Athabasca MINERALS INC.

THREE AND NINE MONTHS ENDED SEPTEMBER 30 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

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This Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Athabasca Minerals Inc. ("Athabasca" or the "Corporation"). The purpose of this document is also to help the reader understand the anticipated future performance of the Corporation.

This MD&A has been prepared as of November 18, 2016. It provides analysis of the Company's financial results for the three and nine months ended September 30, 2016 and is compared with the results for the three and nine months ended September 30, 2015. This MD&A should be read in conjunction of Corporation's audited annual financial statements for the twelve months ended December 31, 2015 and the thirteen months ended December 31, 2014 and the related notes.

All amounts have been expressed in Canadian dollars (except where noted), and have been prepared in accordance with International Financial Reporting Standards ("IFRS") (except where noted). Additional information about Athabasca may be found at the Corporation's website at www.athabascaminerals.com or within the Corporation's SEDAR profile at www.sedar.com.

Management is responsible for the preparation and integrity of this MD&A, together with the financial statements referred to in this MD&A, and provides officers' disclosure certifications, which are also filed on SEDAR.

Readers are cautioned that this MD&A contains forward looking statements and that actual events may vary from management's expectations. The forward looking information should be read in conjunction with the risk factors described in "Financial Instruments", "Risks and Uncertainties" and "Forward Looking Information" at the end of this MD&A.

FORWARD LOOKING INFORMATION

This document contains "forward looking statements" concerning anticipated developments and events that may occur in the future. Forward looking statements include, but are not limited to, statements with respect to the future price of commodities, the estimation of aggregate and mineral reserves and resources, the realization of aggregate and mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

Specifically, such forward-looking statements are set forth under "Liquidity and Capital Resources", "Financial Instruments", "Risks and Uncertainties" and "Outlook". In certain cases, forward looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

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

OVERVIEW OF THE BUSINESS

Athabasca Minerals Inc. ("the Corporation") is a resource company specializing in exploring, developing, and producing for aggregates and industrial minerals in Alberta. The business strategy of the Corporation includes both the continued management of existing aggregate operations (both public pits and corporate-owned pits) and the exploration and development (or acquisition) of other aggregate resources and industrial minerals.

Since incorporating in 2006, the Corporation has become one of the largest operators of a government public pit in Canada. The Corporation's focus is on opportunities that increase its strategic land holding position to grow the business of corporate owned pits. Management is focused on the diversification of supplying aggregate products to all sectors in the Alberta market. This includes supplying aggregates to new and existing oil sands projects as well as infrastructure projects. Much of the Corporation's aggregate supply and industrial minerals are strategically situated nearby current and future development projects.

The supply of aggregates will lie at the very foundation of Athabasca's future economic growth. With a focus on the strategic supply of aggregates and the goal to provide key industrial minerals in support of Alberta's development and growth, management believes the Corporation is well positioned now and into the future.

Q3 2016 HIGHLIGHTS

- Susan Lake tonnes sold in Q3 was 1,370,804 compared to 2,570,836 sold in Q3 2015
- Corporate Pit tonnes sold in Q3 from the corporate pits was 63,795 compared to 160,067 sold in Q3 2015
- Revenue for Q3 of $3,745,532 versus revenue for Q3 2015 of $7,929,830
- Gross profit in Q3 was $1,072,747 compared to a gross profit of $3,354,752 for the same period in 2015
- Total comprehensive loss for Q3 2016 of $411,859 versus total comprehensive income for Q3 2015 of $1,614,504
- Loss per share for Q3 2016 of $0.012 versus earnings per share in Q3 2015 of $0.048
- Adjusted EBITDA for Q3 2016 of $116,611 versus adjusted EBITDA for Q3 2015 of $2,875,661
- Cash decreased by $966,685 during Q3 2016 versus a cash increase of $882,385 for Q3 2015.
- Reduced the equipment leases as at September 30, 2016 to $1,958,820 from December 31, 2015 of $3,208,579
- The Corporation was in the Court of Queen's Bench on October 13 and 14 to defend against Syncrude's application for a preservation order. The Corporation is waiting for the Court of Queen's Bench decision.

OPERATIONAL RESULTS

	Three months ended September 30, 2016		Three months ended September 30, 2015		Nine months ended September 30, 2016		Nine months ended September 30, 2015
FINANCIAL HIGHLIGHTS:							
Susan Lake management fee revenue	**$**	**2,867,463**	$	4,856,879	**$**	**4,289,646**	$ 8,821,961
Susan Lake royalty expense	**$**	**(1,347,065)**	$	(1,719,768)		**(1,986,437)**	(3,223,677)
Corporate pits sales revenue	**$**	**2,225,134**	$	4,792,719		**3,486,936**	6,942,774
Revenue	**$**	**3,745,532**	$	7,929,830	**$**	**5,790,145**	$ 12,541,058
Gross Profit (Note 2)	**$**	**1,072,747**	$	3,354,752	**$**	**1,007,414**	$ 3,570,435
Operating Income (loss)	**$**	**(983,472)**	$	2,171,977	**$**	**(2,951,559)**	$ (502,674)
Total Comprehensive Income (loss)	**$**	**(411,859)**	$	1,614,504	**$**	**(1,304,782)**	$ (551,660)
Earnings (loss) per share, basic ($ per share)	**$**	**(0.012)**	$	0.048	**$**	**(0.039)**	$ (0.017)
CASH FLOW HIGHLIGHTS:							
Cash from (used in) operating activities	**$**	**(740,288)**	$	1,933,005	**$**	**2,104,837**	$ 3,296,857
Spending on property and equipment	**$**	**-**	$	(49,588)	**$**	**(35,734)**	$ (586,396)
Spending on resource properties	**$**	**(27,208)**	$	(377,123)	**$**	**(253,780)**	$ (728,215)
OPERATIONAL HIGHLIGHTS:							
Corporate Pits							
Tonnes Sold		**63,795**		160,067		**112,212**	223,608
Susan Lake Operations							
Tonnes Sold - Gravel & Sand		**1,370,804**		2,570,836		**2,060,500**	4,636,939

