obligations	-	-	-	-	-	-
Repayment of lease obligations	(23,900)	-	(23,900)	(50,853)	-	(50,853)
Net proceeds from exercise of stock options	141,765	-	141,765	344,202	-	344,202
Net cash from (used in) financing activities	1,788,485	141,190	1,929,675	3,619,961	(1,348,650)	2,271,311
Impact of foreign currency translation	558,566	(558,566)	-	(255,053)	255,053	-
Net change in cash	969,520	(1,468,290)	59,797	(205,773)	(1,723,342)	(1,929,114)
Cash, beginning of period	528,522	-	528,522	2,517,433	-	2,517,433
Cash, end of period	2,056,608	-	\$ 588,319	\$ 2,056,607	-	\$ 588,319

Amended and Restated Consolidated Statements of Changes in Shareholders' Equity

	As at September 30, 2022		
	As Restated	As previously reported	Adjustment
Shareholders Equity			
Share capital	23,395,908	23,395,908	\$ -
Contributed Surplus	5,467,418	5,467,418	-
Retained Earnings (Deficit)	3,729,966	3,713,408	16,558
Accumulated Other Comprehensive Income	2,484	-	2,484
Total Shareholders Equity	32,595,776	32,576,734	19,042

Note 2 - Basis of Presentation

a) Statement of Compliance

The unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2023, including the amended and restated comparatives, were prepared in accordance with IAS 34 International Accounting Standard – “Interim Financial Reporting” (IAS 34) as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in the annual audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) have been condensed or omitted.

The significant judgments made by management in applying the Corporation’s accounting policies and the key sources of estimation uncertainty were consistent with those applied to the Corporation’s amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021 and should be read in conjunction with those amended and restated audited consolidated financial statements. Actual results may differ from estimated results due to differences between estimated or anticipated events and actual events and results.

b) Basis of Presentation

These unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except as detailed in the Corporation’s accounting policy set out in Note 3 in the Corporation’s amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021.

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. They do not contain all the necessary annual disclosures and as a result, they should be read in conjunction with the Corporation’s amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021.

These unaudited interim condensed consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiaries, AMI Aggregates Inc., AMI RockChain Inc. (“AMI RockChain”), which was incorporated on March 19, 2018 and AMI Silica Inc. (“AMI Silica”), which was incorporated on May 30, 2018 (collectively the “subsidiaries”). Additionally, on June 30, 2020, AMI RockChain acquired 100% of the shares in TerraShift Engineering Ltd (“TerraShift”). On February 5, 2021, the Corporation acquired control of the numbered Alberta corporations that respectively own the Montney In-Basin Project and the Duvernay Project by securing 100% ownership of each company.

The condensed consolidated financial statements also include its joint venture investment in its 50/50 joint arrangement AMI Silica LLC (“Silica LLC”). The Corporation, together with JMAC Energy Services LLC jointly control Silica LLC on a 50/50 basis. AMI Silica LLC was formed under the laws of North Dakota effective June 2, 2021.

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

c) Functional and Presentation Currency

These unaudited interim condensed consolidated financial statements are presented in Canadian dollars which is the functional currency of the Canadian parent and its subsidiaries. The functional currency of AMI Silica LLC is the US dollar which then is translated to the presentation currency.

The investment in the joint venture is translated into the presentation currency at the closing rate. The investment income has been translated into the presentation currency at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognized in the currency translation reserve in equity.

Note 3 - Significant Accounting Policies

The accounting policies applied in these unaudited interim condensed consolidated financial statements as at September 30, 2023 and for the three and nine months ended September 30, 2023 and 2022 are the same as those applied in the Corporation’s amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021.

Note 4 – Investment in Joint Venture

The Corporation and JMAC Energy Services LLC jointly control AMI Silica LLC on a 50/50 basis. AMI Silica LLC was formed under the laws of North Dakota effective June 2, 2021. The investment in AMI Silica LLC is accounted for using the equity method in accordance with IAS 28.

Summarized financial information for AMI Silica LLC is set out below:

100% share of AMI Silica LLC (CAD)			
	September 30, 2023	December 31, 2022, Restated (Note 1)	
Current assets (a)	\$ 15,015,542	\$ 16,621,022	
Non-current assets	95,697,331	95,314,190	
Total assets	110,712,873	111,935,212	
Current liabilities (b)	27,107,897	19,422,808	
Non-current liabilities (c)	44,023,354	45,588,106	
Total liabilities	71,131,251	65,010,914	
Net assets	39,581,622	46,924,298	
(a) Includes cash and cash equivalents	226,058	377,742	
(b) Includes financial liabilities (excluding trade and other payables and provisions)	5,757,668	3,037,666	
(c) Includes financial liabilities (excluding trade and other payables and provisions)	19,308,979	23,020,883	
Revenue	75,086,852	\$ 43,566,914	
Gain on Wisconsin Assets	-	48,114,806	
Total Net (loss) income and Other Comprehensive income for the year	(5,909,020)	44,717,934	
Depreciation and Amortization	9,196,822	6,435,390	
Tax Recovery	(774,077)	2,009,130	
A reconciliation of the above summarized financial information to the carrying amount of investment in Silica LLC is set out below:			
Total net assets	39,581,622	46,924,298	
Proportion of ownership interests held by group	50.00%	50.00%	
Ending balance, Investment in Joint Venture	19,790,811	23,462,149	
Investment in Joint Venture			
Opening balance, December 31, 2022	23,462,139	255,472	
Equity pick up	(2,954,510)	22,358,967	
Foreign exchange impact	-	847,700	
Ending balance, investment in Joint Venture	20,507,629	23,462,139	

Additional information about the joint venture receivable is included:

AMI Silica LLC Receivable 100% CAD

Original amounts invested in 2022	\$ 1,498,004
Repayments in 2022	(820,804)
Ending amount of Joint Venture Receivable, December 31, 2022	677,200
Ending amount of Joint Venture Receivable, September 30, 2023	677,200

The amounts invested and repayable from the joint venture is determined by the Management Committee of AMI Silica LLC. The joint venture receivable amount is unsecured non-interest bearing.

Note 4 – Investment in Joint Venture - continued

Bonding Facility for Wisconsin Sand

As part of the acquisition of the operational U.S. sand mine and facilities in Hixton, Wisconsin (Note 5), AMI Silica LLC arranged a bonding facility through Trisura Guarantee Insurance Company (“Trisura”) for various bonds required to close the transaction. The bonds are subject to an annual rate of 2.5% and are secured by a first security charge over all of the land, plant and equipment of the sand mine and facilities (with the exception of the secured assets under the US \$2.7 million loan in AMI Silica LLC). Bonds issued and outstanding under the facility total US\$13,742,579 and are for reclamation, road use, railcar subleases and general performance.

Equipment Financing

In April 2022, AMI Silica LLC purchased a piece of heavy equipment and entered into an equipment financing agreement for US\$508,343 with a US equipment company. Under the terms of this financing, the facility is secured by the purchased equipment owned by AMI Silica LLC and is not subject to any covenants. The implicit interest rate is 8.25% and the term of agreement is 48 months with monthly payments of principal and interest in the amount of US\$12,470 with the final payment on May 7, 2026 (“maturity date”). All amounts outstanding, including all accrued and unpaid interest and other amounts payable, shall be due and payable on the maturity date.

