MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE NINE MONTHS ENDED AUGUST 31, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended August 31, 2013

GENERAL

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") as of October 25, 2013 and is intended to supplement and complement the Corporation's unaudited condensed interim financial statements for the nine months ended August 31, 2013 and August 31, 2012. 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.

All amounts have been expressed in Canadian dollars (except where noted), and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Management is responsible for the financial statements referred to in this MD&A and provides officers' disclosure certifications filed with securities commissions on SEDAR.

Additional information about Athabasca Minerals Inc. may be found at the Corporation's website at www.athabascaminerals.com or within the Corporation's SEDAR profile at www.sedar.com.

TABLE OF CONTENTS

A. COMPANY PROFILE **1**
B. AGGREGATE MANAGEMENT **2**
Susan Lake Aggregate Operation 2
Poplar Creek Aggregate Operation 2
C. OTHER AGGREGATE RESOURCES **4**
Public Land 4
House River Pit 4
Kearl Pit 4
Logan Pit 5
Pelican Hill Pit 5
Private Land 5
Warrensville Pit 5
Acquisition and/or Joint Venture 6
D. MINERAL PROPERTIES **6**
Salt 6
Silica Sand 7
E. SUMMARY OF QUARTERLY RESULTS **8**
F. OUTLOOK **9**
Aggregate Management 10
Other Aggregate Resources 10
Public Land 11
Private Land 11
Mineral Properties 11
G. OPERATING RESULTS **12**
H. OPERATING ACTIVITIES **15**
I. INVESTING ACTIVITIES **15**
J. FINANCING ACTIVITIES **15**
K. LIQUIDITY AND CAPITAL RESOURCES **16**
L. OUTSTANDING SHARE DATA **16**
M. RELATED PARTY TRANSACTIONS **17**
N. COMPENSATION OF KEY MANAGEMENT **17**
O. CHANGE IN ACOUNTING POLICIES INCLUDING EARLY ADOPTION **18**
P. FINANCIAL INSTRUMENTS **18**
Q. RISKS AND UNCERTAINTIES **19**
R. FORWARD LOOKING INFORMATION **20**
S. APPROVAL **20**

A. COMPANY PROFILE

On February 15, 2013 the Corporation announced it has been included in the TSX Venture 50, a measure of strong performing companies listed on the TSX Venture Exchange ("TSX Venture"). The TSX Venture 50 was determined based on equal weighting of market capitalization growth, share price appreciation, trading volume and analyst coverage. Athabasca is one of ten companies in the mining subsector of the TSX Venture 50.

Athabasca is a management and exploration company specializing in developing, producing, and exploring for aggregates and industrial minerals in Alberta. The business strategies to grow the Corporation are two-fold: firstly to manage and secondly to develop 100% owned aggregate projects as follows:

- Ongoing management of aggregate resources
- Exploration and discovery, acquisition and development of other aggregate resources and companies
- Identification, exploration and development of various industrial minerals as needed to support the expanding oil sands mining and development sector.

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

The Corporation has employees, consultants and directors with many decades of combined experience in the aggregates industry with identifying, exploring and developing aggregate resources. Our team members have been involved with numerous acquisitions of aggregate resources and operations in Alberta. To date, the Corporation has acquired two 160-acre properties near Grimshaw, Alberta, and has purchased Aggregates Management Inc., the company that managed the Susan Lake and Poplar Creek public pits north of Fort McMurray for the Alberta Government.

On October 25, the Corporation hired Pamela Strand to the role of Vice President, Business Development and Communications. Ms. Strand is a Professional Geologist with a M.Sc. in Economic Geology. With over 25 years' experience in the exploration and mining industry, Pam has been involved in various corporate transactions including St. Eugene Mining, Northern Tiger Resources, Kaminak Gold, Garson Gold, Grizzly Diamonds, and Takara Resources. Since 1997 Ms. Strand has held the position of President of Shear Diamonds Ltd., and as well since 2012, as President of Firestone Ventures Inc. Ms. Strand is the past President of the NWT & Nunavut Chamber of Mines and also a past director on the Alberta Chamber of Resources. Ms. Strand was recently profiled as a Deloitte Woman of Influence in 2011 and was a nominee for the Ernst & Young Entrepreneur of the Year in 2010. Ms. Strand has also received recognition for her environmental and community work in accepting the Thomas Kudloo Memorial Award in 2010 on behalf of Shear Minerals for commitment of care for the environment, the NTI Community Award and the Kivalliq Inuit Association environmental award.

Ms. Strand will assist with all geological aspects of Athabasca's projects, specifically with the advancement of exploration projects such as the Firebag Project and Richardson granite and dolomite projects. In addition to increasing communications with Athabasca's stakeholders in Northeast Alberta as well as with government, Ms. Strand will assist in the evaluation and execution of various opportunities and strategic initiatives.

On September 6, 2013 Mr. Craig Styles, B. Comm. was appointed as an advisor to management. Mr. Styles is the current Vice President of Real Estate for The Brick Group. With a strong background in designing and executing real estate development and investment in Northern Alberta, Mr. Styles possesses well-honed leadership abilities, developed during his 31 years' experience with The Brick Group. As well, Mr. Styles was former director of Junior Achievement and has served on the capital board for the Stars Ambulance Vision Critical Campaign.

Mr. Edward Bereznicki has been appointed to the Board of Directors effective November 30, 2013. Mr. Bereznicki has over 24 years of capital markets and industry experience, both domestically and internationally. Mr. Bereznicki has served as Vice President, Partner and Managing Director with a number of Canadian-based investment banking firms where he focussed on the energy industry, and was most recently Executive Vice President and Chief Financial Officer of Lone Pine Resources Inc. Mr. Bereznicki has a diverse background with proven management and advisory experience in the energy and financial sectors. Mr. Bereznicki's broad energy industry background includes mid-stream operations, large scale project development, marketing and risk management, and exploration and production. Mr. Bereznicki holds an MBA from the Ivey School of Business, and a Civil Engineering degree from the University of Alberta. He is a Professional Engineer and a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta.

Effective November 30, 2013 Mr. Ted Rousseau and Mr. Wylie Hamilton shall retire from the Board of Directors. Messrs. Rousseau and Hamilton have served as valued members of the Board since the Corporation's inception and leave with Athabasca's best wishes and sincere appreciation for their commitment and contributions to the Corporation over these past years.

The Corporation has successfully completed a number of aggregate exploration programs on public land, and following review of the test programs, four aggregate mining applications have been submitted and have received approval from the Alberta Government. During fiscal 2012, the Corporation initiated aggregates sales production from its corporate-owned House River pit.

Over a quarter-million tonnes of asphalt aggregate were supplied to a major road builder during the year from this pit. At its corporate-owned Kearl pit, a crushing spread and related equipment was purchased with crushing operations having commenced in Q3 2012. Aggregate sales from the Kearl pit commenced during fiscal Q4 2012, and through Q3 2013, a total of 2,361,197 tonnes of gravel and sand has been sold, including 67,755 tonnes sold during Q3 2013, and 297,252 tonnes sold Q3 2013 YTD. During Q1 2013 the Corporation initiated sales from its corporate-owned Logan pit. The first 98,243 tonnes of a 375,000 tonne gravel contract was delivered during Q1 2013, with a further 16,407 tonnes delivered during Q2 2013. Inclement weather causing very poor hauling conditions have served to impede hauling progress on this contract. The customer has indicated they will no longer be purchasing the crushed gravel that was previously hauled to the interim stockpile in the approximate amount of 72,000 tonnes. It is therefore management's intention to market this inventory to other customers, and 6,196 tonnes was sold during Q3 2013.

Presently, the Corporation holds Alberta Metallic and Industrial Minerals Permits on 488,952 hectares (1,208,227 acres) largely located in the Fort McMurray region in northeast Alberta. A variety of important industrial minerals have been identified as essential in this region including silica sand, granite and salt. These minerals are key ingredients for many products used to support the oil sands industry and Alberta infrastructure projects. The Corporation continues to assess its permitted land holdings for development based on mineral exploration programs that employ such methods as airborne magnetic surveys, surface sampling, stream sediment and outcrop sampling and drilling.

Currently, the Corporation also holds fourteen Alberta Metallic and Industrial Minerals Leases covering 21,323.5 hectares (52,691 acres). Of this total, nine mineral leases cover 15,232 hectares and contain silica sand. These include 12,800 hectares on seven mineral leases at the Firebag Project, and 2,432 hectares on two mineral leases at Birch Mountain. A further five mineral leases covering 6,091.5 hectares contain salt. These include 5,835.5 hectares on four mineral leases at the Boyle Project, and 256 hectares on one mineral lease at the Dover Project.

B. AGGREGATE MANAGEMENT

The Corporation has held two management contracts with the Alberta Government for the management of aggregate operations in the Fort McMurray area. The Corporation's mandate is to operate the aggregate resources for public use and generates its revenue from the management of the aggregate operation.

The Oil Sands Developers Group (www.oilsandsdevelopers.comadvises that Canada's oil reserves are the second largest in the world ranking only behind Saudi Arabia. Oil sands, primarily situated near the Fort McMurray area in Alberta, anticipated at 170 billion barrels, represent 97% of Canada's total oil reserves. The additional construction necessary to develop these reserves requires an abundance of aggregates for new and existing oil sands projects and regional infrastructure. Much of the Corporation's aggregate supply and industrial minerals are strategically situated nearby the expected demand for these resources. Oil sands projects typically consume 5 to 8 million tonnes of aggregates for plant construction and another 0.5 to 1.0 million tonnes annually to maintain roads and other infrastructure.

The supply and utilization of aggregates will lie at the very foundation of Athabasca's future economic growth. With our focus on the strategic supply of aggregates and its goal to provide key industrial minerals in support of oil sands development, management views the Corporation as being well positioned now and into the future.