REVIEW OF OPERATIONAL RESULTS:

REVENUE

Athabasca's revenue for the three and nine months ended September 30, 2016 was 53% and 54% lower at $3.75 and $5.79 million, compared with $7.93 and $12.54 million for the three and nine months ended September 30, 2015. The decline in revenue is significantly due to the decline in the Susan Lake sales volume. The Susan Lake operations volumes were down 47% and 56%, respectively, year over year.

COST OF SALES

Cost of sales for the three months ended September 30, 2016 decreased by 42% to $2.67 million from $4.58 million for the three months ended September 30, 2015. Cost of sales for the nine months ended September 30, 2016 decreased by 47% to $4.78 million from $8.97 million for the nine months ended September 30, 2015. This significant decrease was due to a lower demand of product for the year.

GROSS PROFIT

For the three and nine months ended September 30, 2016, the Corporation incurred a gross profit of $1.07 and $1.01 million as compared $3.35 and $3.57 million for the three and nine months ended September 30, 2015. The impact of lower sales had the most significant impact on gross profit both in the quarter and year to date.

OPERATING INCOME (LOSS)

The Corporation incurred an operating loss of $0.98 and $2.95 million in the three and nine months ended September 30, 2016 as compared to an operating income of $2.17 million for the three months ended September 30, 2015 and an operation loss of $0.50 million for the three and nine months ended September 30, 2015.

TOTAL COMPREHENSIVE INCOME (LOSS)

The Corporation incurred a total comprehensive loss of $0.41 million ($0.012 per share) in the three months ended September 30, 2016 as compared to a total comprehensive income of $1.61 million ($0.048 per share) for the three months ended September 30, 2015. The Corporation incurred a total comprehensive loss of $1.3 million ($0.039 per share) in the nine months ended September 30, 2016 as compared to a total comprehensive loss of $0.55 million ($0.017 per share) for the nine months ended September 30, 2015.

OPERATIONAL RESULTS – CORPORATE PITS

Sales at the corporate pits were 63,795 and 112,212 tonnes for the three and nine months ended September 30, 2016 compared to 160,067 and 223,608 tonnes during the three and nine months ended September 30, 2015. No gravel or sand was produced for the three months ended September 30, 2016, but 26,261 was produced during the nine months ended September 30, 2016, The tonnage produced during the three and nine months end September 30, 2015 was 137,863 and 187,173, respectively.

OPERATIONAL RESULTS – SUSAN LAKE PUBLIC PITS

Susan Lake sales for the three and nine months ended September 30, 2016 were 1,370,804 and 2,060,500 tonnes compared to 2,570,836 and 4,636,939 tonnes for the three and nine months ended September 30, 2015. The majority of the aggregate sold was used for general maintenance of existing infrastructure in the Wood Buffalo region and new infrastructure projects and developments at the surrounding oil sands projects. The Susan Lake operation was negatively impacted by the May 2016 Fort McMurray wild fires resulting in lower sales during 2016. Susan Lake operations continue to feel the effects of the lower demand for aggregate as a result of the delay in projects impacted by the lower oil prices.

A conversion ratio of 2.471 acres to 1 hectare has been used throughout.

SUMMARY OF QUARTERLY RESULTS:

The following selected information is derived from unaudited financial statements of the Corporation. The information has been prepared by management in accordance with IFRS. Revenue refers to aggregate management fees and gross aggregate sales from corporate - owned aggregate operations.

	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Susan Lake Management Fee Revenue	$ 2,867,463	$ 724,018	$ 698,165	$ 3,369,986
Susan Lake Royalties	(1,347,065)	(319,409)	(319,963)	(1,536,991)
Corporate Pit Revenue	2,225,134	159,029	1,102,773	5,080,086
Revenue	$ 3,745,532	$ 563,638	$ 1,480,975	$ 6,913,081
Gross Profit	$ 1,072,747	$ (274,513)	$ 209,180	$ 986,317
Total Comprehensive Income (Loss)	$ (411,859)	$ (258,773)	$ (634,150)	$ (6,762,150)
Earnings (Loss) per share, basic	$ (0.012)	$ (0.008)	$ (0.019)	$ (0.203)
Earnings (Loss) per share, diluted	$ (0.012)	$ (0.008)	$ (0.019)	$ (0.203)
Total Assets	$ 25,568,844	$ 25,858,158	$ 27,235,604	$ 29,590,858
Total Resource Properties	$ 5,615,282	$ 6,127,937	$ 5,997,611	$ 5,900,057
Total Debt (current)	$ 1,370,388	$ 1,539,757	$ 1,796,334	$ 2,027,824
Total Debt (non-current)	$ 588,432	$ 910,686	$ 1,283,419	$ 1,676,459