AMI Silica LLC Financing

On September 15, 2022, AMI Silica LLC entered into a debt financing facility for US\$2,700,000 with a US lender. Under the terms of this financing, the facility is secured by eligible equipment owned by AMI Silica LLC and is not subject to any covenants. A payment of principal amount in the amount of US\$56,373 was paid at closing and thereafter 35 equal consecutive monthly installments, beginning on the 1st of October and continuing on the same day of each month with the final payment on August 1, 2025 (“maturity date”). All amounts outstanding, including all accrued and unpaid interest and other amounts payable, shall be due and payable on the maturity date. The loan interest rate is based on US prime rate as reported in the Wall Street Journal plus a Margin of 4.25%.

Note 5 – Business Combination

Effective February 1, 2022, the Corporation, through its 50/50 joint venture AMI Silica LLC acquired an operational U.S. sand mine and facilities in Hixton, Wisconsin, the results of which are included in the Corporation's investment in joint venture accounted for using the equity method. The Corporation closed the Definitive Agreement on March 3, 2022, in an arms-length transaction for a total price of \$1,000,000 USD. The Corporation was able to acquire these assets at a bargain purchase, as the seller had made a strategic decision to exit the industry. As the fair value of the assets acquired was significantly higher than the purchase price, a large gain was recognized on the acquisition.

In accordance with IFRS 3 Business Combinations (“IFRS 3”), this transaction meets the definition of a business combination and, accordingly, the assets acquired, and the liabilities assumed have been recorded at their respective estimated fair values as of the acquisition date, being February 1, 2022. The purchase price was allocated based on the Corporation's fair value estimates. The fair value of the railcar sublease asset and railcar sublease obligation was estimated using the Corporation's lease accounting policies including assumptions around applicable discount rates. The fair value of the land was determined using tax assessed values. The fair value of the remaining property, plant, and equipment was estimated with the assistance of external valuation specialists and is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, as required by IFRS 13 Fair Value Measurement. This was determined to be the stand-alone/in exchange value based on market and orderly liquidation gathered for comparable assets, rather than the value imputed by other valuation methods due to the imprecision of expected cashflows in the absence of a National Instrument 43-101 reserve report. The range for stand-alone value ranged from \$52,011,000 to \$60,582,000 for all plant and equipment acquired and was estimated using a cost approach in relation to buildings whereas a sales comparison approach was utilized to value the transportation equipment, machinery and equipment. Management considered the upper limit of the range to be acceptable for measurement as it was consistent with other valuation methods. The fair value of the reclamation and other liabilities was calculated consistently with the Corporation's other asset retirement obligations and includes assumptions about inflation and discount rates over time to represent the estimated future cost of dismantling, restoring, and reclaiming the plant and mines. Deferred income taxes represent the temporary differences between future expenses for accounting purposes and income tax purposes at the Corporation's effective tax rate.

Note 5 – Business Combination - continued

The purchase price allocation was as follows:

	USD 100% Joint Venture	CAD (100%)	CAD 50% AMI ownership
Purchase price	\$ 2,200,563	\$ 2,793,395	\$ 1,396,698
Railcar sublease Asset	5,131,507	6,513,935	3,256,968
	5,131,507	-	-
Land - Plant site	3,701,250	4,698,367	2,349,184
Land - Transload	345,600	438,705	219,353
Plant Phase 2	24,108,790	30,603,697	15,301,849
Plant Phase 1	20,598,152	26,147,293	13,073,646
Transload	5,513,208	6,998,466	3,499,233
Mobile assets	5,165,000	6,556,451	3,278,226
Property, plant and equipment	59,432,000	75,442,979	37,721,491
Reclamation and other liabilities	(6,630,405)	(8,416,636)	(4,208,318)
Railcar sublease obligation	(5,131,507)	(6,513,935)	(3,256,968)
Deferred taxes liability	(13,763,481)	(17,471,363)	(8,735,682)
Gain on acquisition of Wisconsin Assets	(36,837,551)	(46,761,587)	(23,380,794)
	\$ 2,200,563	\$ 2,793,393	\$ 1,396,697

The gain on acquisition of Wisconsin assets is included in investment in joint venture on the consolidated statement of income (loss) and comprehensive income (loss). The transaction costs of \$225,000 were expensed to general and administrative expenses within the joint venture.

Note 6 – Disposition of Non-Core Assets

On June 30, 2023, the Corporation closed a definitive sale agreement (the "Sale Agreement") with an independent, arm's length purchaser, to divest of certain non-core assets within the aggregates division (the "Disposition" and "Disposed Assets") for total cash consideration of C\$3.2 million, before normal closing adjustments. The Sale Agreement had an effective date of June 27, 2023 and there are no finder's fee associated with the transaction

The Disposition includes the sale of five (5) surface mineral leases, including Coffey Lake, the Warrensville South and North properties, two inventory stockpiles, one metallic and industrial minerals lease, and equipment associated with select aggregate pits. The Disposed Assets represent less than 5% of the Corporation's total asset holdings and would require ongoing capital expenditures to support their current growth profiles.

The total cash consideration of \$3.2 million includes an initial payment of \$2.8 million upon closing with \$400,000 in holdbacks. Cash consideration of \$300,000 will be held and then released upon the full assignment and transfer of the surface mineral leases and an additional \$100,000 will be held pending the completion of outstanding regulatory obligations on one of the leases. In November 2023, \$300,000 of the holdback was released to the Corporation.

Note 7 – Trade and Other Receivables

Trade and other receivables are non-interest bearing and are carried at amortized cost, and impaired using the simplified approach which provides for potential losses using a matrix based on historical observed default rates. These provisions are known as lifetime expected credit losses.

During the three and nine months ended September 30, 2023, the estimated credit loss amounted to \$nil (three and nine months ended September 30, 2022: \$nil).

Note 8 – Inventory

Aggregate Inventory with a production cost of \$126,140 and of \$339,846 was sold and is included in operating costs for the three and nine months ended September 30, 2023 respectively (three and nine months ended September 30, 2022: \$3,483,698 and \$6,173,183).

The inventory balance of \$nil (December 31, 2022: \$174,703) consists of \$nil of unprocessed gravel, \$nil of crushed gravel (December 31, 2022: \$120,292 of unprocessed gravel and \$54,411 of crushed gravel).

Note 9 – Long-term Deposits

	As at	
	September 30, 2023	December 31, 2022 Restated (Note 1)
Security deposits on gravel leases	\$ 629,188	\$ 629,188
Security deposits on miscellaneous leases	126,318	126,318
Security deposits on exploration leases	33,370	33,370
	\$ 788,876	\$ 788,876

As part of the disposition of non-core assets (note 6), security deposits totaling \$513,000 will be released as part of the normal closing process and as the surface mineral leases with the Government of Alberta are transferred to the purchaser.