Susan Lake Aggregate Operation

The Susan Lake aggregate operation is located approximately 85 km north of Fort McMurray. It is approximately 9,260 acres (3,750 hectares) in size. Approximately 1,318 hectares or 35.1% of the pit has been developed. Approximately 82.9 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 also in supplying the expanding City of Fort McMurray. As at August 31, 2013 there are 51 months remaining on a ten year contract with the Alberta Government.

Between 2003 and 2012 sales from Susan Lake averaged 6.64 million tonnes per annum. In 2009 the Susan Lake pit was named the top aggregate supplier in Canada for the amount of aggregate sold totaling 6.59 million tonnes. During 2010, 2011 and 2012 Susan Lake Pit sales increased to 7.13 million tonnes, 7.75 million tonnes and 10.60 million tonnes respectively. The aggregate was utilized by oil sands companies and for other infrastructure projects in the Fort McMurray area.

Operations in the pit are active year round, however there is a seasonal nature to the operations, due largely to construction projects starting up in late spring through late summer seasons, with the majority of demand and associated revenue earned in the 3rd and 4th quarters. During Q1 2013, Susan Lake sales volume was 1,329,430 tonnes, a decrease of 438,896 tonnes or 24.8%, from Q1 2012, when record high Q1 aggregate demand was achieved. During Q2 2013, Susan Lake sales volume was 2,200,426 tonnes, a decrease of 274,630 tonnes or 11.1%, from Q2 2012. During Q3 2013, Susan Lake sales volume was 3,259,127 tonnes, a decrease of 56,624 tonnes or 1.7%, from Q3 2012. During Q3 2013 YTD, Susan Lake sales volume was 6,788,983 tonnes, a decrease of 770,150 tonnes or 10.2%, from Q3 2012 YTD. For further comparison, Q3 2013 YTD Susan Lake tonneage sales were 1,942,057 tonnes or 40.1% greater than Q3 2011 YTD sales of 4,846,926 tonnes. Midway through Q4 2013, Susan Lake tonneage volume continues to track below the comparable period in Q4 2012, although remaining higher than tonneage sales during the comparable period in Q4 2011.

Poplar Creek Aggregate Operation

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

The Poplar Creek management contract expired February 28, 2013. The expiry is due to the natural progression of a pit due to the

depletion of the aggregate resource since fiscal 2011 and is not viewed to negatively impact the operations of the Corporation but as the natural progression of an aggregate deposit. As a result of pit depletion management wrote off the unamortized balance of the related Poplar Creek intangible assets at November 30, 2011. The Corporation is currently awaiting approval of its submitted application to renew its 124 acre miscellaneous lease in order to create a camp and operations node at the location of the Poplar Creek pit. The renewal includes a lay-down storage yard, and as a camp facility to accommodate our employees. As of this date the file is considered as being completed and we are awaiting final approval. The Corporation has been able to maximize the previously mined area to include a carve-out to create the Poplar Creek work camp as explained below.

Poplar Creek Land Use Agreement

In 2011 the Corporation has signed a long-term land use agreement with a work camp provider enabling that company to operate a work camp at Poplar Creek on leased property that was previously held by Athabasca. The agreement permitted the transfer of a 42 acre parcel of developed land from the depleted aggregate mine of the Corporation's miscellaneous lease at Poplar Creek to the camp provider. On this land a work camp was constructed primarily to serve the accommodation needs for the oil sands industry workers. Pursuant to the land use agreement, the camp provider pays monthly fees and daily accommodation fees to the Corporation. The camp provider also contributes toward the cost of future reclamation, in total not to exceed the non-refundable amount of $300,000, which the Corporation will maintain in a restricted cash account to be first applied toward any costs for reclamation of the Poplar Creek site. The land use agreement commenced on March 1, 2011 and expires on October 19, 2015. The agreement will automatically renew for an equivalent term period, under same terms and conditions, subject to amendments agreed to in writing by both parties, unless otherwise terminated earlier by written mutual agreement by both parties.

In determining the carrying value of the land use agreement receivable, and the gain or loss on land use agreement, an estimate of total future monthly and daily accommodation receipts under the land use agreement is required. The total estimated proceeds receivable by the Corporation under the agreement include both a fixed monthly component and estimated proceeds for daily work camp accommodation. When estimating future daily accommodation receipts, management has taken into account the historic monthly average accommodation rates experienced at lodge 2, the remaining operating lodge, since its inception, and other factors that influence future occupancy at the lodge.

During April 2011, the camp provider commenced operations of a first lodge constructed on the lease that can accommodate approximately 500 oil sands industry workers. During June 2012, the camp provider commenced operations of a second lodge, constructed on the same 42 acre property, with accommodation for approximately 600 further oil sands industry workers. This second lodge is also governed pursuant to the land agreement entered in 2011 between the Corporation and the work camp provider. The Corporation will not receive an increased fixed monthly fee; however, the Corporation will receive proceeds for actual daily accommodation at the second lodge at the same daily rate as was received at the first 500 worker lodge. The work camp provider's contribution toward the estimated cost of decommissioning and restoration is unaffected by the addition of the second lodge, remaining in aggregate, not to exceed $300,000.

Due to delayed project initiatives by local oil sands development operators, during fiscal 2013 the work camp provider's main tenant reduced accommodation requirements for its workforce. As a result the work camp provider dismantled the first lodge, leaving only the second lodge in operation subsequent to Q2 2013. Beginning the third quarter of fiscal 2013, the Corporation will continue to receive fixed monthly proceeds, and in addition, will receive proceeds for daily accommodation at the remaining lodge at Poplar Creek.

At August 31, 2013 management revalued the portion of the land use agreement receivable attributable to the second lodge at $711,380. The revaluation was determined with reference to the average monthly accommodation rate experienced since inception of the second lodge, which covers the period June 2012 through August 2013. Total future cash flow in the amount of $751,765 from estimated receipts for daily occupancy at the second lodge was discounted at a rate of 3.22%, resulting in an increase of $26,783 in the carrying value of the land use agreement receivable, and was included in the loss on land use agreement at August 31, 2013.

At August 31, 2013 the estimate for future decommissioning and restoration costs attributable to the 42 acres related to the land use agreement decreased by $3,943 and was recorded as a decrease in the loss on land use agreement.

At August 31, 2013 the portion of the land use agreement receivable attributable to the dismantled lodge was $121,018 which represents the estimated fixed monthly proceeds receivable subsequent to August 31, 2013 through October 19, 2015. Total future cash flow from estimated future receipts in the amount of $128,096 was discounted at a rate of 3.22% to arrive at a discounted value of $121,018.

Components of Loss on Land Use Agreement- Nine months ended August 31, 2013:

Lodge 1: Revaluation of estimated future discounted receipts	$(370,577)
Actual receipts below estimated receipts at lodge 1 during first quarter of fiscal 2013	(36,604)
Decreased future reclamation costs attributable to the land use agreement (Note 12)	20,176
Lodge 2: Revaluation of estimated future discounted receipts	130,342
Actual receipts below estimated receipts at lodge 2 during first quarter of fiscal 2013	(82,984)
Loss on Land Use Agreement	$(339,647)

The land use agreement receivable combined current and long-term carrying value of $832,397 at August 31, 2013 is the estimated future discounted receipts from Lodge 2 and the fixed monthly proceeds on dismantled Lodge 1 subsequent to August 31, 2013.

The actual occupancy rate is likely to be largely dependent on oil sands development activity in the Fort McMurray region of Alberta. The average daily work camp occupancy rate used in the determination of total future proceeds is an estimate; therefore actual future proceeds under the land use agreement could vary significantly. Future changes in land use agreement receivable, if any, could have a material impact and would be reflected prospectively, as a change in accounting estimate.

C. OTHER AGGREGATE RESOURCES

Public Land

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

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

House River Pit

The House River pit is located approximately 11 km east of Highway 63 on the House River. In addition to supplying the oil sands market, this location is ideally situated to supply gravel for the Highway 63 twinning project. During August, 2011 the Corporation received SML approval from the Alberta Government, to develop an open pit aggregate operation on the leased land for a term of ten years. During fiscal 2012 the Corporation reported sales of asphalt aggregate from the House River pit totaling 253,500 tonnes to a major road building contractor in connection with the twinning of Highway 63, north of Wandering River, Alberta.

The House River pit is currently a winter access only pit due to access limitations due to a seasonal winter road. The Corporation is considering a plan to upgrade of the winter-only haul road to an all-season road. The development of an all season road would enable the Corporation to operate the House River pit on a year-round basis, should demand justify the activity.

In late 2012, the Alberta Minister of Transportation announced that the province will twin a 240-kilometre stretch of Highway 63, the only highway corridor to Fort McMurray, to be completed within four years, at an estimated cost of $778 million. Management anticipates its House River pit is strategically located to provide potential aggregates for this project, as Athabasca has successfully done in the past for a previous Highway 63 twinning project.

Kearl Pit

The Kearl pit is located approximately 60 km east of the Susan Lake gravel pit. During March 2011 the Corporation received SML approval from the Government of Alberta to develop an open pit aggregate operation on the leased land 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. As a result the Kearl pit is able to undertake aggregate extraction and processing during much of the year, and sell its aggregates year-round. During February 2012 the Corporation announced the receipt of a National Instrument 43-101 for the Kearl aggregate deposit. The "indicated" mineral resource aggregates include 3,770,330 tonnes of gravel and 7,636,390 tonnes of sand. Also reported is an "inferred" mineral resource quantity of a further 434,000 tonnes of gravel, and that the quality of the aggregate materials is suitable for road construction and maintenance.