	Three Months Ended			Four Months Ended
	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Susan Lake Management Fee Revenue	$ 4,856,879	$ 2,681,947	$ 1,283,135	$ 4,559,140
Susan Lake Royalties	(1,719,768)	(1,174,500)	(329,409)	(1,275,492)
Corporate Pit Revenue	4,792,719	1,840,978	309,077	6,396,454
Revenue	$ 7,929,830	$ 3,348,425	$ 1,262,803	$ 9,680,102
Gross Profit	$ 3,359,184	$ 559,520	$ (328,377)	$ 3,105,084
Total Comprehensive Income (Loss)	$ 1,614,504	$ (763,146)	$ (1,403,018)	$ 12,174
Earnings (Loss) per share, basic	$ 0.048	$ (0.023)	$ (0.042)	$ -
Earnings (Loss) per share, diluted	$ 0.043	$ (0.023)	$ (0.042)	$ -
Total Assets	$ 40,936,872	$ 37,904,383	$ 35,925,554	$ 39,876,680
Total Resource Properties	$ 7,807,177	$ 7,625,017	$ 7,434,715	$ 7,280,531
Total Debt (current)	$ 2,423,442	$ 2,637,775	$ 2,621,526	$ 2,854,350
Lease Obligations (non-current)	$ 2,178,610	$ 2,620,645	$ 2,143,037	$ 2,494,449

The Corporation derives revenues from managing the supply of, and from the production of, various types of aggregates in Northern Alberta. Aggregate sales and the associated delivery can often be hampered by the weather conditions and the timing of spring break-up. Most construction, infrastructure and oil sands projects, to which the Corporation supplies aggregate, typically ramp up later in the summer and fall when ground conditions improve. As a result, there is a seasonal nature to operations, with winter and spring traditionally being the slowest time for the Corporation. This can be seen in fluctuations in revenue and net income (loss) in the table above.

OUTLOOK:

The Corporation is well situated with its pits along the Highway 881 and Highway 63 corridor to supply its client base for construction, infrastructure, development projects and steam assisted gravity drainage (SAGD) operations. Inventory located at multiple pits enables the Corporation to bid both major orders as well as spot orders requiring immediate deliveries. With the uncertainties surrounding oil recovery, and the development of new projects, the Corporation continues to bid upcoming infrastructure work and is actively looking at additional diversification opportunities outside the Wood Buffalo Region.

The Corporation continued to successfully draw down existing aggregate inventory at the KM 208 and KM 248 for aggregate orders. The Corporation successfully obtained a dewatering permit to dewater the Kearl pit directly into the Muskeg River. The Corporations is currently in discussion with its customers to develop a timely plan to mine the remainder of the Kearl pit.

Susan Lake gravel pit has experienced lower sales in the first nine months of 2016 due to a delay in construction associated with the depressed oil economy and the impacts of the Fort McMurray wild fires. The Corporation has seen an increase in demand in Q3 over Q2 and management expects demand to remain seasonally constant into Q4 2016.

Athabasca continues with its focused exploration program to identify additional resources both on public, private and First Nation lands to align with its diversification efforts into additional areas outside of the Wood Buffalo Region.

OPERATIONS:

SUSAN LAKE

"Public Pit" - Management of aggregate operations on behalf of the Government of Alberta.

The Corporation currently manages the Susan Lake Gravel Pit on behalf of the Government of Alberta. The Corporation's services include exploration, identification of sand and gravel, clearing, topsoil stripping, site preparation, dewatering, road maintenance, allocation of pit areas to specific users, scaling of material and general administration of the pit. For these services, the Corporation receives a management fee for each tonne of aggregate material removed from the pit for the duration of the contract. The contract currently expires November 30, 2017.

The Susan Lake aggregate operation is located approximately 85 km north of Fort McMurray and is 5,880 acres (2,379.5 ha) in size. Approximately 100 million tonnes of sand and gravel have been removed from this pit since 1998. The majority of its sales were to neighboring oil sands companies and supplying infrastructure aggregate to the Wood Buffalo Region. Between 2009 and 2015, aggregate sales from Susan Lake averaged 8.29 million tonnes per annum.

Although new oil and gas activities in the general Wood Buffalo area have declined, the Corporation continues to experience product demand, however in lower quantities than prior years. Management continues to work with the Alberta Environmental and Parks, Alberta Energy Regulator and Syncrude regarding the counter claim surrounding the Susan Lake gravel pit.

CORPORATE OWNED PITS

The Corporation holds the Surface Material Lease ("SML") for several aggregate pits in Northern Alberta for the purpose of extracting sand and gravel from these properties for a variety of purposes and customers. These aggregate operations are fully controlled by the Corporation, enabling the Corporation to benefit from the full market value on all sales of aggregates, including when applicable, the processing and delivery.

A SML grants the lease holder the right to extract sand and gravel from Crown land. The Corporation holds several SML's for gravel extraction in Northern Alberta and operates additional gravel SMLs held by other companies under Joint Venture or Partnership agreements. The Corporation continues to manage and process aggregate from its joint ventures with a First Nations company in the Wood Buffalo region.

KEARL PIT

The Kearl pit is located approximately 60 km east of the Susan Lake gravel pit. During March 2011 Athabasca received SML approval from the Government of Alberta to develop an open pit aggregate operation for a term of ten years. The Corporation completed construction of an all-weather road linking the Kearl aggregate operation to a number of major oil sands operations so the Corporation can sell product year-round.

The quality of the aggregate is suitable for road and infrastructure construction and ongoing maintenance. This pit is situated in close proximity to existing oil sands development and continues to be a major source of aggregate supply in the region.

KM248 PIT

During July 2014, Athabasca initiated production under an agreement with DeneCo for Km248 pit, located 85 km southwest of Fort McMurray. Athabasca serves as the developer and operator of this location. This agreement encourages and promotes the participation of First Nations in employment and business opportunities.