Note 10 – Restricted Cash

	As at	
	September 30, 2023	December 31, 2022 Restated (Note 1)
Coffey Lake performance bond - right of way	100,000	100,000
Credit card facility	20,148	20,148
	\$ 120,148	\$ 120,148

The Corporation has secured a letter of credit to the benefit of Trisura Guarantee Insurance Company for a Coffey Lake right of way performance bond with the Government of Alberta (note 15) with a \$100,000 (December 31, 2022-\$100,000) guaranteed investment certificate. The Corporation has secured a corporate credit card facility (note 15) with a \$20,000 (December 31, 2022-\$20,000) guaranteed investment certificate.

As part of the disposition of non-core assets (note 6), the Coffey Lake performance bond will be released and the \$100,000 restricted deposit will be unrestricted cash.

Note 11 – Contract Costs

	Note	Duvernay Sand	
		Coffey Lake Public Pit	Project Off-take Agreement
Contract Assets at December 31, 2021, Restated (Note 1)		\$ 1,419,735	\$ 1,000,735
Amortization		(17,605)	-
Write-down		-	(1,000,735)
Contract Assets at December 31, 2022, Restated (Note 1)		\$ 1,402,130	\$ -
Disposition of non-core contract asset	6	(1,402,130)	
Contract Assets at September 30, 2023		\$ -	\$ -

Note 11 – Contract Costs - continued

The Coffey Lake contract was awarded to the Corporation on February 21, 2019 and the site began operations on March 21, 2020. It is a 15-year contract with the Government of Alberta to construct, operate and manage the Coffey Lake public pit north of Fort McMurray, Alberta. The Coffey Lake contract costs were spent to enable the Corporation to prepare the site for operations. These costs are expected to be recovered through the receipt of fixed volume-based pit management fees from customers, net of Government of Alberta royalties.

The Coffey Lake contract costs are amortized based on actual volume sales as a proportion of the estimated economically recoverable resource (units of production method). For the three and nine months ended September 30, 2023, the Corporation recorded amortization of \$nil on the Coffey Lake contract costs (three and nine months ended September 30, 2022: \$2,780 and \$8,339 respectively).

On June 30, 2023, the Corporation sold the Coffey Lake contract (note 6).

Prosvita Sand Project Off-take Agreement

The Corporation signed an off-take agreement with Shell Canada Energy for silica sand from the Prosvita Sand Project in the first quarter of 2020. This off-take agreement, which include certain take-or-pay provisions, carries a five-year term with two mutually acceptable and separate one-year extensions beginning on the later of mid-2021 or 30 days after the Duvernay facility has been commissioned. Due to lengthy regulatory approvals and increasing cost estimates for Prosvita 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 as at June 30, 2022.

Note 12 – Property, Plant and Equipment

	Notes	Equipment - Cdn Operations	Total
Cost:			
December 31, 2022, Restated (Note 1)		\$ 5,501,882	\$ 5,501,882
Additions		-	-
Disposition of non-core assets	6	(5,501,882)	(5,501,882)
September 30, 2023		\$ -	\$ -
Accumulated Depreciation:			
December 31, 2022, Restated (Note 1)		\$ 5,041,749	\$ 5,041,749
Additions		22,098	22,098
Disposition of non-core assets	6	(5,063,847)	(5,063,847)
September 30, 2023		\$ -	\$ -
Net book value:			
December 31, 2022, Restated (Note 1)		\$ 460,134	\$ 460,134
September 30, 2023		\$ -	\$ -

	Total
Year ended December 31, 2022 depreciation to statement of income and comprehensive income	\$ 13,777
Year ended December 31, 2022 depreciation to repayment of ERO	\$ -
Year ended September 30, 2023 depreciation to statement of loss and comprehensive loss	\$ 22,098
Year ended December 31, 2022 depreciation to repayment of ERO	\$ -

Note 13 – Resource Properties

	As at	
	September 30, 2023	December 31, 2022 Restated (Note 1)
Exploration costs	\$ 6,232,137	\$ 6,232,137
Pit development costs	120,321	120,321
Disposition of pit development costs related to disposition of non-core assets	(120,321)	-
Environmental rehabilitation obligation assets	1,040,110	1,040,110
Disposition of ERO related to disposition of non-core assets	(1,040,110)	-
Other costs (Note 6)	-	157,100
	\$ 6,232,137	\$ 7,549,667

Exploration and Pit Development Costs

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

The following table summarizes the Exploration costs:

	Richardson	Hargwen	Montney in-basin	Prosvita	All Other Projects	Total
Cumulative Exploration Costs at December 31, 2022	\$ -	\$ -	\$ 1,248,538	\$ 4,946,324	\$ 37,275	\$ 6,232,137
Cumulative Exploration Costs at September 30, 2023	\$ -	\$ -	\$ 1,248,538	\$ 4,946,324	\$ 34,788	\$ 6,232,137

The following table summarizes the Pit Development costs:

	Firebag	Kearl	Logan	House River	Pelican Hill	Emerson	Lynton	Total
Cumulative Pit Development Costs at December 31, 2022	\$ -	\$ -	\$ 120,321	\$ -	\$ -	\$ -	\$ -	\$ 120,321
Disposal of pit development costs related to disposal of non-core assets	-	-	(120,321)	-	-	-	-	(120,321)
Cumulative Pit Development Costs at September 30, 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Environmental Rehabilitation Obligations (ERO) Asset

The following summarizes the ERO Asset:

	Notes	As at	
		September 30, 2023	December 31, 2022 Restated (Note 1)
Opening Balance, ERO asset		\$ 1,040,110	\$ 1,500,372
Impairment of ERO asset		\$ -	\$ (384,855)
Disposal of ERO asset through disposition of non-core assets	6	(1,040,110)	-
Change in estimate recognized in ERO asset		-	263,336
Amortization of ERO asset		-	(39,478)
Change in discount rate affecting ERO asset		-	(299,264)
Closing Balance, ERO Asset		\$ -	\$ 1,040,110

The ERO asset pertains to resource properties where the Corporation has the legal and constructive obligation to complete decommissioning, reclamation, and restoration costs on the property as discussed in Note 19.

Note 13 – Resource Properties - continued

Other Costs

On June 30, 2023, the Corporation sold the \$157,100 of miscellaneous lease costs and deposits on land (note 6).

Amortization of the lease costs in the three and nine months ended September 30, 2023 was \$nil and \$nil respectively (three and nine months ended September 30, 2022: \$2,780 and \$8,339 respectively). During the nine months ended September 30, 2022, lease costs of \$96,526 were written-off as management determined further development was unlikely.