Management anticipates the availability of processed and stockpiled aggregates at this strategic location may provide Athabasca with a logistical competitive advantage. The rationale supporting this expectation is the location of the pit and its close proximity to potential customers who may have previously sourced aggregate from more remote locations. Since Kearl is located proximal to several oil sand development projects and since hauling costs for aggregate can be a significant portion of the total landed cost for aggregate supply, customers may be able to source aggregate from the nearby Kearl pit at more favorable prices due to reduced hauling distances.

As part of the Corporations' overall business strategy, it was determined that by bringing Kearl into operation, it would be economically beneficial to the Corporation to own rather that subcontract its crushing operations at the Kearl pit. By owning the crushing operations the Corporation could benefit from increased margins. The decision to own and operate our own crushing operation was primarily due to the anticipated year round customer local demand for processed high quality aggregate from this pit. The Corporation took delivery of its crushing spread and related machinery in Q3 2012 and completed full commissioning in Q4 2013.

The Corporation commissioned its 100% owned and operated crushing operations in Q4 2012 and successfully prepared in excess of 40,000 tonnes of stockpiled gravel and additional stockpiled sand during Q4 2012. Challenging work conditions at the Kearl pit during start up, primarily due to winter weather conditions, resulted in a slower start up than anticipated. As a result of a work stoppage lasting a few months no stockpiled gravel had been produced during Q1 2013. Crushing production at the Kearl pit resumed during March 2013 under very wet spring conditions resulting from spring thaw, followed by heavy rainfalls, resulting in a significant dewatering challenge at the pit, a situation that had largely continued through much of July.

During Q2 2013 approximately 95,000 tonnes of gravel and a further substantial quantity of sand had been prepared, of which 90,925 tonnes of gravel and 50,021 tonnes of sand were sold during the quarter. Adverse weather conditions during June and much of July, when unusually high rainfall was recorded for the entire region, including all users and operators, significantly hampered the Corporation's production capability. During the month of July, Athabasca implemented a dewatering process at the pit which significantly improved operating access to aggregate for extraction. Athabasca has now mined the pit to a depth where a

significantly richer proportion of gravel is being mined. This compares to a much sandier composition that was being mined from inception of crushing operations in 2012 through to early August 2013. During Q3, Athabasca had prepared approximately 89,000 tonnes of gravel and a further 159,000 tonnes of sand. The majority of aggregate processing occurred during August, following implementation of the improved dewatering method, and access to the richer gravel aggregate composition resulting from mining the pit to greater depths. Sales from the Kearl pit during Q3 totaled 46,887 tonnes of gravel and 20,360 tonnes of sand. Sales volume from Kearl pit was less in Q3 than earlier expected, as some order volume was unable to be filled due to an inability to extract sufficient feedstock caused by water problems.

Although startup costs have exceeded initial estimates, the relative cost of aggregate operations at the pit is expected to be advantageous over sub-contracting the crushing as increased aggregate production and efficiency improvements are realized. Athabasca has gained valuable experience during the early operations at the Kearl pit that have allowed us to further develop plans for future operations at the pit.

In advance of this year's temporary winter closure of its Kearl pit crushing operation, it is management's intention to have stockpiled suitable quantities of processed gravel and sand for future sale until resumption of extraction in 2014.

Logan Pit

The Logan pit is located approximately 160 km south of Fort McMurray. The Logan pit is a winter access only pit due to access limitations with a seasonal winter road. Athabasca is working with two municipalities on a collaborative future plan to upgrade the winter-only haul road to an all-season road. The development of an all-season road would enable Athabasca to operate the Logan pit on a year-round basis, should demand justify the activity. The Corporation received SML approval from the Government of Alberta to develop an open pit aggregate operation on the leased land for a term of ten years in early 2010. During February 2012 the Corporation announced the receipt of a National Instrument 43-101 for the Logan aggregate deposit. The "indicated" mineral resource aggregate included 1,357,000 tonnes of gravel. Also reported is an "inferred" mineral resource quantity of 662,600 tonnes of gravel, and that the quality of the aggregate materials is suitable for road construction and maintenance.

The area of the Logan pit contains very little vegetation, topsoil and overburden. Access to the Logan pit is provided via an existing county winter road that runs through the site. Aggregate from this pit will be supplied primarily to oil sands and government infrastructure projects in the area that otherwise brings aggregate from as far away as Susan Lake.

During January 2013, the Corporation announced its first sales contract for aggregate to be supplied from the Logan pit. A total of 375,000 tonnes of gravel had been contracted for, with the Corporation responsible for product, processing and delivery. Adverse winter weather conditions leading to poor road conditions delayed start-up and made operations such as winter road trucking challenging once the project commenced. A total of 98,243 tonnes of gravel had been invoiced under this contract during Q1 2013, with a further 16,407 tonnes invoiced during Q2 2013. Approximately 72,000 additional tonnes of processed gravel were hauled from the Logan pit to an interim stockpile location prior to the Logan pit becoming inaccessible due to spring thaw. A wet spring condition followed by extensive heavy rainfall prevented the site grounds at the interim stockpile to dry adequately in order to allow hauling from that site to commence. Customer requirements have changed and they will no longer be purchasing the crushed gravel that was hauled to the interim stockpile. It was therefore management's intention to market this inventory to other customers in the area, and had sold 6,196 tonnes of the stockpiled gravel during Q3. A further approximate 202,000 tonnes of gravel was unable to be removed from the Logan pit prior to the onset of the spring thaw which then rendered the Logan pit inaccessible. This aggregate, which has also already been crushed, should be available for customer delivery once acceptable winter road conditions permit the hauling.

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 mixed sand and gravel pit. While the proposed development of this property has not been established to date, the Corporation expects to supply aggregate from this property primarily to the oil and gas industry, as well as to the government or its partners for use in infrastructure projects in the area. This pit will be available for year-round aggregates extraction and sales if an all-season road of less than two kilometers is developed.

Private Land

Warrensville Pit

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

Under the lease agreement the Corporation is entitled to 300,000 cubic yards (equal to 375,000 tonnes) of pit run aggregate. Since 2007, the Corporation has bid on several projects with the objective of utilizing aggregates sourced from this pit. To date the Corporation has been unsuccessful. During the third quarter of 2011 the lease expired. The Corporation remains entitled to obtain and sell its prepaid aggregate; however, due to the uncertainty of its future salability, the Corporation wrote off the amount paid for the gravel as a charge against income during fiscal 2011.

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

Acquisition and/or Joint Venture

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

D. MINERAL PROPERTIES

As at October 25, 2013 the Corporation holds Alberta Metallic and Industrial Minerals Permits for 488,952 hectares (1,208,227 acres) of land, and Alberta Metallic and Industrial Minerals Leases for 21,323.5 hectares (52,691 acres) of land in northern Alberta. Mineral permits are maintained in good standing by making allowable exploration assessment expenditures. Minerals leases are maintained in good standing by incurring land rental and royalties on annual minerals sales production to the Alberta Government. The Corporation continuously evaluates its mineral permit holdings, relinquishing and/or acquiring permits as dictated by its exploration and strategic priorities, as well as financial considerations. The mineral permits are located largely in the Fort McMurray area.

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

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

	October 25, 2013 (hectares)	August 31, 2013 (hectares)	May 31, 2013 (hectares)
Balance at beginning of period:	495,209	512,209	538,385
Mineral permits acquired during the period:	-	16,000	-
Mineral permits relinquished during the period:	(6,257)	(33,000)	(26,176)
Balance at end of period:	488,952	495,209	512,209

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

	October 25, 2013 (hectares)	August 31, 2013 (hectares)	May 31, 2013 (hectares)
Balance at beginning of period:	21,067.5	18,635.5	18,635.5
Mineral leases acquired during the period:	256	2,432	-
Mineral leases relinquished during the period:	-	-	-
Balance at end of period:	21,323.5	21,067.5	18,635.5

Currently, the Corporation holds fourteen Alberta Metallic and Industrial Minerals Leases covering 21,323.5 hectares (52,691 acres). Of this total, nine mineral leases cover 15,232 hectares and contain silica sand. These include 12,800 hectares on seven mineral leases at the Firebag Project, and 2,432 hectares on two mineral leases at Birch Mountain. A further five mineral leases covering 6,091.5 hectares contain salt. These include 5,835.5 hectares on four mineral leases at the Boyle Project, and 256 hectares on one mineral lease at the Dover Project. Alberta Metallic and Industrial Minerals Leases are maintained in good standing by the payment of annual lease payments.

Salt

- **Boyle Project**

The Corporation has four mineral lease holdings covering 5,835.5 hectares (14,420 acres) of property overlying the Lotsberg salt formation in the area of Boyle, Alberta. Management is of the opinion the salt is of a high quality and is attractively situated nearby roadway, rail, power and water resources. The Corporation is of the opinion that this salt would provide a suitable feedstock for a Chlor-Alkali chemical plant. The Corporation maintains a 100% interest in these salt leases.

- **Dover Project**

The Corporation holds one mineral lease covering 256 hectares in the Wood Buffalo region of Alberta in the Birch Mountain area approximately 150 kilometers north of Fort McMurray. On the 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. Management feels the property may be usable for housing industrial waste products or for storage of petroleum products, and is assessing its strategic options for this project. Athabasca also holds mineral permits totalling 31,616 hectares on property adjacent to this mineral lease. The Corporation holds a 100% interest in both the mineral lease and mineral permits with this project.

Silica Sand

- **Firebag Project**

The Corporation has been evaluating their 100% owned silica sand Firebag Project that is accessible via Highway 63 and is near water and power sources. The Corporation has made application in March 2013 to the Alberta Government for an 80 acre SML for the development of a silica sand mining operation. The planned operation is for the production of industrial proppant for use in the fracking industry. Further application was made for a 27 acre MLL to support project infrastructure. The Corporation's plan for the silica sand is to haul the material offsite for processing at a land package currently under application by Athabasca adjacent to rail access.