The pit is located adjacent to Hwy 881 which provides year round access and has produced high quality aggregate product since inception. This pit currently holds crushed inventory of 44,710 metric tonnes as of September 30, 2016. The pit has supplied a significant amount of gravel to SAGD operators and infrastructure upgrades in the Highway 881 corridor.

LOGAN PIT

The Logan pit is located approximately 160 km south of Fort McMurray. The Logan pit is primarily a winter access only pit due to access limitations with a seasonal winter road.

The Corporation received SML approval from the Government of Alberta to develop an open pit aggregate operation for a term of ten years in 2010. In February 2012, the Corporation announced the receipt of a NI 43-101 F1 technical report for the Logan aggregate deposit. The initial indicated mineral resource aggregate included 1,357,000 tonnes of gravel and an initial inferred mineral resource quantity of 662,600 tonnes of gravel. The quality of the aggregate materials is suitable for road construction and maintenance. The Corporation will continue to market product from this pit which currently holds inventory of 118,605 tonnes as of September 30, 2016.

HOUSE RIVER PIT

The House River pit is located approximately 11 km east of Highway 63 on the House River. During August, 2011 the Corporation received SML approval from the Alberta Government, to develop an open pit aggregate operation on the leased land for a term of ten years. The House River pit is currently accessible only through a winter season road. The Corporation is evaluating road improvements to allow for year round delivery.

PELICAN HILL PIT

The Pelican Hill pit is located approximately 70 km southeast of the Hamlet of Wabasca, where heavy petroleum is produced. The Corporation received SML approval (10 year term) in June, 2011 on this 79.7 acre (32 ha) mixed sand and gravel pit. The Corporation expects to supply aggregate from this property primarily to the oil and gas industry, as well as to the government or its partners for use in infrastructure projects in the area. Current indications for aggregate demand from this location appear to be encouraging and management is reviewing market potential at this time. The Corporation has cleared trees and topsoil at this site in anticipation of potential demand with the recovery in the oil economy

EMERSON PIT

The Emerson pit is located approximately 27 km southeast of the community of Hinton. The Corporation has the right to produce the aggregate from the 75 acre (30 ha) mixed sand and gravel pit. The Corporation expects to supply aggregate from this property primarily to the oil and gas industry and its partners for use in infrastructure projects in the area. Current indications for aggregate demand from this location appear to be encouraging and management is reviewing market potential at this time.

EXPLORATION AND DEVELOPMENT PROJECTS

RICHARDSON MEGA QUARRY (CRUSHED STONE) PROJECT

This potential mega quarry is located approximately 70 km north of the Susan Lake Gravel pit and 130 km north of Fort McMurray. It contains high quality dolomite and granite. During fiscal 2012, the Corporation identified a granite outcrop at the Richardson Project that is accessible by winter road. During Q1 2013, initial drilling in this area was performed and in-house testing of samples was conducted. The drilling program encountered granite and dolomite, confirming that granite extends beyond the granite outcrop.

In March 2014, the Corporation announced the completion of a winter drilling program at the Richardson Project. All holes successfully cored the dolomite and all but one intersected the granite basement rocks. Detailed core logging and sampling has been completed at Athabasca's Edmonton facility. Samples were then tested at a major independent testing lab in Calgary and were found suitable as aggregate for use in concrete, asphalt and road base.

The Richardson project consists of 8 Mineral permits totaling 150,650 acres (60,966 ha). Apex Geoscience of Edmonton, Alberta has completed the National Instrument 43-101 F1 technical resource report on the project. On June 9, 2015, management released the results announcing an initial inferred crushed rock aggregate resource estimate of 683,000,000 tonnes with thickness ranging from 8.3m to 47.9m averaging 39.5m.

The granite is estimated at 165 million tonnes. The material meets requirements for most aggregate designations as per the Alberta Transportation and Construction Builders Association guidelines.

Management will continue to minimize capital expenditure on this project and will focus on additional geophysical surveys to identify drilling targets.

FIREBAG SILICA SAND PROJECT:

The Corporation’s silica sand deposit, “Firebag Project” is located 95 km north of Fort McMurray and, is accessible via Highway 63. The planned operation is for the production of industrial proppants for use in the hydraulic fracturing of oil and gas wells. Independent testing by both Stim Lab and Proptester confirm a high quality product with crush strength meeting or exceeding American Petroleum Institute and International Standards Organization standards for frac sand. A Preliminary Economic Assessment (“PEA”) confirmed that the Corporation’s Firebag Project has considerable potential for development as a frac sand resource, which includes the potential for a large, highly economical deposit with high margin, rapid payback and 25 years of open pit mining. The PEA was prepared by Norwest Corporation ("Norwest"), headquartered in Calgary, Alberta.

With the uncertainty in oil prices, the Corporation will be limiting any capital spending on this project until greater certainty surrounding pricing and domestic frac sand demand is established. The Corporation will focus efforts on completing additional permitting.

SAND, GRAVEL AND CRUSHED STONE EXPLORATION PROJECT SUMMARY

Table 1

Athabasca Minerals Inc. Sand, Gravel and Crushed Stone Exploration Projects					
	Acres			Acres	Acres
Surface Material Exploration Permits	**September 30 2016**	**June 30, 2016**	**March 31, 2016**	**December 31, 2015**	**December 31, 2014**
In Application	1,759	1,384	1,417	1,510	1,389
Approved for Testing	157	157	-	315	-
Tested	-	-	315	320	320
Surface Material Leases					
In Application	158	158	158	80	80
Approved in Principle	150	150	150	150	-
Approved	395	395	320	320	320
Metallic and Industrial Mineral Exploration Permits					
In Application	-	-	-	-	-
Approved*	150,647	150,647	150,647	172,604	172,604

** Richardson Mega Quarry (Crushed Stone)*

The above table details the exploration projects where the SME is held the Corporation.