Note 14 – Intangible Assets

	Customer Relationships	Software	Total
Cost:			
December 31, 2022, Restated (Note 1)	\$ 83,635	\$ 59,812	\$ 143,447
Additions	-	965	965
September 30, 2023	\$ 83,635	\$ 60,777	\$ 144,412
Accumulated Depreciation:			
December 31, 2022, Restated (Note 1)	\$ 83,635	\$ 36,344	\$ 119,979
September 30, 2023	\$ 83,635	\$ 36,344	\$ 119,979
Net book value:			
December 31, 2022, Restated (Note 1)	\$ -	\$ 23,468	\$ 23,468
September 30, 2023	\$ -	\$ 24,433	\$ 24,433

Note 15 – Right-of-use Assets

	Calgary office lease asset	Xerox Photocopier lease asset	Total
Cost:			
December 31, 2022, Restated (Note 1)	\$ 320,492	\$ 15,116	\$ 335,608
September 30, 2023	\$ 320,492	\$ 15,116	\$ 335,608
Accumulated Depreciation:			
December 31, 2022, Restated (Note 1)	\$ 4,265	\$ 10,217	\$ 14,482
Additions	66,842		66,842
September 30, 2023	\$ 71,107	\$ 10,217	\$ 81,324
Net book value:			
December 31, 2022, Restated (Note 1)	\$ 316,227	\$ 4,899	\$ 321,126
September 30, 2023	\$ 249,385	\$ 4,899	\$ 254,284

These right-of-use assets are being depreciated over the expected life of each asset in accordance with the Corporation's accounting policies under the accounting standard, IFRS 16, which was adopted on January 1, 2019.

Note 16 – JMAC Loan, Bank and Other Loans

JMAC Loan

On February 28, 2023, the Corporation obtained a secured bridge loan of \$2,000,000 (the “Loan”) from JMAC Energy Services LLC (“JMAC”). The Corporation used the proceeds of the Loan to repay its existing term loan with Canadian Western Bank (“CWB Loan”) and for general working capital purposes.

The Loan was secured at an interest rate of 12% per annum, provided that the interest rate will increase to 18% per annum if there was an event of default. The Loan was structured to mature on June 30, 2023, but could be prepaid in full at any time following April 30, 2023. Additionally, the Loan was secured by a first priority security interest over all of the assets of Athabasca and its Canadian subsidiaries following the discharge of the CWB Loan. JMAC is a related party to Athabasca, as JMAC is controlled by Jon McCreary who was a director of Athabasca, and, as such, the Loan is a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”).

The Loan was obtained on reasonable commercial terms that are not less advantageous to Athabasca than if the Loan was obtained from a person dealing at arm’s length with Athabasca and Athabasca’s Board of Directors (other than Mr. McCreary) approved the Loan. The Loan and interest are not convertible, or repayable, directly or indirectly, in equity or voting securities of Athabasca or any of its subsidiaries or otherwise participating in nature.

On June 30, 2023, the Corporation entered into an amended credit agreement (“First Amending Agreement”) for the amendment of the Loan. The First Amending Agreement amends the Loan to bear interest at a rate of 14% per annum, provided that the interest rate increases to 20% per annum if there is an event of default. The Loan would mature on October 31, 2023, but may be prepaid in whole or in part at any time with not less than five (5) days prior notice. No bonus securities will be issued in connection with the First Amending Agreement.

On September 21, 2023, the Corporation entered into an amended credit agreement (“Second Amending Agreement”) for the amendment of the Loan. The Second Amending Agreement amends the Loan to mature on November 30, 2023 but may be prepaid in whole or in part at any time with not less than five days prior notice. No bonus securities will be issued in connection with the Second Amending Agreement.

CWB Bank Loan (CWB)

As at December 31, 2022 the Corporation has an outstanding balance owing of \$193,735 and was not subject to any covenants as part of the credit facility. The loan was secured by a general security agreement on all Canadian assets and full liability guarantees from AMI RockChain Inc. and AMI Silica Inc.

Interest paid has been expensed as finance costs (See Note 25).

On February 28, 2023, the Corporation repaid the outstanding balance owing at that time of \$146,849 using proceeds from the JMAC loan the Corporation obtained.

Canada Emergency Business Account (“CEBA”) Loans

The CEBA loans are interest free and are to be repaid before January 18, 2024 and the Government of Canada will forgive 33% of the initial loan amount if requested by January 18, 2024.

Note 16 – JMAC Loan, Bank and Other Loans - continued

The following table summarizes bank and other loans:

	Interest Rate	Monthly Payments	As at	
			September 30, 2023	December 31, 2022 Restated (Note 1)
JMAC Energy Services	12.00%	\$ -	\$ 2,000,000	\$ -
Canada Emergency Business Account (AMI RockChain)	0.00%	\$ -	60,000	60,000
Canada Emergency Business Account (AMI Silica)	0.00%	\$ -	60,000	60,000
Canada Emergency Business Account (TerraShift)	0.00%	\$ -	60,000	60,000
Canada Emergency Business Account (2132561)	0.00%	\$ -	60,000	60,000
Canada Emergency Business Account (2140534)	0.00%	\$ -	60,000	60,000
CWB Bank Loan Facility, due April 30, 2023	5.40%	\$ 49,022	-	193,736
Total Bank and other loans			\$ 2,300,000	\$ 493,736
Current portion - principal due within one year			(2,300,000)	(493,736)
			\$ -	\$ -

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

October 1, 2023-September 30, 2024	\$ 2,300,000
October 1, 2024-September 30, 2025	
October 1, 2025-September 30, 2026	-
October 1, 2026-September 30, 2027	-
October 1, 2027-September 30, 2028	-
Beyond	-
	<u>2,300,000</u>
Less: interest included in payments above	
Bank loan principal outstanding, September 30, 2023	<u>\$ 2,300,000</u>

Account Performance Service Guarantee

In July 2021 the Corporation entered into an Account Performance Service Guarantee (APSG) arrangement with Export Development Canada for a maximum aggregate liability of \$1,000,000. The fee rate under the APSG is 0.2225% for financial types of obligations and 0.1692% for non-financial types of obligations.

Letters of Credit

As at September 30, 2023, the Corporation has outstanding letters of credit in the amounts of \$854,430 (December 31, 2022: \$854,430) in favour of the Government of Alberta. These letters of credit are issued by CWB and secured guaranteed investment certificates (note 9) and by Account Performance Service Guarantees.

The issued and outstanding letters of credit are as follows:

	As at	
	September 30, 2023	December 31, 2022 Restated (Note 1)
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
	<u>\$ 954,430</u>	<u>\$ 954,430</u>

As part of the disposition of non-core assets (note 6), the letters of credit for Coffey Lake will be released as the terms of the sale agreement are completed. In October 2023, the letter of credit for the Susan Lake pit was returned to CWB and cancelled.

Note 16 – JMAC Loan, Bank and Other Loans - continued

Coffey Lake Performance Bond

The Corporation has a \$500,000 bonding facility through Trisura Guarantee Insurance Company (“Trisura”) for a \$500,000 bond with the Government of Alberta for the Coffey Lake performance bond. The \$500,000 performance bond with Trisura carries a 2% annual interest rate. Security for the performance 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 by Trisura. This \$100,000 letter of credit is secured with a \$100,000 guaranteed investment certificate (note 10).

As part of the disposition of non-core assets (note 6), the Coffey Lake performance bond will be released and the \$100,000 restricted deposit will be returned and the \$100,000 letter of credit will be cancelled.