The Corporation has completed extensive testing, including 39 test holes and test pitting, to provide samples to independent laboratory testing performed by Stim-Lab Inc of Oklahoma on the silica sand in order to test for its appropriateness in use as frac sand. The results indicated the silica sand meets API/ISO specifications for proppants used in Hydraulic Fracturing and Gravel Packing Operations, and are well within the ranges of frac sands currently used as industry standards. In addition, the Corporation has commissioned a National Instrument 43-101 report covering both SML applications at the Firebag property.

The Corporation's second phase of development includes planning to develop a larger adjacent 500 acre SML for which applications have been submitted. This development will require a voluntary EIA by the Corporation. Preliminary meetings with the government and various consultants have been made in order to identify the potential scope of such a study.

Athabasca anticipates receiving approval in principle from the government for the existing 80 acre SML during fiscal 2013. The Corporation has engaged consultants to assist with reclamation strategies for the project.

Surrounding Athabasca's proposed silica sand development project on the two SML development applications, the Corporation holds 100% rights to seven Industrial and Metallic mineral leases covering 12,800 hectares (31,629 acres) in the Fort McMurray region of northeast Alberta.

- **Birch Mountain Project**

The Corporation holds two mineral leases covering 2,432 hectares (6,010 acres) situated in the Wood Buffalo region, in northeast Alberta which contain silica sand. Athabasca also holds mineral permits on 16,000 hectares on land adjacent to its two mineral leases. Based on testing performed to date, the Corporation is of the opinion that silica sand found on this property would be suitable for use as frac sand.

Granite and Dolomite

- **Richardson Project**

During fiscal 2012 the Corporation identified a granite outcrop located approximately 70 kilometers north of the Susan Lake pit 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. Initial observations indicate both the granite and dolomite appear to be of high quality for use as aggregate. The Richardson Project is of priority to the Corporation in order to secure a future supply of aggregate to the Fort McMurray market.

The Corporation has made application for additional drill testing sites to be performed during Q1 2014 in order to complete a NI 43-101 resource report.

Minerals Exploration Update

During June 2013 the Corporation added two mineral leases covering 2,432 hectares (6,010 acres) on the property the Corporation refers to as Birch Mountain Project. Athabasca had previously held mineral permits on these leased lands, and in addition, has added mineral permits on property adjacent to the leased lands.

During September 2013, the Corporation added one mineral lease covering 256 hectares (632 acres) on property containing salt and which the Corporation refers to as the Dover Project. Athabasca previously held a mineral permit on these leased lands, and in addition holds mineral permits on property to the leased lands.

During Q4 2013 completion of additional drilling and testing is planned for the Richardson Project in order to collect sufficient data to commission a National Instrument 43-101 resource report that will confirm in-house data and establish quantities. Q1 2013 initial drilling on this property confirms the presence of granite and dolomite at surface or near surface occurrences.

E. 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 fee revenue, and commencing with the period ending February 29, 2012, also includes revenue from private pit gravel sales.

	Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended
	Aug 31/13	**May 31/13**	**Feb 28/13**	**Nov 30/12**
Revenue	$5,575,149	$6,278,678	$6,683,396	$4,301,229
Aggregate operating expenses	$3,097,855	$3,760,218	$5,713,319	$1,328,540
Gain (loss) on land use agreement	$49,454	$(104,827)	$(284,274)	$588,262
Recovery (write down) of intangible assets	$4,327	$(7,016)	$41,371	$37,337
Write down of resource properties and exploration costs	$-	$-	$-	$(670,389)
Net (loss) income and comprehensive (loss) income	$1,059,462	$847,445	$(374,582)	$1,160,601
Basic (loss) net income per common share	$0.038	$0.030	$(0.013)	$0.042
Diluted (loss) net income per common share	$0.037	$0.029	$(0.013)	$0.041
Total assets	$35,497,497	$35,678,173	$36,851,458	$33,278,023
Resource properties	$6,328,154	$6,229,445	$6,085,698	$5,895,745

	Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended
	Aug 31/12	**May 31/12**	**Feb 29/12**	**Nov 30/11**
Revenue	$3,582,344	$3,209,483	$3,629,619	$3,390,705
Aggregate operating expenses	$655,823	$1,134,848	$1,555,220	$657,430
Gain on land use agreement	$812,311	$-	$-	$646,517
Write down of intangible assets	$(20,006)	$-	$-	$(218,176)
Write down of resource properties and exploration costs	$-	$-	$-	$(447,906)
Net income and comprehensive income	$2,044,148	$721,252	$784,408	$1,309,901
Basic net income per common share	$0.074	$0.026	$0.029	$0.048
Diluted net income per common share	$0.072	$0.026	$0.028	$0.047
Total Assets	$26,786,736	$21,938,045	$21,800,778	$20,197,714
Resource Properties	$5,724,550	$5,435,173	$5,042,386	$4,694,489

The Corporation derives revenues from managing the supply of, and from the production of, various types of aggregates in Northern Alberta. All operations are dependent on the ability to remove gravel from its gravel pits, which can often be hampered by the cold, by rain, or by melting weather conditions. As a result, there is a seasonal nature to operations, with winter and spring traditionally being the slowest time for the Corporation. Most construction projects and oil sands projects, to which the Corporation supplies aggregate, typically start up and focus on their busiest time of year later in the summer and fall when ground conditions improve and are typically drier. During Q1 2013, Susan Lake public pit sales volume was 1,329,430 tonnes, a decrease of 438,896 tonnes or 24.8%, from 1,768,326 tonnes during Q1 2012, when record high Q1 aggregate demand was achieved. During Q2 2013, Susan Lake public pit sales volume was 2,200,426 tonnes, a decrease of 274,630 tonnes or 11.1%, from 2,475,056 tonnes during Q2 2012. During Q3 2013, Susan Lake public pit sales volume was 3,259,127 tonnes, a decrease of 56,624 tonnes or 1.7%, from 3,315,751 tonnes during Q3 2012.Q3 2013 YTD Susan Lake public pit sales volume was 6,788,983 tonnes, a decrease of 770,150 tonnes or 10.2%, from 7,559,133 tonnes during Q3 2012 YTD.

Additionally, during Q1 2013, a total of 88,551 tonnes of gravel and sand sold from the Kearl pit, and 98,243 tonnes of gravel was delivered from the Logan pit, for a total of 186,794 tonnes sold from corporate-owned pits. During Q2 2013, a total of 140,945 tonnes of gravel and sand sold from the Kearl pit, and 16,407 tonnes of gravel was delivered from the Logan pit, for a total of 157,352 tonnes sold from corporate-owned pits. During Q3 2013, a total of 73,951 tonnes of gravel and sand sold from the Kearl pit, and 6,196 tonnes of gravel was delivered from the interim stockpile containing Logan pit aggregate, for a total of 73,951 tonnes sold from corporate-owned pits. Combined corporate pit sales through Q3 2013 YTD were 418,098 tonnes, up 164,598 tonnes, or 64.9% over the comparative period.

Combined public and corporate-owned pits sales during Q3 2013 totaled 3,333,079 tonnes, an increase of 17,327 tonnes or 0.5% from Q3 2012. Combined public and corporate-owned pits sales during Q3 2013 YTD totaled 7,207,081 tonnes, a decrease of 505,552 tonnes or 7.8% from Q3 2012 YTD.

For further comparison, combined public and corporate-owned pits sales during Q3 2013 of 3,333,079 tonnes were 830,884 tonnes or 33.2% greater than Q3 2011 sales of 2.502,195 tonnes. Combined public and corporate-owned pits sales during Q3 2013 YTD totaled 7,207,081 tonnes, an increase of 2,360,155 tonnes or 48.7% from Q3 2011 YTD.

The Corporation monitors oil sands companies and their development timelines. The trend is one where most have plans to increase their production. Management anticipates strong continuing demand for aggregate.

F. OUTLOOK

Athabasca's core business relies on aggregate demand from Alberta's oil, natural gas and mining industries in addition to municipal and road construction projects. Historically Athabasca has stronger third and fourth quarters following typically slower first and second quarters due to seasonal considerations such as winter conditions and spring break-up conditions. For the balance of 2013 the prospects for the oil sands sector is expected to be the overall driver for Athabasca revenue. Management continues to seek opportunities to expand the Corporation and expand our client base into other industry sectors.

The Corporation continued its transition to supplying sand and gravel from 100% owned corporate-owned aggregate operations, while maintaining management activities at the Susan Lake aggregate operation. Corporate owned pits in Q3 2013 YTD have accounted for approximately 6% of our total tonnes sold but account for 59% of sales revenues.

Combined public and corporate-owned pits sales during Q3 2013 totaled 3,333,079 tonnes, an increase of 17,327 tonnes or 0.5% from Q3 2012. Combined public and corporate-owned pits sales during Q3 2013 YTD totaled 7,207,081 tonnes, a decrease of 505,552 tonnes or 7.8% from Q3 2012 YTD. Tracking slightly below fiscal 2012 sales on a YTD basis, combined public and corporate-owned pits sales during Q3 2013 YTD totaled 7,207,081 tonnes, an increase of 2,360,155 tonnes or 48.7% above Q3 2011 YTD.

Fiscal 2012 aggregate demand at Susan Lake represented a stellar year for the Corporation. While fiscal 2013 sales have been below those reported during fiscal 2012, fiscal 2013 sales have grown considerably over the period covering 2009 to 2011.

During much of the first two months of Q3 2013, aggregate extraction at the Kearl pit was impeded by unusually heavy rainfall conditions at the Kearl pit that focused attention on dewatering rather than extraction activities.

