FINANCIAL STATEMENTS

Years Ended November 30, 2013 and November 30, 2012

ATHABASCA MINERALS INC.

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ATHABASCA MINERALS INC.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements have been prepared by and are the responsibility of the management of the Corporation.

The financial statements have been prepared in accordance with International Financial Reporting Standards, using management's best estimates and judgements based on currently available information.

The Corporation maintains an appropriate system of internal controls to provide reasonable assurance that financial information is accurate and reliable and that the Corporation's assets are appropriately safeguarded.

The Board of Directors carries out its responsibility for the financial statements principally through its Audit Committee, comprised of independent directors. The Audit Committee reviews the Corporation's annual financial statements and recommends their approval to the Board of Directors. The Corporation's auditors have full access to the Audit Committee, with and without management being present.

The financial statements have been audited by Grant Thornton, Chartered Accountants. Their report outlines the scope of their examination and opinion on the financial statements.

"Udomdej Kriangkum"
Chief Executive Officer
Edmonton, Alberta
March 20, 2014

"Don Hruba"
Chief Financial Officer
Edmonton, Alberta
March 20, 2014

Independent Auditor's Report

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To the Shareholders of
Athabasca Minerals Inc.

We have audited the accompanying financial statements of Athabasca Minerals Inc., which comprise the balance sheets as at November 30, 2013 and November 30, 2012, and the statements of net income and comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Grant Thornton

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Athabasca Minerals Inc. as at November 30, 2013 and November 30, 2012 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Edmonton, Canada

March 20, 2014

Chartered Accountants

ATHABASCA MINERALS INC.
Balance Sheets

	November 30, 2013	November 30, 2012
ASSETS		
CURRENT		
Cash	$ 72,151	$ 2,532,413
Accounts receivable	4,543,848	4,618,912
Income tax recoverable	406,251	-
Inventory (Note 5)	7,455,044	1,500,942
Prepaid expenses and deposits	418,632	514,240
Current portion of land use agreement receivable (Note 9)	185,941	660,873
	13,081,867	9,827,380
LONG-TERM DEPOSITS (Note 6)	480,529	366,846
RESTRICTED CASH (Note 7)	336,317	213,015
PROPERTY AND EQUIPMENT (Note 8)	9,764,819	9,168,090
LAND USE AGREEMENT RECEIVABLE (Note 9)	253,841	959,987
RESOURCE PROPERTIES (Note 10)	5,821,161	5,895,745
INTANGIBLE ASSETS (Note 11)	3,442,592	4,309,259
GOODWILL (Note 12)	2,537,701	2,537,701
	$ 35,718,827	$ 33,278,023
LIABILITIES		
CURRENT		
Trade and other payables	$ 4,973,845	$ 3,048,649
Income tax payable	-	302,379
Current portion of long-term debt (Note 13)	1,000,000	1,000,000
Current portion of lease obligation (Note 14)	1,307,465	1,113,444
	7,281,310	5,464,472
LONG-TERM DEBT (Note 13)	1,557,552	2,548,430
LEASE OBLIGATION (Note 14)	3,974,888	4,501,057
DECOMMISSIONING AND RESTORATION PROVISION (Note 15)	707,894	1,098,041
DEFERRED GAIN ON SALE AND LEASEBACK (Note 16)	27,006	34,709
DEFERRED TAX (Note 17)	2,324,964	2,542,422
	15,873,614	16,189,131
EQUITY		
SHARE CAPITAL (Note 18)	7,290,018	7,049,080
CONTRIBUTED SURPLUS	1,692,342	1,098,599
RETAINED EARNINGS	10,862,853	8,941,213
	19,845,213	17,088,892
	$ 35,718,827	$ 33,278,023

Approved by the Board of Directors

"Douglas Stuve", Director — "William Kanters", Director

Douglas M. Stuve — William A. Kanters

The accompanying notes are part of these financial statements.