Athabasca owns 321 acres (130 ha) of land in the Grimshaw, Alberta area which is known for its high quality pre-glacial gravel. This land was tested in Q2 of 2016 and management is considering permitting the land for gravel extraction.

Management has 1,759 acres (712 ha) of sand and gravel exploration permits (SMEs) in application in the Ft. McMurray and Conklin regions. The Corporation's intent is to test the SMEs, and where an economically recoverable resource is defined, convert the SMEs into surface material leases (SMLs). During the nine months ended September 30, 2016, management tested a 315 acre (127 ha) SME (approved in Q4 2015) in the Conklin geographic region without success. An additional SME totalling 157 acres (63.5 ha) was approved for testing in the Conklin area during Q2, 2016 yet to be tested.

In September 2015, management received approvals in principle for the Steepbank and Hargwen gravel SMLs totalling 150 acres. The Corporation is currently preparing conservation and reclamation business plans for these SMLs. In March 2016, the Corporation applied for new 79 acre (32 ha) sand SML in the Edson area and is waiting on an approval in principle from the provincial government. The Edson sand has potential for use in construction and is being tested for frac sand potential.

Management reported in a press release on June 29, 2016 that it commissioned the Emerson Road pit near Hinton. This SML was acquired from Prairie Mines and Royalty ULC.

During the nine months ended September 30, 2016, the Corporation has continued exploring for gravel in new market areas in Saskatchewan. The Corporation continued discussions to acquire gravel from private land owners and public lease holders in the Cold Lake market area.

The Corporation is exploring opportunities to work with First Nations on developing sand and gravel resources in the North-Okanagan in British Columbia.

SILICA SAND EXPLORATIONS PROJECTS SUMMARY

Table 2

Athabasca Minerals Inc. Silica Sand Exploration Projects					
	Acres			Acres	Acres
Surface Material Leases	**September 30, 2016**	**June 30, 2016**	**March 31, 2016**	**December 31, 2015**	**December 31, 2014**
In Application	1,365	420	420	420	420
Approved in Principle	-	-	-	-	-
Approved	80	80	80	80	80
Metallic and Industrial Mineral Exploration Permits					
In Application	104,610	-	-	-	177,077
Approved	177,077	177,077	177,077	177,077	39,536

There are currently no exploration permits in application or approved for Silica Sand.
The above table details the exploration projects where the SME is held the Corporation.

Table 3

Athabasca Minerals Inc. Has the Right to Operate These Third Party Surface Material Leases					
	Acres			Acres	Acres
Surface Material Leases	**September 30, 2016**	**June 30, 2016**	**March 31, 2016**	**December 31, 2015**	**December 31, 2014**
Approved	243	243	243	243	243

The above table details the exploration projects where the SML is held outside the Corporation, but has been granted sole access to the aggregate.

In Q3 of 2016, management applied to the Alberta Government for the right to explore for silica sand and potentially bid on an area in north central Alberta. Management is waiting on a response from the government.

The Corporation intends to explore for silica sand similar to the sand that the Corporation previously explored for in north central Alberta.

MINERAL LEASES

	September 30 2016 (Acres)	**December 31, 2015 (Acres)**	**December 31, 2014 (Acres)**
Balance at beginning of period:	1,265	53,322	53,322
Mineral leases acquired during the period:	-	-	-
Mineral leases relinquished	(1,265)	(52,057)	
Balance at end of period:	0.0	1,265	53,322

The Corporation has written to the Province to cancel the Hargwen and Dover mineral leases totalling 1,265 acres (512 ha) because the Province has approved in principal the Hargwen surface materials lease and the Dover salt project was written off by the Corporation in a previous financial statement.

Minerals leases are maintained in good standing by incurring land rental and royalties on annual minerals sales production to the Government of Alberta.

MINERAL PERMITS

The Corporation continuously evaluates its mineral permit holdings, relinquishing and/or acquiring permits as dictated by its exploration and strategic priorities, as well as financial considerations.

The following is the land area covered by the Corporation's mineral permits as at September 30, 2016, located largely in the Fort McMurray area:

Table 4

	September 30 2016 (Acres)	December 31, 2015 (Acres)	December 31, 2014 (Acres)
Balance at beginning of period:	436,304	600,112	1,208,200
Mineral permits acquired during the period:	0	177,076	86,623
Mineral permits relinquished during the period:	(108,580)	(340,884)	(694,711)
Balance at end of period:	327,724	436,304	600,112

The Corporation's mineral permits as at September 30, 2016 in acres were as follows:

	Acres	Hectares
Richardson Mega Quarry	150,647	60,966
Birch Mountain Project	177,077	71,662
	327,724	132,628

The above table has been expanded and the information is included in Table 1 and Table 2.

BIRCH MOUTAIN PROJECT (SILCA SAND)

The Corporation previously held two mineral leases covering 6,009 acres (2,432 ha), situated in the Wood Buffalo region in northeast Alberta, which contains silica sand. The mineral permits expire in January 2017. Athabasca holds mineral permits on 177,077 acres (71,662 ha) on land adjacent to the two mineral leases. The Corporation continues to explore for frac sand in the Birch Mountains.

During the three months ended September 30, 2016, the Corporation wrote off the value attached to the two expired mineral leases totaling $470,147.

BOYLE PROJECT (SALT)

During the three months ended September 30, 2015, Athabasca Minerals Inc. determined it would focus its efforts on developing sand and gravel properties ahead of other commodities. As such, Athabasca Minerals has chosen not to renew the three mineral permits (67685 acres/27,392 ha) in the Boyle area.