Two important and positive developments have recently occurred at the Kearl pit that are expected to contribute to improved future productivity and reduced costs of production. Firstly, the Corporation has implemented a revised dewatering method, which has substantially improved operating access to aggregates for extraction at the Kearl pit. Secondly, the Corporation has now mined to a depth in the pit where a significantly richer proportion of gravel to sand content is being extracted. Previously, a greater sand content was encountered at depths nearer to ground surface. As a combined result of these two factors, beginning in August 2013, increased extraction volume and processing of more and higher value aggregate is being realized than in past, and is expected to continue through fiscal 2013. Over 63% of the approximate total 248,000 tonnes of aggregate processed at the Kearl pit during Q3 occurred during the month of August alone.

Aggregate processing at Kearl pit is anticipated through approximately mid-December, by which time the onset of winter weather conditions will likely inhibit the opportunity for efficient production. The Corporation is building its stockpiled supply of processed sand and gravel. These finished products will be available for immediate sale during the winter and spring months when aggregate extraction and processing is suspended due to cold winter weather and wet spring pit conditions.

At Q3 2013, Athabasca's inventory of processed gravel and sand rose to $5,642,328, an increase of $4,141,386 during fiscal 2013.

A sizeable portion of this dollar increase pertains to gravel that was processed from the Logan pit but not delivered in conjunction with a customer order in the original amount of 375,000 tonnes. Of that original order, approximately 30% or 114,650 tonnes had been delivered through Q2 2013. The remainder of the order became undeliverable as a result of wet ground conditions and a seasonal road that allows for winter hauling only. Due to changed requirements, the customer has reduced their original order size by approximately 72,000 tonnes or 20%. Athabasca is marketing the original 72,000 tonnes of available gravel to other customers in the area, and had sold over 6,000 tonnes during Q3. The Corporation plans to deliver the remaining approximate 188,000 tonnes of gravel to the customer once ground conditions permit.

From the Kearl pit, most of the aggregate production to date has been sold to one major oil sands customer. As a result, the Corporation will aggressively market its inventory to other aggregate customers in the area, while continuing to serve the aggregate requirements of its largest customer at Kearl.

Operations at Logan and House River are expected to resume at such time that winter roads can be accessed and product is deliverable.

For the remainder of fiscal 2013 the Corporation has planned various activities and initiatives for its exploration and aggregates programs, which include:

- Receipt of permissions to complete additional drilling and testing at the Richardson Project in order to collect sufficient data in order to commission a National Instrument 43-101 resource report that will confirm in-house data and establish quantities. Based upon Q1 2013 drilling on the presence of granite and dolomite at surface or near surface occurrences was confirmed;

- Continue to realize efficiency improvements with corporate-owned crushing activities at Athabasca's Kearl pit;

- Stockpile suitable quantities of processed gravel and sand for future sale until resumption of extraction;
- Secure new sales orders for its corporate pits; and,
- Obtain government approval in principle for the silica sand Firebag Project during fiscal 2013, as well as to obtain a subsequent National Instrument 43-101 report.

Corporate pit sales during Q4 will be focused on the Kearl pit gravel and sand inventory to interested customers in the area, and to marketing the existing processed gravel stockpile at Conklin, where approximately 60,000 tonnes of gravel is available for immediate delivery. Athabasca will also focus on the delivery of the 188,000 tonne gravel order from the Logan pit, and will commence hauling once conditions permit.

Aggregate Management

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

The Corporation determines demand for the year by discussing expected aggregate requirements with its major customers.

During Q3 2013, Susan Lake sales volume was 3,259,127 tonnes, a decrease of 56,624 tonnes or 1.7%, from Q3 2012. During Q3 2013 YTD, Susan Lake sales volume was 6,788,983 tonnes, a decrease of 770,150 tonnes or 10.2%, from Q3 2012 YTD. For further comparison, Q3 2013 YTD Susan Lake sales of 6,788,983 tonnes were 1,942,057 tonnes or 40.1% greater than Q3 2011 YTD sales of 4,846,926 tonnes.

Midway through Q4 2013, Susan Lake tonneage volume continues to track below the comparable period in Q4 2012, although remaining higher than tonneage sales during the comparable period in Q4 2011.

For the year ending November 30, 2012 public pit sales on which aggregate management fees are earned were 10,619,322 tonnes, a 36.9% or 2,860,711 tonne increase over 7,758,612 tonnes sold during fiscal 2011.

Despite significant volatility in 2013 oil prices, oil sands companies have announced continued plans to increase their production, and as a result strong continuing demand for aggregate is anticipated by management.

Other Aggregate Resources

The retail price of aggregate is made up of a number of components including extraction and processing costs, haul distance, quality of aggregate, and order volume. The largest component in the price of aggregate is transportation. Pricing in respect of gravel resources becomes more competitive the closer they are to the end user. Aggregate sales from Susan Lake have been transported as far away as two hundred kilometers, which should provide the corporate-owned pits the Corporation has placed into production during fiscal 2012 with a location competitive advantage in some instances compared to Susan Lake. The Logan pit is much closer to a number of oil sand developments south of Fort McMurray, and the Kearl pit, approximately 60 kilometers east of Susan Lake, is also located nearer to some aggregate end users. The House River pit is located approximately 11 kilometers from Alberta Highway 63.

During fiscal 2012, the House River pit initiated production and completed a 253,500 tonnes asphalt aggregates sale to a major road builder. Alberta's Department of Transportation intends to twin a 240-kilometre stretch of Highway 63, to be completed by fall 2016 at an estimated cost of $778 million. Management anticipates its House River pit is well-situated to potentially participate in further supply of aggregates for the Highway 63 twinning project as well as for other prospective demands.

The Kearl pit is located in the immediate vicinity of major oil sands operations surrounding the project area. Initial sales from the Kearl pit began during Q4 2012, and through Q3 2013, more than 361,000 tonnes of aggregate has been sold from the pit, including more than 67,000 tonnes sold during Q3 2013, and more than 297,000 tonnes Q3 2013 YTD. Although startup costs have exceeded initial estimates, the relative cost of aggregate operations at the pit is expected to be advantageous over sub-contracting the gravel crushing as increased aggregate production and efficiency improvements are realized. Management feels the experience gained during the early operations at the Kearl pit has allowed us to further develop plans for its future operations and increased efficiency.

Logan pit sales commenced during Q1 2013, when more than 98,000 tonnes of crushed gravel had been invoiced pursuant to a 375,000 tonne contract. Under the contract, the Corporation is responsible for providing product, processing and delivery. Sub-contractor gravel crushing for 390,000 tonnes was completed by end of Q1 2013. Approximately 202,000 tonnes of crushed gravel were unable to be removed from the Logan pit prior to the onset of the winter thaw. The Logan pit is now inaccessible for further hauling until the ground next freezes. Approximately 72,000 further tonnes of crushed gravel was hauled from Logan pit to an interim stockpile prior to the Logan pit becoming inaccessible, of which approximately 6,000 tonnes were sold during Q3 2013. Once the interim stockpile's wet ground conditions improve, the crushed gravel will be available for hauling. It is anticipated that the crushed gravel remaining at the Logan pit will be available for hauling beginning Q1 2014, when frozen ground conditions should allow for resumption of hauling. Winter weather conditions and poor road conditions have impeded hauling on this contract. In order to avoid a similar circumstance in future years, the Corporation plans to adapt its approach to winter haul only roads such as the Logan pit. The Corporation can have available for its use both ice sanding and grading equipment to better maintain the winter hauling road to allow for improved truck transport during poor driving conditions. As well, to the extent possible, the Corporation will plan to accelerate its future activities within the pit as early as weather and ground conditions allow.

Public Land

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

Private Land

The Corporation will continue to look for a market and customers for its 300,000 cubic yards (375,000 tonnes) of purchased pit run from the Warrensville pit. Since there are other gravel pits in the area and competing for the same market, a concerted effort will be required to sell the aggregate on economic terms.

Mineral Properties

The Corporation continually assesses its mineral exploration program.

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

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

The Province of Alberta recently has completed a regional land use study of the Lower Athabasca area that impacts on mineral activities in the area. A plan has been enacted, known as the Lower Athabasca Regional Plan (the "LARP"), which identifies and sets resource and environmental management protocols with respect to air, land, and biodiversity, and will guide future resource management in the region.

The Lower Athabasca area includes some of the Corporation's properties that are proposed for, or had been actively explored by, the Corporation. Alberta has now served cancellation notices on all mineral agreement holders impacted by the Lower Athabasca Regional Plan. The LARP had a small impact on the Corporation's holdings, with only 6,726 hectares of over 180,000 hectares in northern Alberta to be cancelled due to the inclusion of the land in a provincial recreation area. The Corporation had conducted no exploration on the 6,726 hectares which are not yet cancelled.

G. OPERATING RESULTS

	Nine Months Ended August 31, 2013	Nine Months Ended August 31, 2012
Aggregate management fees	$7,536,545	$8,370,631
Net aggregate sales	$11,000,678	$2,050,815
Total revenue	**$18,537,223**	**$10,421,446**
Stripping, clearing and crushing expenses	$2,514,397	$1,836,684
Amortization, depreciation and depletion	$1,021,968	$69,077
Other aggregate operating expenses	$9,035,027	$1,440,130
Aggregate operating expenses	$12,571,392	$3,345,891
Gross profit	**$5,965,831**	**$7,075,555**
Other expenses		
Amortization and depreciation	$1,041,777	$867,166
General and administrative	$1,644,706	$1,440,648
Finance costs	$299,065	$162,065
Share-based compensation	$523,751	$194,331
Income before other items	$2,456,532	$4,411,345
Other income (loss)		
Interest	$22,241	$25,469
(Loss) gain on land use agreement	$(339,647)	$812,311
Recovery (write down) of intangible assets	$38,682	$(20,006)
All other	$54,846	$5,134
Income before income taxes	**$2,232,654**	**$5,234,253**
Income taxes	$(700,329)	$(1,684,445)
Net income and comprehensive income	**$1,532,325**	**$3,549,808**
Basic income per common share	**$0.054**	**$0.130**

Total revenue for the three months ended August 31, 2013 was $5,575,149, comprised of aggregate management fees of $3,620,506 and net aggregate sales of $1,954,643. This compared to total revenue for the three months ended August 31, 2012 of $3,582,344 comprised solely of aggregate management fees. During the three months ended August 31, 2013 revenue increased by $1,992,805 or 55.6%, including an increase in aggregate management fees of $38,162 or 1.1% and an increase in net aggregate sales of $1,954,643. The management contract with the Government of Alberta allows for an annual increase in the management fee based on the Alberta consumer price index increase of the preceding year. Additional fees are charged when the Susan Lake scales are operated beyond normal business hours. In the three months ended August 31, 2013, there was a reduction in requests for over-time scale operations versus the comparative period.