ATHABASCA MINERALS INC.
Statements of Net Income and Comprehensive Income
Years ended November 30,

	2013	2012
AGGREGATE MANAGEMENT SERVICES	$ 14,572,845	$ 16,541,836
ROYALTIES	(4,153,564)	(4,859,489)
AGGREGATE MANAGEMENT FEES	10,419,281	11,682,347
AGGREGATE SALES	14,944,316	3,068,878
ROYALTIES	(245,597)	(28,550)
NET AGGREGATE SALES	14,698,719	3,040,328
REVENUE	25,118,000	14,722,675
Stripping, clearing and crushing expenses	3,011,390	3,271,468
Amortization, depreciation, and depletion	1,471,558	379,082
Other aggregate operating expenses	12,123,229	1,264,641
AGGREGATE OPERATING EXPENSES	(16,606,177)	(4,915,191)
GROSS PROFIT	8,511,823	9,807,484
OTHER EXPENSES		
Depreciation of property and equipment	543,877	392,944
Amortization of intangible assets	866,667	866,667
General and administrative	2,471,311	2,128,722
Finance costs (Note 19)	390,513	263,591
Share-based compensation	698,031	469,450
	(4,970,399)	(4,121,374)
INCOME BEFORE OTHER ITEMS	3,541,424	5,686,110
OTHER INCOME (LOSS)		
Interest income	28,538	35,523
(Loss) gain on land use agreement (Note 9)	(598,457)	1,400,573
Miscellaneous income	29,459	29,337
Amortization of deferred gain on sale and leaseback	7,703	3,806
Gain (loss) on write-off of property and equipment	15,530	(21,877)
Recovery of intangible assets (Note 11)	156,612	17,331
Write down of resource properties and exploration costs	(352,750)	(670,389)
	(713,365)	794,304
INCOME BEFORE INCOME TAXES	2,828,059	6,480,414
INCOME TAXES		
Current tax (Note 17)	1,123,877	1,524,537
Deferred tax (benefit) expense (Note 17)	(217,458)	245,468
	(906,419)	(1,770,005)
NET INCOME AND COMPREHENSIVE INCOME	**$ 1,921,640**	**$ 4,710,409**
BASIC INCOME PER COMMON SHARE (Note 18 d)	**$ 0.068**	**$ 0.171**
DILUTED INCOME PER COMMON SHARE (Note 18 d)	**$ 0.067**	**$ 0.170**
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (Note 18 d)	**28,179,596**	**27,502,403**

Supplemental Income Statement Disclosure (Note 24)

The accompanying notes are part of these financial statements.

ATHABASCA MINERALS INC.

Statements of Changes in Equity
Years ended November 30,

	2013				
	Number of Shares	**Share Capital**	**Contributed Surplus**	**Retained Earnings**	**Total Equity**
November 30, 2012	27,980,833	$7,049,080	$1,098,599	$8,941,213	$17,088,892
Share-based compensation	-	-	698,031	-	698,031
Options exercised	326,667	136,650	-	-	136,650
Transfer of value on options exercised	-	104,288	(104,288)	-	-
Net income for the year	-	-	-	1,921,640	1,921,640
November 30, 2013	28,307,500	$7,290,018	$1,692,342	$10,862,853	$19,845,213

	2012				
	Number of Shares	**Share Capital**	**Contributed Surplus**	**Retained Earnings**	**Total Equity**
November 30, 2011	27,199,166	$6,655,116	$795,996	$4,230,804	$11,681,916
Share-based compensation	-	-	469,450	-	469,450
Options exercised	781,667	227,117	-	-	227,117
Transfer of value on options exercised	-	166,847	(166,847)	-	-
Net income for the year	-	-	-	4,710,409	4,710,409
November 30, 2012	27,980,833	$7,049,080	$1,098,599	$8,941,213	$17,088,892

The accompanying notes are part of these financial statements.

ATHABASCA MINERALS INC.