HARGWEN CONGLOMERATE

During the three months ended December 31, 2015, the Province approved a Surface Material Lease in principle for this gravel deposit. Therefore, the 21,957 acre (8,886 ha) mineral permit was let to lapse in January 2016.

DOVER PROJECT (SALT)

On the Dover project property is a salt formation which the Corporation has identified and evaluated. The Corporation drilled a salt test well that terminated at a depth of 490 meters. Studies have indicated that this salt would provide a suitable feedstock for a Chlor-Alkali chemical plant to supply the oil sands.

During the three months ended December 31, 2015, Athabasca Minerals Inc. determined it would focus its efforts on developing sand and gravel properties. As such, this project totalling $1,021,004 has been fully written off in 2015. The Dover mineral permit 18,938 acres (7664 ha) was allowed to lapse for similar reasons in January 2016.

RISKS AND UNCERTAINTIES

The success of Athabasca is subject to a number of factors, including but not limited to those risks normally encountered by junior resource exploration companies, such as exploration uncertainty, operating hazards, increasing environmental regulation, competition with companies having greater resources, fluctuations in the price and demand for aggregates and minerals.

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

Outlined below are some of the Corporation's significant business risks.

Reliance on oil sands industry
Demand for Athabasca's products can vary significantly depending on the strength of the oil sands industry in Alberta.

Viability of the equity market
The Corporation's on-going ability to finance exploration will depend on, among other things, the viability of the equity market.

Access to additional capital
The Corporation's ability to access additional capital may be limited for future projects due to inherent risk in equity or debt markets.

Susan Lake contract terms
The terms of the Susan Lake contract gives the Province of Alberta the right to terminate the contract without cause upon three months written notice. The Province of Alberta also has the right to withdraw any portion of the lands from the contract and those lands withdrawn shall cease to be the responsibility of the Corporation with respect to decommissioning and restoration.

Seasonality
Extreme weather conditions in Alberta can impact the mining industry during cold winter months and wet spring months.

Commodity risk
Athabasca's aggregate products, as well as potential development project products, such as silica sand and salt, are commodities, and as such, there is always pricing risk in a competitive market.

Employee turnover
The reliance of the Corporation on key personnel and skilled workers can always impact operational results.

Project development
The Corporation has the risk that projects will not develop as anticipated or resources may not have the quality or quantity that management anticipates. Other minerals, like frac sand, may not have the anticipated demand from the mining and oil and gas industry once projects are fully developed.

Shortage of equipment or other supplies
The mining industry in Alberta has a history of long periods of growth and significant capital development, which can often impact the availability of equipment and other supplies for smaller companies like Athabasca.

Reclamation obligations – The estimates made by the Corporation for reclamation obligations could significantly change due to potential changes in regulatory requirements prior to completing reclamation work.

Definition of resources
The Corporation has a risk that current estimates of reserves and resources may not be completely accurate as not all properties have estimates based on the standards required by National Instrument 43-101.

Environmental, health and safety risk
The Corporation has a strong safety and environmental record, but any major incident in the future can significantly impact operational results and employee productivity, as well as reputation in the market.

Litigation
The Corporation ability to determine the legal costs in defending a lawsuit filed by Syncrude Canada Ltd. is undeterminable and may be significant.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2016 the Corporation reported working capital of $7.7 million which management feels is sufficient to fund ongoing operations and to meet its liabilities when they come due. This balance is down $0.3 million from December 31, 2015, when the working capital balance was $8.0 million.

The following table summarizes the Corporation's cash flows:

	Three Months ended September 30			Nine Months ended September 30		
	2016	2015	Change	2016	2015	Change
Cash from operating activities	$ 875,661	$ 3,203,067	$ (2,327,406)	$ 1,304,271	$ 2,122,222	$ (817,951)
Change in non-cash working capital	(1,615,949)	(1,270,062)	(345,887)	800,566	1,174,635	(374,069)
Cash used in investing activities	265,225	(391,675)	656,900	(24,854)	(1,105,914)	1,081,060
Cash from (used in) financing activities	(491,623)	(658,945)	167,322	(1,749,759)	(1,869,707)	119,948
Increase (decrease) in cash	**$ (966,685)**	**$ 882,385**	**$ (1,849,070)**	**$ 330,224**	**$ 321,236**	**$ 8,988**

AVAILABLE CREDIT FACILITIES

The Corporation is party to a credit facility agreement with HSBC. The facility includes an operating loan, five leasing equipment facilities, and a MasterCard facility.

The five leasing equipment facilities are used to finance the acquisition of equipment. As at September 30, 2016, Athabasca has lease obligations under these facilities totaling $1.31 million. In addition, there are two Cat Financial leases at an interest rate of 3.68%, Athabasca has lease obligations under these facilities totaling $0.22 million and a Komatsu Lease at an interest rate of 3.49% and has a lease obligation of $0.43 million.

The Corporation has access to a $3.0 million demand operating loan with a sub-limit of $2.0 million available for letters of commercial credit. No amount was outstanding on the operating loan. $1,351,760 of the operating loan is committed, although not funded, in order to secure letters of credit totalling $1,351,760.

Accordingly, the Corporation is exposed to significant liquidity risk should Syncrude Canada Ltd. be granted a preservation order on any part of the Susan Lake public pit.

COMMITMENTS

The Corporation has no formal commitments for capital expenditures.