Total tonneage sales of aggregate on which aggregate management fees are earned by the Corporation had decreased by 1.7%, with 3,259,127 tonnes sold in the three months ended August 31, 2013 compared with 3,315,751 sold in the three months ended August 31, 2012. During the three months ended August 31, 2013 there were 73,951 tonnes sold from corporate-owned pits. There were no sales from corporate-owned pits in the comparative period.

Total revenue for the nine months ended August 31, 2013 was $18,537,223, comprised of aggregate management fees of $7,536,545 and net aggregate sales of $11,000,678. This compared to total revenue for the nine months ended August 31, 2012 of $10,421,446 comprised of aggregate management fees of $8,370,631 and net aggregate sales of $2,050,815. During the nine months ended August 31, 2013 total revenue increased by $8,115,777 or 77.9%, including a reduction in aggregate management fees of $834,086 or 10.0% and an increase in net aggregate sales of $8,949,863 or 436.4%. The management contract with the Government of Alberta allows for an annual increase in the management fee based on the Alberta consumer price index increase of the preceding year. Additional fees are charged when the Susan Lake scales are operated beyond normal business hours. In the nine months ended August 31, 2013, there was a reduction in requests for over-time scale operations versus the comparative period, which along with reduced tonneage volume, contributed to reduced aggregate management fees.

Total tonneage sales of aggregate on which aggregate management fees are earned by the Corporation had decreased by 10.2%, with 6,788,983 tonnes sold in the nine months ended August 31, 2013 compared with 7,559,133 sold in the nine months ended August 31, 2012. During the nine months ended August 31, 2013 there were 418,098 tonnes sold from corporate-owned pits versus 253,500 in the comparative period, an increase of 164,598 tonnes, or 64.9%.

Aggregate operating expenses for the three months ended August 31, 2013 were $3,097,855 representing an increase of $2,442,032 or 372.4% from $655,823 for the three months ended August 31, 2012. Stripping, clearing and crushing expenses of $418,589 were incurred during Q3 2013, which primarily consisted of payroll costs for crushing and stripping expenses at the Kearl pit. During Q3 2012 $215,633 was spent on stripping, clearing and crushing activities. Amortization, depreciation and depletion expense was $338,938 during Q3 2013 compared with $2,412 during Q3 2012. The increase was due to increased plant and equipment depreciation expense at corporate-owned pits, and increased corporate pit production, thus increasing depletion of corporate-owned pit setup costs and amortization of decommissioning and restoration costs. All other aggregate operating expenses increased by 434.6% during Q3 2013, up $1,902,550 to $2,340,328 compared to $437,778 during Q3 2012. The cost increases primarily involved accommodation and meal costs for work crews ($663,530), aggregate payroll costs ($609,896), hauling costs on private pit aggregate sales ($565,236), diesel and fuel costs ($488,280), and variance other less significant cost increases. During Q3 the Corporation adopted a standard procedure in its industry, by currently expensing a percentage estimate of its recorded inventory due to expected stockpile loss. The amount of expense charged to stockpile loss during Q3 2013 was approximately $265,000 and forms part of other aggregate operating expenses. Stockpile loss can be due to a variety of causes, including wind erosion, loss through moisture, uneven surfaces located at the stockpile sites, and more. Q3 2013 increase in inventory remaining available for sale, up $1,171,684 from $4,470,644 to $5,642,328 is a cost offset to all other aggregate operating expenses.

Aggregate operating expenses for the nine months ended August 31, 2013 were $12,571,392 representing an increase of $9,225,501 or 275.7% from $3,345,891 for the nine months ended August 31, 2012. Stripping, clearing and crushing expenses of $2,514,397 were incurred during Q3 2013 YTD, which primarily consisted of subcontractor crushing expenses at the Logan pit, and payroll costs at the Kearl pit. During Q3 2012 YTD $1,836,684 was spent on stripping and clearing activities. Amortization, depreciation and depletion expense was $1,021,968 during Q3 2013 YTD compared with $69,077 during Q3 2012 YTD. The increase was due to increased plant and equipment depreciation expense at corporate-owned pits, and increased corporate pit production, thus increasing depletion of corporate-owned pit setup costs and amortization of decommissioning and restoration costs. All other aggregate operating expenses increased by 527.4% during Q3 2013 YTD, up $7,594,897 to $9,035,027 compared to $1,440,130 during Q3 2012 YTD. Almost $5.3 million of this increase was due to hauling costs for private pit sales. Q3 2013 YTD cost increases in other aggregate operating expenses primarily involved increased diesel fuel costs ($1,084,538), increased aggregate operations payroll costs ($1,424,044), accommodation and meal costs for work crews ($1,154,748), and increased equipment repair and maintenance ($762,410). As noted in the comments pertaining to Q3 as a result of adopting a standard procedure in its industry, the Corporation charged expense for stockpile loss during Q3 2013 YTD for approximately $265,000 which forms part of other aggregate operating expenses. Q3 2013 YTD costs attributable to an increase in inventory remaining available for sale, in the amount of $3,050,276, is a cost offset to all other aggregate operating expenses.

Depreciation of property and equipment rose by $27,356 to $132,421 during Q3 2013 due to the increase in property and equipment acquired by the Corporation. Amortization of the Susan Lake management contract during Q3 2013 remained consistent with the comparative period at $216,667.

Depreciation of property and equipment rose by $174,611 to $391,777 during Q3 2013 YTD due to the increase in property and equipment acquired by the Corporation. Amortization of the Susan Lake management contract during Q3 2013 YTD remained consistent with the comparative period at $650,000.

General and administrative expenses for the three months ended August 31, 2013 increased by $74,140 or 16.6% to $521,778 up from $447,638 in Q3 2012. The increase is primarily due to $48,254 in increased equipment repair and maintenance and $22,749 in increased G&A payroll and related costs. Other cost increases and offsetting cost decreases account for the remaining $3,137.

General and administrative expenses for the nine months ended August 31, 2013 increased by $204,058 or 14.2% to $1,644,706 up from $1,440,648 in Q3 2012 YTD. The increase is primarily due to $154,291 in increased equipment repair and maintenance, $51,946 in increased truck leasing costs and $25,538 in increased G&A payroll and related costs. Other cost increases and offsetting cost decreases account for the remaining $(27,717).

Finance costs were $93,581 for the three months ended August 31, 2013, up $19,180 from $74,401 for the three months ended August 31, 2012. The increase primarily results from $ 34,217 in increased interest costs arising from equipment finance leases entered into during fiscal 2012, as well as reduced interest costs on the term debt due to declining principal balance outstanding. Finance costs also include $4,171 accretion expense, down $4,591 from $8,762 for the three months ended August 31, 2012.

Finance costs were $299,065 for the nine months ended August 31, 2013, up $137,000 from $162,065 for the nine months ended August 31, 2012. The increase primarily results from $147,759 in increased interest costs arising from equipment finance leases entered into during fiscal 2012. Finance costs also include $11,727 accretion expense, up $728 from $10,999 for the nine months ended August 31, 2012. The increase is primarily as a result of accretion on decommissioning and restoration costs resulting from increased stripping activities at more corporate-owned pits than as at the comparative period.

Share-based compensation increased by $30,477 during the three months ended August 31, 2013, to $128,352 from $97,875 due to higher vesting expense during Q3 2013 than during the comparative quarter. This resulted from stock options that were granted during March 2012, August 2012 and December 2012. These latest stock option grants reflect significantly increased estimated average fair value per option than stock option grants issued in prior periods. This will result in comparatively higher non-cashflow share-based compensation over the 18-month vesting period covering the March 2012, August 2012, and December 2012 stock option grants than with vesting of stock option grants from earlier periods.

Share-based compensation increased by $329,420 during the nine months ended August 31, 2013, to $523,751 from $194,331 due to higher vesting expense during Q3 2013 YTD than during the comparative period. This resulted from stock options that were granted during March 2012, August 2012 and December 2012. These latest stock option grants reflect significantly increased

estimated average fair value per option than stock option grants issued in prior periods. This will result in comparatively higher non-cashflow share-based compensation over the 18-month vesting period covering the March 2012, August 2012, and December 2012 stock option grants than with vesting of stock option grants from earlier periods.

Interest income during the three months ended August 31, 2013 totalled $4,045 as compared to $13,367 for the comparative period, a decrease of $9,322. The decrease is primarily due to reduced interest income recognized on collections received that had been discounted when determining the carrying value of the land use agreement receivable, and from reduced interest charges on overdue accounts receivable.

Interest income during the nine months ended August 31, 2013 totalled $22,241 as compared to $25,469 for the comparative period, a decrease of $3,228. The decrease is primarily due to reduced interest income recognized on collections received that had been discounted when determining the carrying value of the land use agreement receivable, and from reduced interest charges on overdue accounts receivable.