Credit Card Facility

The Corporation has access to a corporate credit card facility, up to a maximum of \$20,000 (December 31, 2022: \$20,000). The Corporation has secured its corporate credit card facility with a guaranteed investment certificate of \$20,000 (See Note 10).

Note 17 – Shareholders’ Loans

On April 29, 2022, the Corporation borrowed \$1,985,000 through shareholders’ loans from a director, officers, senior management, and two existing shareholders. The loans were for a period of twelve months, were unsecured, with interest of 12% per annum, payable monthly. In June 2022, \$85,000 in loans were repaid. On December 31, 2022 the shareholders’ loan agreements were amended with annual interest now 14%, payable monthly and the principal repayment terms extended until May 1, 2024. The loans are still unsecured and the principal balance is due on May 1, 2024. In January 2023, an existing shareholder loaned the Corporation an additional \$500,000 under the amended terms.

	As at	
	September 30, 2023	December 31, 2022 Restated (Note 1)
Shareholders' Loan	2,400,000	1,900,000
Total Loans	2,400,000	1,900,000
Current portion - principal due within one year	(2,400,000)	(1,900,000)
	\$ -	\$ -

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

October 1, 2023-September 30, 2024	\$ 2,400,000
October 1, 2024-September 30, 2025	-
October 1, 2025-September 30, 2026	-
October 1, 2026-September 30, 2027	-
October 1, 2027-September 30, 2028	-
Future Period	-
	2,400,000
Less: interest included in payments above	-
Total principal outstanding, September 30, 2023	\$ 2,400,000

Note 18 – Lease Obligations

			As at	
			September 30, 2023	December 31, 2022 Restated (Note 1)
	Interest Rate	Monthly/Quarterly* Instalments		
Finance Leases				
VETS Group Ltd. Calgary Lease	14.00%	Variable	332,442	298,555
Xerox Photocopier Lease	3.68%	816 *	3,127	4,898
			<u>335,569</u>	<u>303,453</u>
Current portion - principal due within one year			<u>(32,077)</u>	<u>(8,328)</u>
			<u>\$ 303,492</u>	<u>\$ 295,125</u>

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

October 1, 2023-September 30, 2024	\$ 71,919
October 1, 2024-September 30, 2025	\$ 80,070
October 1, 2025-September 30, 2026	\$ 79,427
October 1, 2026-September 30, 2027	\$ 97,265
October 1, 2027-September 30, 2028	\$ 146,391
Beyond	\$ -
	<u>475,072</u>
Less: interest included in payments above	<u>(139,504)</u>
Lease obligations principal outstanding, September 30, 2023	<u>\$ 335,569</u>

Note 19 – Environmental Rehabilitation Obligations (“ERO”)

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

		As at	
		September 30, 2023	December 31, 2022 Restated (Note 1)
	Note		
Opening balance, ERO		2,501,114	\$ 2,795,712
Change in estimate recognized in ERO asset		-	263,336
Change in discount rate recognized in ERO asset		-	(299,264)
Change in discount rate recognized in other operating expenses			(338,919)
Accretion expense		11,334	80,249
Disposition of ERO related to disposition of non-core assets	6	(1,815,098)	
Closing Balance, ERO		<u>697,350</u>	<u>2,501,114</u>
Less: Current portion, EROs to be funded within one year		-	
Closing Balance, ERO		<u>\$ 697,350</u>	<u>\$ 2,501,114</u>

Provisions for EROs are recognized for mining activities at the Corporate owned pits and managed public pits. The Corporation assesses its provision for EROs on an annual basis or when new material information becomes available. The estimated undiscounted ERO Corporate owned pits and managed public pits as at September 30, 2023 is \$945,893 (December 31, 2022: \$2,609,760). Total reclamation funded during the three and nine months ended September 30, 2023 was \$nil (three and nine months ended September 30, 2022: \$nil).

The discount rates used by the Corporation for its owned and managed pits are based on the Government of Canada bond yields for periods comparable to the expected timing of reclamation activities at each site. These rates ranged from 3.58% to 3.29% as at September 30, 2023 (December 31, 2022: 3.58% to 3.29%) depending on the expected timing of reclamation activities. It is expected that reclamation activities for the owned and managed pits and stockpile sites, as well as Susan Lake, will occur between 2023 and 2037 considering the projected production schedules, the timing of reclamation activities included in the respective Conservation and Reclamation Business Plans, as well as the timing of expiration of the related surface materials lease for each property.

Note 19 – Environmental Rehabilitation Obligations (“ERO”) - continued

Accretion expense is the expense calculated when updating the present value of the ERO provision. This expense increases the liability based on estimated timing of reclamation activities and the discount rate used in the ERO calculations. The accretion expense amounts are included in other operating expenses on the statement of loss and comprehensive loss and are summarized in the respective table in Note 25.

Note 20 – Share Capital

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

	Nine months ended September 30, 2023		Year ended December 31, 2022 (Note 1)		
	Notes	Number of Shares	Amount	Number of Shares	Amount
Authorized:					
An unlimited number of:					
Common voting shares with no par value					
Preferred shares, issuable in series					
Issued and outstanding, beginning of period		78,582,686	\$ 23,509,890	76,964,088	\$ 22,971,793
Issuance of common share units in private placement		-	-	100,000	32,990
Shares issued to contractors/consultants/employees		-	-	158,898	75,000
Stock options exercised		-	-	1,359,700	430,107
Issued and outstanding, end of period		78,582,686	\$ 23,509,890	78,582,686	\$ 23,509,890

Stock options

The Corporation has issued options to Directors, Officers, employees, and consultants of the Corporation as incentives.

The fair value of the options granted was estimated on the dates of the grant using the Black-Scholes Option Pricing Model.

The fair values of the options granted in the last two years were estimated using the following assumptions:

Grant Date	# of Options	Exercise Price	Dividend Yield	Expected Volatility	Risk Free Rate of Return	Expected Life	Weighted Average Fair Value on Grant Date	Forfeiture Rate
September 26, 2022	75,000	\$ 0.19	Nil	87.9%	3.47%	5 years	\$ 0.13	20.7%
September 26, 2022	25,000	\$ 0.24	Nil	87.9%	3.47%	5 years	\$ 0.12	20.7%
June 21, 2022	225,000	\$ 0.39	Nil	95.9%	3.37%	5 years	\$ 0.29	17.5%
May 25, 2022	474,000	\$ 0.32	Nil	82.5%	2.58%	5 years	\$ 0.21	16.9%
April 26, 2022	725,300	\$ 0.35	Nil	93.2%	2.58%	5 years	\$ 0.25	17.1%
December 14, 2021	300,000	\$ 0.28	Nil	92.9%	1.29%	5 years	\$ 0.20	17.9%
November 23, 2021	1,506,000	\$ 0.21	Nil	92.7%	1.57%	5 years	\$ 0.15	18.1%

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

The continuity of the Corporation's outstanding stock options is as follows:

	Nine months ended September 30, 2023		Year ended December 31, 2022 Restated (Note 1)	
	Number of Options	Average Exercise Price	Number of Options	Exercise Price
Options outstanding, beginning of period:	3,721,600	\$ 0.28	5,822,200	\$ 0.24
Issued	-	-	1,524,300	0.34
Exercised	-	-	(1,359,700)	0.19
Expired or cancelled	(866,200)	0.30	(2,265,200)	0.28
Options outstanding, end of period:	2,855,400	\$ 0.27	3,721,600	\$ 0.28

Note 20 – Share Capital - continued

Of the 2,855,400 (December 31, 2022: 3,721,600) outstanding stock options, 2,608,634 (December 31, 2022: 2,705,400) options have vested and therefore, were exercisable as at September 30, 2023 at a weighted average exercise price of \$0.27 per share (December 31, 2022: \$0.28 per share).