The minimum exploration expenditures to retain the Corporation's existing mineral permits are as follows:

	$ per acre	$ per hectare
First two year period	$12.35	$5.00
Second two year period	$24.71	$10.00
Third two year period	$24.71	$10.00
Fourth two year period	$37.06	$15.00
Fifth two year period	$37.06	$15.00
Sixth two year period	$37.06	$15.00
Seventh two year period	$37.06	$15.00

As of September 30, 2016 the Corporation held mineral permits covering 327,724 acres (132,628 ha) as detailed in Table 4.

The Corporation has reached its spending commitments totaling approximately for 2016. These expenditures will either be recorded on the balance sheet in resource properties, or expensed on the income statement as cost of sales or general and administrative expenses, depending on the future viability of the project as at the reporting period.

In managing the exploration permits, the Corporation adds mineral permits in areas of interest and relinquishes mineral permits in areas that the exploration activities indicate have a low potential of discovering mineral reserves. As permits are relinquished, the number of acres is decreased thereby reducing the spending commitment. The Corporation is in the process of exploring aggregate and mineral properties and has not yet determined whether these properties contain deposits that are economically recoverable. The continuing operations of the Corporation to meet its commitments, including the development of the properties, securing and maintaining title and financing exploration and development of the properties is dependent upon the internal generation of cash flow and obtaining necessary financing through debt and public and private share offerings.

Capital leases for equipment for each of the next five years are as follows:

October 1, 2016 to September 30, 2017	$	1,421,415
October 1, 2017 to September 30, 2018		434,932
October 1, 2018 to September 30, 2019		170,801
		-
		2,027,148
Less: interest included in payments above (year one)		51,027
Less: interest included in payments above (years two and beyond)		17,301
		68,328
Lease loan principal outstanding	$	1,958,820

Operating leases for premises and vehicles for each of the next five years are as follows:

October 1, 2016 to September 30, 2017	$	216,686
October 1, 2017 to September 30, 2018		180,620
October 1, 2018 to September 30, 2019		113,244
October 1, 2019 to September 30, 2020		15,270

CAPITAL RESOURCES

As of September 30, 2016, the Corporation had 33,303,650 common shares outstanding. Additionally there are 1,473,333 options to acquire common shares outstanding, with an average exercise price of $1.36 per share; 1,193,335 of the 1,473,333 outstanding options have vested and are exercisable at September 30, 2016 at a weighted average exercise price of $1.37 per share. As at November 18, 2016, the Corporation has 33,303,650 common shares and 1,200,000 options outstanding.

As at September 30, 2016, the Corporation has no warrants outstanding. On January 14, 2016, all warrants expired unexercised.

The Corporation has no dividends declared or paid in the nine months ended September 30, 2016.

CONTINGENCY

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

In conjunction with the Counterclaim, Syncrude is seeking a preservation order on the gravel, sand and other materials located in the overlapping area. A preservation order would prevent the Corporation from receiving aggregate management fees income on the Susan Lake overlapping area which is defined as the Susan Lake Pit held by the Corporation and the Syncrude oil sand mine.

The granting of a preservation order by the courts would significantly reduce the aggregate management fee income on the Susan Lake Project and may impair the Corporation's ability to continue on a going concern basis. The Corporation will continue to meet with all parties to work towards a resolution.

Athabasca and Syncrude were present in Court of Queen's Bench on October 13th and 14th, 2016 for the hearing of the proposed preservation order requested by Syncrude regarding operations at the Susan Lake public pit, as previously disclosed in the Corporation's press release of August 15th, 2016. No decision has been received from the appointed judge as of today, and it is unknown as to when any decision will be announced. Athabasca rigorously defended its rights to operate under the Susan Lake management contract with the Province of Alberta, and will continue to operate as it has done since 1998.

The Corporation believes the counterclaim is without merit and will defend it rigorously. The outcome of the claim is not determinable at this time.

OFF BALANCE SHEET ARRANGEMENTS

The Corporation has no off balance sheet arrangements as at September 30, 2016.

RELATED PARTY TRANSACTIONS

During the three and nine months ended September 30, 2016, the Corporation incurred expenses of $30,000 and $86,275 compared to the three and nine months ended September 30, 2015 of $51,295 and $153,238 for services provided by certain directors and officers and certain companies controlled by certain directors and officers of the Corporation as further described below.

These costs are recorded in the financial statements as follows:

	Three months ended September 30, 2016	2015	Nine months ended September 30, 2016	2015
Directors and Officers:				
Directors fees and expenses	$ 30,000	$ 30,000	$ 85,000	$ 85,619
Travel and miscellaneous	-	295	1,275	4,619
	$ 30,000	$ 30,295	$ 86,275	$ 90,238
Companies controlled by Directors and Officers:				
Rent	-	21,000	-	63,000
	$ 30,000	$ 51,295	$ 86,275	$ 153,238
Accounts Payable - related parties				
Directors Fees - accrued and included in trade payables	$ 2,500	$ 15,750	$ 2,500	$ 15,750

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.

COMPENSATION OF KEY MANAGEMENT

Key management personnel include members of the executive leadership team. Compensation for key management personnel was as follows:

	Three months ended September 30, 2016	2015	Nine months ended September 30, 2016	2015
Salaries and other benefits *	$ 376,583	$ 97,350	$ 675,583	$ 762,497
Share-based compensation	(18,976)	57,241	34,188	298,936
	$ 357,607	$ 154,591	$ 709,771	$ 1,061,433

* Includes severance payments for former employees of $267,500 in the three and nine months ended 2016 and $355,000 in the nine months ended 2015.