Gain on land use agreement during the three months ended August 31, 2013 was $49,454 versus $812,311 gain in the comparative period, a difference of $762,857. The Q3 2013 gain arose from an adjustment in the estimated future discounted cashflow expected to be received on Lodge 2 under the agreement beyond August 31, 2013 throughout its' initial term which expires October, 2015. The Q3 2013 gain on land use agreement was decreased by $3,943 due to an estimated increase in decommissioning and restoration costs attributable to the land related to the land use agreement. Gain on land use agreement during Q3 2012 was $812,311. The gain was the result of recognizing the estimated discounted future cashflow from the second lodge that was opened during Q3 2012, and from increasing the carrying value of the estimated discounted future cashflow from the first lodge due to the increase in the monthly average accommodation rate over time.

Loss on land use agreement during the nine months ended August 31, 2013 was $339,647 versus a $812,311 gain in the comparative period, a difference of $1,151,958. The work camp provider's main tenant abandoned its involvement in an oil sands project, reducing accommodation requirements for its workforce, which resulted in the work camp provider closing out operations of the first lodge under the land use agreement. The Q3 2013 YTD loss primarily arose from $407,181 attributable to the closure of lodge 1 and a shortfall in lodge 1 actual receipts from estimate during the period. Partially offsetting this was a gain of $47,358 attributable to lodge 2 based on revaluation of estimated future discounted receipts, net of a shortfall in lodge 2 actual receipts from estimate during the period. The Q3 2013 YTD loss on land use agreement was reduced by $20,176 due to an estimated decrease in decommissioning and restoration costs attributable to the land related to the land use agreement.

Cash received from the land use agreement was $429,432 during the nine months ended August 31, 2013 compared to $351,197 during Q3 2012 YTD. At August 31, 2013, the land use agreement receivable was valued at $832,397 and represents estimated future discounted cashflow to be received for both lodges through October 2015.

Recovery of intangible assets was $4,327 during the three months ended August 31, 2013, versus a write down of $20,006 during the comparative period, and due to a decrease in estimated decommissioning and restoration costs attributable to the land related to the Corporation's lay down storage yard at the Poplar Creek pit.

Recovery of intangible assets was $38,682 during the nine months ended August 31, 2013, versus a write down of $20,006 during the comparative period, and due to a decrease in estimated decommissioning and restoration costs attributable to the land related to the Corporation's lay down storage yard at the Poplar Creek pit.

During the three months ended August 31, 2013, the Corporation earned net income and comprehensive income of $1,059,462 or $0.038 basic income per common share. This reflects a 48.2% decrease in net income, down $984,686 from $2,044,148 net income and comprehensive income and $0.074 basic income per share earned during Q3 2012. Changes in the composition of net income include an increase in revenue of $1,992,805, consisting of a $38,162 increase in aggregate management fees and an increase in net aggregate sales of $1,954,643 over Q3 2012. Increased revenue was partially offset by $2,442,032 increased aggregate operating expenses during Q3 2013, with a resulting gross profit of $2,477,294, down $449,227 from $2,926,521. Other expenses increased by $151,153 to $1,092,799 from $941,646, due to increased share-based compensation, increased depreciation on property and equipment, increased G&A expense, and increased finance costs. Pre-tax income of $1,459,301 was earned during Q3 2013 compared to pre-tax income of $2,814,669 in Q3 2012, a decrease of $1,355,368. Income tax expense of $399,839 was charged during Q3 2013 compared to Q3 2012 income tax expense of $770,521, a reduction of $370,682. A decrease of $754,988 in other income, of which $762,857 pertains to the reduced gain on land use agreement, accounts for the remainder of the $984,686 decrease in net income.

During the nine months ended August 31, 2013, the Corporation earned net income and comprehensive income of $1,532,325, or $0.054 basic income per common share. This reflects a 56.8% decrease in net income, down $2,017,483 from $3,549,808 net income and comprehensive income and $0.130 basic income per share earned during Q3 2012 YTD. Changes in the composition of net income include an increase in revenue of $8,115,777, consisting of an $834,086 reduction in aggregate management fees and an increase in net aggregate sales of $8,949,863. Increased revenue was offset by $9,225,501 increased aggregate operating expenses, with a resulting gross profit of $5,965,831, down $1,109,724 from $7,075,555. Other expenses increased by $845,089 to $3,509,299 from $2,664,210, due to increased share-based compensation, increased depreciation on property and equipment, increased G&A expense, and increased finance costs. Pre-tax income of $2,232,654 was earned during Q3 2013 YTD compared to pre-tax income of $5,234,253 in Q3 2012 YTD, a decrease of $3,001,599. Income tax expense of $700,329 was charged during Q3 2013 YTD compared to Q3 2012 YTD income tax expense of $1,684,445, a reduction of $984,116. An increase of $1,046,786 in other loss, of which $1,151,958 pertains to the gain reduction on land use agreement, accounts for the remainder of the $2,017,483 decrease in net income.

H. OPERATING ACTIVITIES

Cash flow from operating activities for the nine months ended August 31, 2013 was $490,280 as compared to $3,437,127 for the nine month comparative period, a decrease of $2,946,847. Various factors accounted for the decreased cash flow from operating activities. Net income adjusted for non-cash items was $4,273,890 for the nine months ended August 31, 2013 versus $4,412,129 for the comparative period, a cash decrease of $138,239. Cash in the amount of $1,345,327 was provided through an increase in trade and other payables during the nine months ended August 31, 2013, versus an increase of $80,094 during the comparative period, an increase in cash provided of $1,265,233. During the nine months ended August 31, 2013 cash in the amount of $1,532,210 was used through an increase in accounts receivable versus an increase in accounts receivable of $364,287 during the comparative period, an increase of $1,167,923 in cash used. $527,329 cash was provided in the nine months ended August 31, 2013 through an increase in income tax payable compared to a decrease in income tax payable of $116,936 during the comparative period, an increase of $644,265 in cash provided. A decrease of $17,330 in prepaid expenses and deposits during the nine months ended August 31, 2013 versus an increase of $39,043 in prepaid expenses and deposits during the comparative period, provided a cash increase of $56,373 due to decreased prepaid expenses and deposits. Cash in the amount of $4,141,386 was used during the nine months ended August 31, 2013 to increase the balance of ending inventory versus $534,830 in the comparative period, an increase of $3,606,556.

I. INVESTING ACTIVITIES

		Nine Months Ended August 31, 2013		Nine Months Ended August 31, 2012
Purchase of property and equipment	$	(1,079,295)	$	(3,146,419)
Restricted cash		(103,054)		(126,368)
Proceeds from sale and leaseback of property and equipment		-		1,946,454
Proceeds from land use agreement		429,432		351,197
Insurance proceeds on write off of plant and equipment		27,950		4,250
Resource properties		(740,247)		(858,668)
Total	$	(1,465,214)	$	(2,575,189)

During the nine months ended August 31, 2013, the Corporation invested $103,054 in a restricted cash account, pursuant to its land use agreement with a work camp provider (Q3 2012 YTD- $76,368). These funds are invested for the purpose of future funding of Poplar Creek pit reclamation costs. As well, during Q3 YTD 2012, the Corporation invested $50,000 in restricted cash to fund future reclamation costs.

During the nine months ended August 31, 2013 the Corporation received proceeds of $429,432 under its land use agreement with a work camp provider, consisting of receipts for monthly land access, work camp daily accommodation, and future reclamation funding. Proceeds of $351,197 had been received during the comparative period.

During the nine months ended August 31, 2013 the Corporation invested $661,511 in exploration costs on its mineral resource properties, and funded mineral lease rent of $78,736. During the comparative period, the Corporation invested $768,494 in exploration and development costs on its mineral resource properties, and funded additional mineral properties applications in the amount of $24,950, and mineral lease rent of $65,224.

During Q3 2012 YTD the Corporation acquired property and equipment in the amount of $2,305,454 by entering into finance leases on a sale and leaseback basis. Acquiring assets by entering into a finance lease involves non-cash investing and financing, and accordingly does not appear in the statements of cash flows.

J. FINANCING ACTIVITIES

		Nine Months Ended August 31, 2013		Nine Months Ended August 31, 2012
Repayment of callable debt	$	-	$	(3,883,479)
Issue of share capital		89,550		152,866
Long-term debt proceeds		-		4,000,000
Long-term debt transaction costs		-		(41,250)
Repayment of long-term debt		(750,000)		(166,667)
Repayment of lease obligations		(830,686)		(102,332)
Total	$	(1,491,136)	$	(40,862)

During fiscal 2012 the Corporation received long-term debt proceeds of $4,000,000 with which it repaid all outstanding callable debt with the remainder available to fund long-term debt set up fees and working capital. During nine months ended August 31, 2013, $750,000 of the $4,000,000 long-term debt had been repaid, compared to $166,667 in the comparative period.

During the nine months ended August 31, 2013 the Corporation received proceeds of $89,550 on the exercise of its stock options compared to $152,866 in the comparative period.

K. LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2013 the Corporation reported working capital of $5,408,860 which management feels is sufficient to fund ongoing operations and to meet its liabilities when they come due. The Corporation has access to a $3,000,000 demand operating loan with a sub-limit of $2,000,000 available for letters of commercial credit. No balance was outstanding on the operating loan, apart from letters of credit totalling $1,351,760. Accordingly, the Corporation is not exposed to significant liquidity risk.

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

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

As at October 24, 2013 the Corporation holds mineral permits covering 488,952 hectares (1,208,227 acres). The Corporation has spending commitments totaling approximately $184,000 in fiscal 2013, $2,704,000 in fiscal 2014, and $369,000 in fiscal 2015 to retain these mineral permits held by the Corporation.

As at October 24, 2013 the Corporation holds mineral leases covering 21,323.5 hectares. In order to keep the land under mineral leases in good standing, the Corporation is required to pay annual rental of $3.50 per hectare on the mineral leases. In addition, applicable royalties will be payable to the Alberta Government once sales production on the mineral leases commences. Currently, the Corporation has an annual rental commitment of $65,223 over the 15 year life of the mineral leases which expire in 2026, and an annual rental commitment of $9,408 over the 15 year life of the mineral leases which expire in 2028.