During the three month and nine months ended September 30, 2023, no options were exercised. During the three months ended September 30, 2022, 1,359,700 options were exercised at an average exercise price of \$0.19 per share for total proceeds of \$258,343. The average share price on the days they were exercised was \$0.39 per share

The Corporation's stock option plan provides that the Board of Directors may from time to time, in its discretion, grant to Directors, Officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase common shares.

The stock option plan provides for a floating maximum limit of 10% of the outstanding common shares, as permitted by the policies of the TSX Venture Exchange. Options may be exercisable for up to ten years from the date of grant, but the Board of Directors has the discretion to grant options that are exercisable for a shorter period. The outstanding stock option grants were issued with an exercisable period of five years from the date of grant. Options under the stock option plan are not transferable or assignable.

Pursuant to the stock option plan, options must be exercised within thirty days following termination of employment or cessation of the optionee's position with the Corporation, or such other period established by the Board of Directors, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death or disability, the option may be exercised within one year, subject to the expiry date.

The Corporation's outstanding stock options are as follows:

Expiry Date	Exercise Price	As at	
		September 30, 2023	December 31, 2022 Restated (Note 1)
June 4, 2023	0.17	-	150,000
November 23, 2023	0.26	100,000	100,000
May 22, 2024	0.57	135,000	135,000
June 24, 2024	0.65	-	120,000
August 20, 2024	0.64	30,000	30,000
December 6, 2024	0.33	272,000	317,000
November 25, 2025	0.14	220,800	254,400
April 21, 2026	0.24	214,800	314,400
November 23, 2026	0.21	645,000	900,000
December 14, 2026	0.28	300,000	300,000
April 26, 2027	0.35	271,300	400,300
May 25, 2027	0.32	369,000	369,000
September 26, 2027	0.24	25,000	25,000
September 26, 2027	0.19	75,000	75,000

The weighted average remaining contractual life of the options outstanding is 2.58 years (December 31, 2022: 3.19 years).

Restricted Share Unit ("RSUs") and Deferred Share Units ("DSUs")

On April 4, 2019, the Corporation adopted Restricted Share Unit ("RSU") and Deferred Share Unit ("DSU") plans. No RSUs have been granted yet.

	Nine months ended September 30, 2023				Year ended December 31, 2022 Restated (Note 1)			
	Number of DSUs	Weighted Average Fair Value	Number of RSUs	Weighted Average Fair Value	Number of DSUs	Weighted Average Fair Value	Number of RSUs	Weighted Average Fair Value
Outstanding, beginning of period:	685,000	\$ 0.26	-	\$ -	1,227,000	\$ 0.22	-	\$ -
Issued	-	-	-	-	100,000	0.32	-	-
Expired or cancelled	(165,000)	0.55	-	-	(642,000)	0.43	-	-
Outstanding, end of period:	520,000	\$ 0.23	-	\$ -	685,000	\$ 0.26	-	\$ -

Note 20 – Share Capital - continued

During the three and nine months ended September 30, 2023 no DSUs were granted to Directors, Officers, and employees of the Corporation (three and nine months ended September 30, 2022: 100,000 DSUs). DSUs vest one-third on the first, second, and third (annual) anniversary of the date of grant based on continued tenure of the participant.

Of the 520,00 (December 31, 2022: 685,000) outstanding DSUs, 441,333 (December 31, 2022: 547,000) DSUs have vested.

The fair value of the DSU liability of \$120,364 (December 31, 2022: \$151,183), which is based on the closing price of the Corporation's shares on the TSX Venture Exchange as of September 30, 2023 and an expected forfeiture rate of 19.04%, is included in accounts payable and accrued liabilities in the consolidated statements of financial position. Any change to the fair value of the liability is included in share-based compensation expense in the consolidated statements of loss and comprehensive loss.

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

The stock option plan provides for a floating maximum limit of 10% of the outstanding common shares, as permitted by the policies of the TSX Venture Exchange. The ESP, RSU and DSU plans provides for a defined maximum limit each of 2% of the outstanding common shares, as permitted by the policies of the TSX Venture Exchange.

Share-based compensation expense is comprised of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Stock options	\$ 10,472	\$ 81,658	\$ 68,272	\$ 271,829
Deferred share units	\$ 2,447	\$ 2,780	\$ (30,819)	\$ (115,947)
Share-based compensation expense	\$ 12,919	\$ 84,438	\$ 37,453	\$ 155,882

Share-based compensation expense in the consolidated statements of income (loss) and comprehensive income (loss) for the three and nine months ended September 30, 2023 includes \$1,381 and (\$2,298) respectively for Directors, (three and nine months ended September 30, 2022: \$14,242 and \$68,240 respectively) \$7,937 and \$40,693 respectively to Officers (three and nine months ended September 30, 2022: \$33,014 and \$32,541 respectively), and \$3,601 and \$1,212 to Employees or Contractors, (three and nine months ended September 30, 2022: \$37,182 and \$55,191 respectively).

Net Income (Loss) and Diluted Income (Loss) Per Common Share

The treasury stock method is used to calculate diluted income (loss) per share, and under this method options that are anti-dilutive are excluded from the calculation of diluted income (loss) per share. The following tables shows the total income (loss) per common share, diluted for the three and nine months ended September 30, 2023 and 2022:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Basic income (loss) per share				
Total net income (loss)	\$ (2,650,098)	\$ (657,296)	\$ (5,134,379)	\$ 16,858,094
Weighted average number of common shares outstanding	78,582,686	78,399,492	78,582,686	77,743,781
Total net income (loss) per common share, basic	\$ (0.034)	\$ (0.008)	\$ (0.065)	\$ 0.217
Diluted income (loss) per share				
Total net income (loss)	\$ (2,650,098)	\$ (657,296)	\$ (5,134,379)	\$ 16,858,094
Weighted average number of common shares outstanding	78,582,686	78,399,492	78,582,686	77,743,781
Effect of dilutive stock options	-	-	-	1,213,688
Weighted average number of common shares outstanding after dilution	78,582,686	78,399,492	78,582,686	78,957,469
Total net income (loss) per common share, diluted	\$ (0.034)	\$ (0.008)	\$ (0.065)	\$ 0.214

Note 21 – Related Party Transactions

The Corporation's related parties include three independent Directors, the Chief Executive Officer, the Chief Financial Officer, AMI RockChain Inc., AMI Aggregates Inc., AMI Silica Inc., TerraShift Engineering Ltd., AMI Silica LLC, the numbered Alberta corporation that owns the Montney In-Basin Project, and the numbered Alberta corporation that owns the Prosvita Sand Project.