Statements Of Cash Flows
Years ended November 30,

	2013	2012
OPERATING ACTIVITIES		
Net income	$ 1,921,640	$ 4,710,409
Adjustments for non-cash items:		
Depreciation, amortization, depletion and accretion	2,899,508	1,653,663
Deferred tax (benefit) expense	(217,458)	245,468
Share-based compensation	698,031	469,450
Loss (gain) on land use agreement	598,457	(1,400,573)
Amortization of deferred gain on sale and leaseback	(7,703)	(3,806)
Amortization of long-term debt transaction costs	9,123	6,346
(Gain) loss on write-off of property and equipment	(15,530)	21,877
Recovery of intangible assets	(156,612)	(17,331)
Write down of resource properties and exploration costs	352,750	670,389
Net income adjusted for non-cash items	6,082,206	6,355,892
Net changes in non-cash working capital balances		
Trade and other payables	1,925,196	1,572,578
Accounts receivable	75,064	(840,786)
Inventory	(5,954,102)	(1,500,942)
Income tax recoverable	(406,251)	-
Income tax payable	(302,379)	30,749
Prepaid expenses and deposits	95,608	(186,730)
	1,515,342	5,430,761
INVESTING ACTIVITIES		
Restricted cash	(123,302)	(187,493)
Proceeds from land use agreement	525,424	609,536
Proceeds on maturity of short term deposit	-	603,000
Long-term deposits	(113,683)	(260,256)
Purchase of property and equipment	(1,871,548)	(5,344,737)
Proceeds from sale and leaseback of property and equipment	401,962	2,305,454
Insurance proceeds from loss of property and equipment	27,950	4,250
Resource properties	(824,739)	(1,524,501)
	(1,977,936)	(3,794,747)
FINANCING ACTIVITIES		
Long-term debt proceeds	-	4,000,000
Long-term debt transaction costs	-	(41,250)
Repayment of long-term debt	(1,000,000)	(416,667)
Repayment of lease obligations	(1,134,318)	(387,205)
Issue of share capital	136,650	227,117
Repayment of callable debt	-	(3,883,479)
	(1,997,668)	(501,484)
NET (DECREASE) INCREASE IN CASH	(2,460,262)	1,134,530
CASH, BEGINNING OF YEAR	2,532,413	1,397,883
CASH, END OF YEAR	$ 72,151	$ 2,532,413

Supplemental cash flow information (Note 25)

The accompanying notes are part of these financial statements.

Note 1 – Nature of Business

Athabasca Minerals Inc. (the "Corporation") is incorporated under the *Business Corporations Act (Alberta).* The Corporation's head office is located at 9524 27 Avenue, Edmonton, Alberta, Canada T6N 1B2. The Corporation manages the Susan Lake aggregate (sand and gravel) pit on behalf of the Province of Alberta for which management fees are earned. A significant portion of the Corporation's total revenue is derived from this contract. In addition to this management contract, the Corporation owns gravel pits producing aggregate for a variety of purposes and explores for and develops land for the purposes of establishing additional Corporation owned gravel pits. The Corporation also acquires, explores and develops mineral claims located in the Fort McMurray area for the purpose of extracting salt, silica sand and other minerals. The Corporation is listed on the TSX Venture Exchange ("TSX Venture" under the stock symbol: ABM).

Note 2 – Basis of Presentation and Statement of Compliance

These financial statements of the Corporation for the year ended November 30, 2013 (and comparative results for the year ended November 30, 2012) have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Boards ("IASB").

The accounting policies set out below have been applied to all periods presented in these financial statements.

These financial statements were authorized for issue by the Board of Directors on March 20, 2014.

Note 3 – Significant accounting judgments and estimates

The preparation of the Corporation's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include:

Judgments

Revenue

Under its aggregate management contracts with the government, the Corporation invoices its customers for any royalties applicable on the sale of aggregates, and is responsible to collect and remit all invoiced royalties. An entity acts as a principal (not as an agent) when it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services. In a principal relationship, billed amounts are reported on a gross basis. In an agency relationship, billed amounts are reported on a net basis as the amounts collected on behalf of the principal are not considered revenue. Determining whether an entity is acting as a principal or agent requires judgment and consideration of all relevant facts and circumstances. Features that indicate that an entity is acting as a principal include:

- The entity has the primary responsibility for providing the goods or services to the customer or for fulfilling the order;
- The entity bears the customer's credit risk for the amount receivable from the customer;
- The entity has latitude in establishing prices, either directly or indirectly, for example by providing additional goods or services; and
- The entity has inventory risk before or after the customer order, during shipping or on return.