NEW ACCOUNTING STANDARDS ISSUED BUY NOT YET EFFECTIVE

IFRS 9 – FINANCIAL INSTRUMENTS

In July 2014, the IASB issued a finalized version of IFRS 9, *Financial Instruments*, which replaces IAS 39, *Financial Instruments: Recognition and Measurement*, and supersedes all previous versions of the standard. The standard introduces a new model for the classification and measurement of financial assets and liabilities, a single expected credit loss model for the measurement of the impairment of financial assets and a new model for hedge accounting that is aligned with a company's risk management activities. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

In fiscal 2017, the Corporation will evaluate the impact of adopting this standard on its annual financial statements.

IFRS 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS

In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers*, which provides a comprehensive five-step revenue recognition model for all contracts with customers. The IFRS 15 revenue recognition model requires management to exercise significant judgment and make estimates that affect revenue recognition. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

In fiscal 2017, the Corporation will evaluate the impact of adopting this standard on its annual financial statements.

IFRS 16 - LEASES

In January 2016, the IASB published a new standard, IFRS 16, *Leases*. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15, *Revenue from Contracts with Customers*, has also been applied.

In fiscal 2017, the Corporation will evaluate the impact of adopting this standard on its annual financial statements.

CLARIFICATION OF ACCEPTABLE METHODS OF DEPRECIATIONS AND AMORTIZATION (Amendments to IAS 16 and IAS 38)

On May 12, 2014, the IASB issued amendments to IAS 16 "Property, Plant and Equipment" (IAS 16) and IAS 38 "Intangible Assets: (IAS 38). The amendments clarify that the use of revenue-based methods to calculate the depreciation of a tangible asset is not appropriate because revenue generated by an activity that includes the use of a tangible asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption for an intangible asset, however, can be rebutted in certain limited circumstances. The standard was to be applied prospectively for reporting periods beginning on or after January 1, 2016 with early application permitted.

In fiscal 2017, the Corporation will evaluate the impact of adopting this standard on its annual financial statements.

FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash, restricted cash, accounts receivable, long-term deposits, accounts payable and accrued liabilities, and lease obligations.

a) FAIR VALUE

Due to the short-term nature of cash, accounts receivable, accounts payable and accrued liabilities, and lease obligations, the carrying value of these financial instruments approximate their fair value. The fair value of restricted cash is a level 2 measurement and approximates the carrying values as they are at the market rate of interest. Long-term deposits are refundable. The fair value of long-term deposits is a level 2 measurement and not materially different from carrying value. The lease obligation is at a fixed rate of interest.

b) CREDIT RISK

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist primarily of cash, restricted cash, accounts receivable and long-term deposits. The Corporation's maximum credit risk at September 30, 2016 is the carrying value of these financial assets.

In the normal course of business, the Corporation evaluates the financial condition of its customers on a continuing basis and reviews the credit worthiness of all new customers. Management assesses the need for allowances for potential credit losses by considering the credit risk of specific customers, historical trends and other information. At September 30, 2016, 81.6% of the Corporation's accounts receivable was due from five customers (September 30, 2015 – 63.3%).

The Corporation's aged accounts receivable are comprised of 68.6% current, 21.9% past due up to 60 days and 9.5% past due over 60 days. While certain amounts are past due as at September 30, 2016, management considers there is no impairment of the accounts receivable.

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

c) LIQUIDITY RISK

The Corporation manages liquidity risk by ensuring sufficient funds are available to meet liabilities when they come due. As part of Athabasca's credit facility, the Corporation must maintain certain ratios. The Corporation has complied with all ratios as at September 30, 2016.

As at September 30, 2016 the Corporation has sufficient working capital to fund ongoing operations and meet its liabilities when they come due. Accordingly, the Corporation is not exposed to significant liquidity risk. The Corporation has identified its financial liabilities as accounts payable and accrued liabilities and lease obligations, including interest.

	As at September 30, 2015			
	0 - 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 1,420,584	$ -	$ -	$ 1,420,584
Lease obligations, including interest	1,421,415	605,733	-	2,027,148
Total	**$ 2,841,999**	**$ 605,733**	**$ -**	**$ 3,447,732**

The Corporation's projected cash flow from operating activities and existing availability from credit facilities are expected to be greater than anticipated capital expenditures and the contractual maturities of the Corporation's financial liabilities as at September 30, 2016. The expectation could be adversely affected by a material negative change in the demand for aggregate or the Corporation's management contracts or a preservation order sought by Syncrude through the courts is granted.

d) INTEREST RATE RISK

The Corporation's operating loan bears interest at 1.00% over the bank's prime lending rate. As the bank's prime lending rate fluctuates so will the cost of borrowing.

A 100 basis point increase in the interest rate on outstanding debt with variable interest rates would have no impact on earnings as there is no variable interest rate debt.

APPROVAL

The Board of Directors has approved the disclosure in this MD&A, and related financial statements for the three and nine months ended September 30, 2016 at the Board of Directors meeting on November 18, 2016.

Under National Instrument 52-109F2 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), TSX Venture issuers like Athabasca are required to certify using the Venture Issuer Basic Certificate. This certificate states that the Interim Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Corporation each certify that the documents prepared for the months ended September 30, 2016 have been reviewed, contain no misrepresentations, and provide a fair presentation of the financial condition, financial performance and cash flows of the Corporation, to the best of their knowledge. This Venture Issuer Basic Certificate does not include any representations relating to the establishment and maintenance of disclosure controls and procedures and/or internal controls over financial reporting. Please refer to the Form 52-109FV1 for additional details. The Interim CEO and CFO of Athabasca have each certified using the Venture Issuer Basic Certificate for the three and nine months ended September 30, 2016.

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