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

The remuneration earned by the Directors was as follows:

	Three months ended September 30,		Nine Months ended September 30,	
	2023	2022	2023	2022
Directors:				
Directors fees	\$ 82,000	\$ 35,000	\$ 82,000	\$ 118,000
Share-based compensation	2,546	14,242	6,721	68,240
	\$ 84,546	\$ 49,242	\$ 88,721	\$ 186,240

The Directors fees are paid on a quarterly basis.

On April 29, 2022, the Corporation entered into shareholder loan agreements for funds totaling \$1,985,000 and an additional \$500,000 in January 2023. (Note 17)

During the three and nine months ended September 30, 2023, AMI provided management services to AMI Silica LLC for \$57,705 and \$201,222 respectively (three and nine months ended September 30, 2022-\$nil). During the three and nine months ended September 30, 2023, JMAC provided accounting services to AMI Silica LLC for \$57,705 and \$201,222 respectively (three and nine months ended September 30, 2022-\$nil).

During the three and nine months ended September 30, 2023, JMAC provided factoring services to AMI Silica LLC for working capital purposes. Interest and fees totaling USD \$481,909 and USD \$1,150,748 respectively were paid for these services (three and nine months ended September 30, 2022-\$nil).

Note 22 – Compensation of Key Management

The remuneration paid to named Officers were as follows:

	Three months ended September 30,		Nine Months ended September 30,	
	2023	2022	2023	2022
Salaries and other benefits	\$ 124,996	\$ 133,133	\$ 426,693	\$ 617,134
Severance	-	-	-	638,985
Share-based compensation	7,937	33,014	40,693	32,451
	\$ 132,933	\$ 166,147	\$ 467,386	\$ 1,288,570

Note 23 – 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
Shareholders' loans	Amortized cost
Bank and other loans	Amortized cost
Deferred share unit liability (included in Accounts payable and accrued liabilities)	Fair value through profit and loss

Note 23 – Financial Instruments - continued

Fair Value

Due to the short-term nature of cash, trade and other receivables, as well as accounts payable and accrued liabilities, and the carrying value of these financial instruments approximate their fair value.

The fair value of restricted cash approximates the carrying values as they are at the market rate of interest. Long-term deposits are refundable. The fair values of the long-term deposits are not materially different from their carrying value.

The fair value of bank loans approximates their carrying value as they are at market rates of interest.

The deferred share unit liability is the only financial instrument measured at fair value on a recurring basis. The deferred share unit liability is a Level 2 fair value hierarchy measurement. There were no transfers between Level 1, 2, or 3 of the fair value hierarchy for the three and nine months ended September 30, 2023 (December 31, 2022: none).

Credit Risk

Financial instruments that potentially subject the Corporation to credit risk consist primarily of cash, restricted cash, trade and other receivables, and long-term deposits. The Corporation's maximum credit risk at September 30, 2023 is the carrying value of these financial assets.

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

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

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

	Current	30-60 days	60-90 days	> 90 days	Total
As at September 30, 2023	\$ 138,937	\$ 32,550	\$ 6,272	\$ 2,804	\$ 180,562
As at December 31, 2022, Restated (Note 1)	\$ 1,160,942	\$ 46,373	\$ 150,364	\$ 32,059	\$ 1,389,738

Three customers owing greater than 10% of the accounts receivable total balance accounted for 96% of the Corporation's accounts receivable as at September 30, 2023 (December 31, 2022: five customers accounted for 74%).

Note 23 – Financial Instruments - continued

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through budgeting and forecasting cash flows to ensure it has enough cash to meet its short-term requirements for operations, business development and other contractual obligations.

As at September 30, 2023, the Corporation has insufficient working capital to fund ongoing operations and meet its liabilities when they come due. Accordingly, the Corporation is exposed to significant liquidity risk (see note 1). The Corporation's financial liabilities include accounts payable and accrued liabilities, income taxes payable, the shareholders' loans, the JAMC loan and the bank and other loans and lease obligations, including interest.

The expected remaining contractual maturities of the Corporation's financial liabilities, including interest where applicable, are shown in the following tables:

	As at September 30, 2023			
	0 - 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	\$ 2,071,787	\$ -	\$ -	\$ 2,071,787
Income taxes payable	177,217	-	-	177,217
Bank loans, including interest	2,300,000	-	-	2,300,000
Shareholders' loans	2,400,000	-	-	2,400,000
Lease obligations, including interest	71,919	159,497	243,656	475,072
Total	\$ 7,020,924	\$ 159,497	\$ 243,656	\$ 7,424,077

	As at December 31, 2022, Restated (Note 1)			
	0 - 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	\$ 2,598,359	\$ -	\$ -	\$ 2,598,359
Income taxes payable	590,050	-	-	590,050
Loans, including interest	493,736	-	-	493,736
Shareholders' loans	-	1,900,000	-	1,900,000
Lease obligations, including interest	19,944	161,326	190,020	371,290
Total	\$ 3,702,089	\$ 2,061,326	\$ 190,020	\$ 5,953,435

The AMI Silica LLC general trade receivables have been factored by a related party (note 21). AMI Silica LLC has an obligation to pay the counterparty irrespective of any credit loss. The true contractual rights to the trade receivables have been maintained by AMI Silica LLC, but there is a contractual obligation to pay the obligation. There is also a restriction against any further collateralization of the trade receivables.

Note 24 – Capital Disclosures

The Corporation's objective when managing its capital structure is to maintain a strong financial position and to provide returns with sufficient liquidity to undertake further growth for the benefit of its shareholders. The Corporation's capital is comprised of long-term obligations and equity as outlined below:

Note 25 – Supplemental Statement of Income (Loss) and Comprehensive Income (Loss) Disclosures

A large portion of the Corporation's aggregate sales and aggregate management services revenue typically come from a small group of major customers. Any customer who represents more than 10% of the Corporation's revenue for the respective period is considered a major customer. During the three months ended September 30, 2023, 88% of sales were made to two major customers (three months ended September 30, 2022: 81% to one major customer).

Note 25 – Supplemental Statement of Income (Loss) and Comprehensive Income (Loss) Disclosures - continued

Finance costs are comprised of the following:

	Notes	As at	
		September 30, 2023	December 31, 2022 Restated (Note 1)
Total equity attributable to shareholders		\$ 23,548,453	\$ 28,614,560
Total borrowings			
Shareholder loans	17	2,400,000	1,900,000
Bank and other loans	16	2,300,000	493,736
Lease obligations	18	335,569	303,453
Cash		(2,066,271)	(587,623)
Total managed capital		\$ 26,517,750	\$ 30,724,126

	Notes	Three months ended September 30,		Nine months ended September 30	
		2023	2022	2023	2022
Interest on bank loans and shareholders' loans	16	(169,632)	(5,876)	(440,551)	(23,009)
Interest on lease obligations	18	-	(58,300)	-	(106,192)
		\$ (169,632)	\$ (64,176)	\$ (440,551)	\$ (129,201)

Total lease payments, including principal and interest, for the three and nine months ended September 30, 2023 was \$nil and \$1,771 respectively (three and nine months ended September 30, 2022-\$18,429 and \$27,429 respectively). See Note 18 for additional information.