Note 3 – Significant accounting judgments and estimates (continued)

Judgments (continued)

Revenue (continued)

It is the judgment of management that in the case of providing aggregate management services, the first two considerations above apply to the Corporation's situation, whereas the remaining two considerations apply less to the Corporation's situation. It is therefore management's determination that the Corporation serves a role as principal rather than agent in the aggregate management services it performs.

Impairment of Resource Properties

Mineral properties are reviewed and evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Common indicators of impairment of a mineral property include, but are not limited to: (i) the right to explore in a specific area has expired, or will soon expire, and is not expected to be renewed; (ii) substantive expenditure on further exploration in a specific area is neither budgeted or planned; (iii) exploration in an area has not led to the discovery of commercially viable quantities of mineral resources, or the results are not compelling enough to warrant further exploration, and the Corporation has decided to discontinue activities in the area; or (iv) sufficient data exist to indicate that, although exploration or development in an area is likely to proceed, the carrying amount of the mineral property is unlikely to be recovered in full from successful development or by sale.

Commencement of Commercial Production

The Corporation assesses the stage of each resource property under development to determine when a property reaches the stage when it is substantially complete and ready for its intended use. Criteria used to assess when a property has commenced commercial production includes, among other considerations:

- Capital expenditures incurred relative to the expected costs to complete;
- The completion of a reasonable period of testing of mine plant and equipment;
- The ability to produce saleable aggregates;
- Achievement of production targets;
- Sufficiency of hauling access from the pit,
- The ability to sustain ongoing production.

When management determines that a property has commenced commercial production, costs deferred during development are reclassified as production costs and amortized.

Collectability of Accounts Receivable

In considering the collectability of accounts receivable, taken into account is the legal obligation for payment by the customer, as well as the financial capacity of the customer to fund its obligation to the Corporation.

Leases

Management uses judgment in determining whether the lease is a finance lease arrangement that transfers substantially all the risks and rewards of ownership. Management evaluates the lease terms and in some cases the lease transaction is not always conclusive in its classification as a finance lease.

Note 3 – Significant accounting judgments and estimates (continued)

Estimates

Useful Economic Life of Property and Equipment

The cost less the residual value of each item of property, plant and equipment is depreciated over its useful economic life. Depreciation is charged to exploration expense over the estimated life of the individual asset. Depreciation commences when assets are available for use. The assets' useful lives and methods of depreciation are reviewed and adjusted if appropriate at each fiscal year end.

Certain property, plant, equipment and other tangible assets used directly in resource production activities are depreciated using the units-of-production ("UOP") method over a period not to exceed the estimated life of the ore body based on recoverable minerals to be mined from proven and probable mineral reserves.

The calculation of the UOP rate, and therefore the annual depreciation expense, could be materially affected by changes in the underlying estimates. Changes in estimates may result from difference between actual future production and current forecast of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of production and differences in mineral prices used in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation and no assurance can be given that the actual useful lives or residual values will not differ significantly from current assumptions.

Impairment of Goodwill and Other Assets

Any goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of property and equipment and intangible assets is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in profit or loss. The assessment of fair values less costs to sell or value in use, including those of the cash-generating units for purposes of testing goodwill, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of goodwill or other assets could impact the impairment analysis.

Mineral Reserves

Proven and probable minerals reserves are the economically mineable parts of the Corporation's measured and indicated mineral resources demonstrated by at least a preliminary feasibility study. The Corporation estimates its proven and probable mineral reserves and measured and indicated and inferred mineral resources based on information compiled by appropriately qualified persons. Geological estimates of the size, depth and shape of the ore body requires complex judgements. The estimation of future cash flows related to proven and probable mineral reserves is based upon factors such as estimates of commodity prices, future capital requirements, mineral recovery factors and production costs along with geological assumptions and judgements made in estimating the size and grade of the ore body. Changes in the proven and probable mineral reserves or measured and indicated and inferred mineral resources estimates may impact the carrying value of mineral properties, property and equipment, decommissioning and restoration provisions, recognition of deferred tax amounts, amortization and depreciation.