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

L. OUTSTANDING SHARE DATA

Athabasca is authorized to issue an unlimited number of common shares. The following details the common shares outstanding and securities that are convertible into common shares as at October 24, 2013:

Number of Common Shares Outstanding	28,297,500
Number of Stock Options Outstanding	2,336,666

The Corporation had 2,336,666 outstanding stock options with the following exercise prices and expiry dates:

Number	Exercise Price	Expiry Date
75,000	$0.25	September 21, 2014
170,000	$0.26	October 15, 2015
70,000	$0.35	October 6, 2016
886,666	$0.63	March 29, 2017
150,000	$1.04	August 24, 2017
360,000	$1.64	December 11, 2017
625,000	$1.02	September 6, 2018
2,336,666		

A total of 1,421,666 stock options were exercisable at a weighted average price of $0.67 per share.

Normal Course Issuer Bid

During the years ended November 30, 2011 and November 30, 2012 the Corporation had in place a normal course issuer bid that commenced on August 12, 2011 and terminated on August 12, 2012 (the "2011 Bid"). During the years ended November 30, 2011 and November 30, 2012 no common shares were repurchased pursuant to the 2011 Bid.

During the nine months ended August 31, 2013 the Corporation had in place a normal course issuer bid (the "2012 Bid"). In accordance with the terms of the 2012 Bid, the Corporation may purchase up to a total of 1,388,625 common shares representing approximately 5% of the common shares of the Corporation issued and outstanding as at August 9, 2012. The 2012 Bid commenced on August 14, 2012 and terminated on August 14, 2013.

During the years ended November 30, 2011 and November 30, 2012 no common shares were repurchased pursuant to the 2011 Bid. During the nine months ended August 31, 2013 and the year ended November 30, 2012 no common shares had been repurchased pursuant to the 2012 Bid.

Purchases on behalf of the Corporation will be made by Wolverton Securities (Alberta) Ltd., 2100-335 8 Avenue S.W., Calgary, Alberta – T3H 4R5. Shareholders of the Corporation can obtain a copy of the Notice of Intention to Make a Normal Course Issuer Bid (Form 5G), which was submitted by the Corporation to TSX Venture in order to obtain the necessary regulatory approval, without charge, by contacting the Chief Financial Officer of the Corporation at (780) 465-5696.

M. RELATED PARTY TRANSACTIONS

During the three months ended August 31, 2013, the Corporation incurred expenses of $25,912 (2012 - $441,010) for services provided by certain directors and officers and certain companies controlled by certain directors and officers of the Corporation as further described below.

During the nine months ended August 31, 2013, the Corporation incurred expenses of $79,041 (2012 - $845,701) 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 fees are recorded in the financial statements as follows:

	For the three months ended August 31,		For the nine months ended August 31,	
	2013	2012	2013	2012
Directors and Officers:				
Directors fees and expenses	$ 521	-	521	-
Travel and miscellaneous	2,942	6,245	4,321	24,395
	3,463	6,254	4,842	24,395
Companies controlled by directors and officers:				
Consulting fees for services rendered	-	45,899	-	215,160
Travel and miscellaneous	-	6,073	750	10,572
Exploration costs	-	365,784		548,574
Property and equipment	1,449	-	10,449	-
Rent	21,000	17,000	63,000	47,000
	22,449	434,756	74,199	821,306
	$ 25,912	441,010	79,041	845,701

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.

N. COMPENSATION OF KEY MANAGEMENT

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

	For the three months ended August 31,		For the nine months ended August 31,	
	2013	2012	2013	2012
Salaries and other benefits	$ 155,480	$ 183,203	$ 540,986	$ 596,633
Share-based benefits	83,629	44,151	438,342	132,267
	$ 239,109	$ 227,354	$ 979,328	$ 728,900

O. CHANGE IN ACOUNTING POLICIES INCLUDING EARLY ADOPTION

New standards not yet adopted

i. Scope of the reporting entity

IFRS 10, "Consolidated Financial Statements" and IFRS 12, "Disclosure of Interests in Other Entities", were issued and replace IAS 27, "Consolidated and Separate Financial Statements" and Standing Interpretations Committee ("SIC") 12, "Consolidation - Special Purpose Entities" for guidance on the consolidation model which identifies the elements of control and provides a comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. These standards are effective for annual periods beginning on or after January 1, 2013. The Corporation is currently evaluating the impact of the new standards.

ii. Stripping costs in the production phase of a surface mine

IFRIC 20, "Stripping Costs in the Production Phase of a Surface Mine" considers when and how to account separately for benefits arising from stripping activity, as well as how to measure these benefits both initially and subsequently. In surface mining operations, entities may find it necessary to remove mine waste materials (overburden) to gain access to mineral ore deposits. This waste removal activity is known as 'stripping.' IFRIC 20 only deals with waste removal costs that are incurred in surface mining activity during the production phase of the mine ('production stripping costs'). This standard is effective for annual periods beginning on or after January 1, 2013. The Corporation is currently evaluating the impact of this new standard.

iii. Joint arrangements

IFRS 11, "Joint Arrangements" was issued and supersedes IAS 31, "Interests in Joint Ventures" and SIC 13, "Jointly Controlled Entities-Non-monetary Contributions by Venturers", to establish principles for financial reporting by parties to a joint arrangement. This standard is effective for annual periods beginning on or after January 1, 2013. The Corporation is currently evaluating the impact of this new standard.

iv. Fair value measurement

IFRS 13, "Fair Value Measurement" was issued to set out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. This standard is effective for annual periods beginning on or after January 1, 2013. The Corporation is currently evaluating the impact of this standard.

v. Employee benefits

IAS 19, "Employee Benefits", was amended to eliminate the options to defer, or recognize in full in profit or loss, actuarial gains and losses, to streamline the presentation of changes in assets and liabilities arising from defined benefit plans and to enhance the disclosure requirements for defined benefit plans. This amendment is effective for annual periods beginning on or after January 1, 2013. The Corporation is currently evaluating the impact of these amendments.

vi. Financial instruments classification and measurement

IFRS 9, "Financial Instruments" was issued and will replace IAS 39, "Financial Instruments: Recognition and Measurement." The new standard has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value, and a debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows that represent principal and interest. The new standard is effective for annual periods beginning on or after January 1, 2015. The Corporation is currently evaluating the impact of this new standard.

P. FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash, restricted cash, accounts receivable, land use agreement receivable, short-term investment, long-term deposits, trade and other payables, lease obligation, and long-term debt.

a) Fair Value

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

b) Credit Risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist primarily of cash, restricted cash, accounts receivable, long-term deposits and land use agreement receivable. The Corporation's maximum credit risk at August 31, 2013 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 August 31, 2013, 74.9% of the Corporation's accounts receivable was due from four customers.

The Corporation's aged accounts receivable are comprised of 69.6% current, 19.5% past due up to 60 days and 10.9% past due over 60 days. While certain amounts are past due, management considers there is no impairment of the accounts receivable except as provided in the following paragraph.

Included in accounts receivable past due over 60 days is $627,904 owed to the Corporation which is under dispute. The Corporation has provided $119,207 as allowance for doubtful accounts, which was expensed to bad debts during fiscal 2012. Management expects to collect the unimpaired balance of the receivable through legal settlement.

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 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. Under its long-term credit facilities, the Corporation must maintain certain ratios. The Corporation has complied with all ratios as at August 31, 2013.
As at August 31, 2013 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 trade and other payables, term debt, including interest (excluding deferred transaction costs) and lease obligation, including interest.

The following are the timings of the undiscounted cash outflows relating to financial liabilities:

	0-1 year	2-3 years	4-5 years	Total
	$	$	$	$
Trade and other payables	4,393,976	-	-	4,393,976
Long-term debt, including interest	1,108,854	1,909,531	-	3,018,385
Lease obligation, including interest	1,328,355	2,656,710	1,212,205	5,197,270
Total	6,831,185	4,566,241	1,212,205	12,609,631

The Corporation's existing credit facilities and cash flow from operating activities is expected to be greater than anticipated capital expenditures and the contractual maturities of the Corporation's financial liabilities as at August 31, 2013. The expectation could be adversely affected by a material negative change in the demand for aggregate or the Corporation's management contract.

d) Foreign Currency Risk

The Corporation maintains a USD currency bank account with a nominal balance for the infrequent need to fund supplier purchases denominated in USD currency. As at August 31, 2013 the Corporation had USD cash on deposit in the amount of $640 (CAD $674), and no USD denominated trade and other payables or receivables. As the amounts involved are not substantial management feels risk is minimal.

e) Interest Rate Risk

The Corporation has an interest bearing term deposit and carries variable rate debt financing. Given the interest rate is fixed on the term deposit the Corporation is not exposed to any interest rate risk on this financial instrument. However, the Corporation is exposed to interest rate risk on the variable rate term loan and letters of credit facility. A 100 basis point increase in the interest rate on the term loan and letters of credit facility would decrease net income and comprehensive income by approximately $31,000.

The Corporation's term debt bears interest at 1.75% over the bank's prime lending rate. The Corporation's letters of credit facility bears interest at 2.5% over the bank's prime lending rate. As the bank's prime lending rate fluctuates so will the cost of borrowing.

Q. RISKS AND UNCERTAINTIES

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

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

R. FORWARD LOOKING INFORMATION

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

Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements in the section entitled "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.

S. APPROVAL

The Board of Directors has approved the disclosure in this MD&A.
A copy of this MD&A, the financial statements, and previously published financial statements and MD&A, as well as other filed reporting is available on the SEDAR website at www.sedar.com.