Total payments on the CWB loan, including interest, for the three and nine months ended September 30, 2023 was \$nil and \$193,736 respectively (three and nine months ended September 30, 2022-\$147,066 and \$441,197 respectively). See Note 16 for additional information.

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

	Notes	Three months ended September 30,		Nine months ended September 30	
		2023	2022	2023	2022
Amortization of contract costs	11	-	(3,282)	-	(18,120)
Amortization of ERO assets	13	-	(2,318)	-	-
Amortization of resource property lease costs	13	-	(777)	-	(14,377)
Change in estimate for ERO recognized in other operating expenses	19	-	-	-	(4,987)
Change in discount rate recognized in other operating expenses	19	-	22,358	-	58,051
Accretion of ERO liability	19	(5,667)	(19,799)	(35,468)	(59,206)
		\$ (5,667)	\$ (3,819)	\$ (35,468)	\$ (38,640)

Other non-operating income is comprised of the following:

	Three months ended September 30,		Nine months ended September 30	
	2023	2022	2023	2022
Camp rental income		-		
Other				
Share of profit (loss) from joint venture	(1,463,764)	496,921	(2,954,510)	23,005,184
Gain on sale of non-core assets	(26,060)	14,972	1,181,090	90,748
Foreign exchange loss (gain)				
	\$ (1,489,824)	\$ 511,893	\$ (1,773,420)	\$ 23,095,932

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Employee benefit expenses	\$ 333,274	\$ 858,850	\$ 1,604,963	\$ 3,223,903

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

Note 26 – Segmented Reporting

Reportable segments are determined based on the corporate structure and operations in accordance with the Corporation's accounting policies. Specifically, an operating segment should have separate financial information available, with management review of financial information. The operating segment should engage in business activities where it earns revenue and incurs expenses. While a reporting segment should have revenue which is 10% or more of combined revenue; assets which are 10% or more of combined assets; and an absolute amount of reporting profit or loss that is 10% or more or reported profit of all operating segments. Using this guidance, the Corporation has reported the TerraShift operations as a separate segment. As of August 24, 2022 the Corporation began to phase out the operations of TerraShift as part of the Corporation's staged plan to create a sustainable and resilient business model. This reorganization and simplification of operations also contributes to a reduction in personnel and overhead. TerraMaps and other assets will be maintained to continue to be of benefit to other AMI divisions. The US geographic segment is also represented by AMI Silica as all US operations are conducted through this business.

Gross loss includes adjustments for general and administrative expenses, share based compensation, other operating expenses, finance costs, non-operating income, interest income, and income taxes in order to arrive at total loss and comprehensive loss, of which most of these expenses are incurred by the AMI Aggregates or Corporate segments. Gross loss is therefore a better basis for measuring the performance of the Corporation.

The "Corporate & Eliminations" segment represents services provided by RockChain and TerraShift to other segments and is disclosed for reconciliation purposes only. The numbered Alberta corporations that respectively own the Montney In-Basin Project and the Prosvita Sand Project are included in the AMI Silica segment.

The summary of key financial information by reportable segment for the three and nine months ended September 30, 2023 (along with restated comparative information (see Note 1) for the three and nine months ended September 30, 2022 and as at December 31, 2022 is as follows):

	AMI Aggregates		AMI RockChain		AMI Silica		TerraShift		Corporate & Eliminations		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
For the three months ended September 30, 2023												
Revenue:												
Product sales revenue	\$ -	\$ 48,517	\$ -	\$ 2,594	\$ -	\$ -	\$ 17,817	\$ 310,788	\$ -	\$ -	\$ 17,817	\$ 361,899
Services revenue	234,356	251,305	96,593	4,220,637	-	-	-	(99,559)	-	(74,971)	330,949	4,297,412
Gross revenue, including royalties	234,356	299,822	96,593	4,223,231	-	-	17,817	211,229	-	(74,971)	348,766	4,659,311
Revenue, net of royalties	234,356	266,222	96,593	4,223,231	85,000	-	17,817	211,229	-	(74,971)	433,766	4,625,711
Gross profit (loss)	\$ 75,492	(492,954)	\$ 10,459	445,361	\$ (6,948)	-	\$ 16,407	298,091	\$ 203,646	(50,941)	\$ 299,056	199,557
For the nine months ended September 30, 2023												
Revenue:												
Product sales revenue	\$ 11,556	\$ 3,970,939	\$ -	\$ 1,979,528	\$ -	\$ -	\$ 44,917	\$ 310,788	\$ -	\$ (2,599,294)	\$ 56,472	\$ 3,661,952
Services revenue	2,159,345	1,876,372	353,369	5,040,716	-	-	15,651	394,148	(163,646)	(385,288)	2,364,719	6,925,448
Gross revenue, including royalties	2,170,901	5,847,311	353,369	7,020,244	-	-	60,568	704,936	(163,646)	(3,984,980)	2,421,192	10,587,400
Revenue, net of royalties	1,867,414	5,631,210	353,369	7,020,244	-	-	60,568	704,936	(163,646)	(3,984,980)	2,117,705	10,371,409
Gross profit (loss)	\$ 501,721	292,933	\$ 29,613	547,995	\$ (79,146)	(309,678)	\$ 58,051	715,292	\$ -	(9,838)	\$ 510,239	1,236,705
As at												
Segment assets	\$ 69,486,376	\$ 71,366,312	\$ (2,488,474)	\$ (717,354)	\$ (3,415,738)	\$ (2,172,678)	\$ 442,738	\$ 425,440	\$ (31,493,599)	\$ (31,851,072)	\$ 32,531,304	\$ 37,050,648
Segment liabilities	\$ 7,555,376	\$ 5,763,664	\$ 144,138	\$ 1,703,823	\$ 1,694,114	\$ 1,844,906	\$ 66,166	\$ 78,513	\$ (1,477,869)	\$ (954,818)	\$ 7,981,924	\$ 8,436,087

Product sales revenue includes the sale of tangible items such as gravel and sand. Services revenue includes such items as the Coffey Lake pit management contract, transportation services provided in delivering gravel and sand to customers, the confidential pit management contract, fees for engineering services, and subscription revenues.

Note 27 – Subsequent Event

On October 30, 2023, the Corporation executed a settlement agreement and mutual release (the "Agreement") with an independent, arm's length supplier (the "Supplier"). The Agreement, valued at \$375,000, is the result of extensive negotiations between the Corporation and the Supplier and is aimed at resolving outstanding financial obligations. As part of the Agreement, the Corporation will transfer ownership of five non-core and non-cash generating resource properties, namely Cowper, Emerson, Hargwen, Pelican, and Poplar Creek North, to the Supplier. In addition to the asset transfer, the Corporation will make a one-time payment of \$60,000 to the Supplier. The Corporation estimates a gain of about \$175,000 will be recognized on this transaction.