Calculation of Share-based Compensation

The amount expensed for share-based compensation is based on the application of the Black-Scholes Option Pricing Model, which is highly dependent on the expected volatility of the Corporation's share price

Note 3 – Significant accounting judgments and estimates (continued)

Estimates (continued)

Calculation of Share-based Compensation (continued)

and the expected life of the options. The Corporation used an expected volatility rate for its shares based on historical stock trading data adjusted for future expectations; actual volatility may be significantly different.

While the estimate of share-based compensation can have a material impact on the operating results reported by the Corporation, it is a non-cash charge and as such has no impact on the Corporation's cash position or future cash flows.

Decommissioning and Restoration Provision

The Corporation assesses its provision for decommissioning and restoration on an annual basis or when new information or circumstances merit a re-assessment. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and the Corporation has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for decommissioning and restoration obligations require management to make estimates of the future costs the Corporation will incur to complete the decommissioning and restoration work required to comply with existing laws and regulations.

Actual costs incurred may differ from estimated costs. Also, future changes to environmental laws and regulations could increase the extent of decommissioning and restoration work to be performed by the Corporation. Increases in future costs could materially increase amounts expensed and amounts charged to profit or loss for decommissioning and restoration.

The provision, at each reporting date, for decommissioning and restoration provisions represents management's best estimate of the present value of the future decommissioning and restoration obligations. Actual expenditures may differ from the recorded amount.

Inventories

Inventory is valued at the lower of average production cost or net realizable value. Net realizable value is the estimated receipt from sale of the inventory in the normal course of business, less any anticipated costs to be incurred prior to its sale. The production cost of inventories is determined on a weighted average basis and includes direct labour, subcontractor production costs, overhead and depreciation, depletion and amortization of resource properties.

Income Taxes

Income taxes are measured by applying estimated annual effective income tax rates that are expected to be in effect when the temporary differences that give rise to deferred tax assets and liabilities are expected to reverse or when losses are expected to be utilized. The estimated average annual effective income tax rates are re-estimated at each reporting date. Estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Corporation's ability to utilize the underlying future tax deductions against future taxable income before they expire. The Corporation's assessment is based upon existing tax laws, estimates of future taxable income, and the expected timing of taxable temporary difference reversals.

If the assessment of the Corporation's ability to utilize the underlying future tax deductions changes, the Corporation would be required to recognize more or fewer of the tax deductions as assets, which may decrease or increase the income tax expense in the period in which this is determined.

Note 3 – Significant accounting judgments and estimates (continued)

Estimates (continued)

Land Use Agreement Receivable

The average daily work camp occupancy rates used in the determination of the total future proceeds of the land use agreement receivable is an estimate and therefore actual future proceeds under the land use agreement could vary significantly. During the year ended November 30, 2012, a second lodge was constructed in the work camp, and during the year ended November 30, 2013 the first lodge was removed. The work camp was constructed primarily to serve the accommodation needs of the oil sands industry workers. The actual occupancy rate is largely dependent on oil sands development activity in the Fort McMurray region of Alberta.

Note 4 – Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on deposit with financial institutions and highly liquid short-term investments that have maturity of three months or less.

Revenue Recognition

The Corporation derives the majority of its revenues through the management of the Susan Lake aggregate pit where a management fee is earned based on the volume extracted from the pit. In addition, the Corporation derives revenues from the sale of aggregates from its corporate-owned pits. The Corporation recognizes revenue at the point that the aggregate material leaves the pit.

Revenue from the sale of aggregates, net of any discounts, is recognized on the sale of products at the time the Corporation has transferred to the buyer the significant risks and rewards of ownership; the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is recognized as it is earned on an accrual basis.

Stripping and Clearing Costs

Stripping and clearing costs incurred during the development of a pit or mine are capitalized in resource properties. Stripping and clearing costs incurred subsequent to commencement of production are variable production costs that are included in the cost of inventory produced during the period in which they are incurred, unless the stripping and clearing activities can be shown to give rise to future benefits from the mineral property, in which case the stripping and clearing costs would be capitalized. Future benefits arise when stripping and clearing activities increases the future output of the pit or mine by providing access to an extension of an ore body or to a new ore body. Capitalized stripping costs are depleted based on the unit-of-production method using proven and probable mineral reserves as the depletion base.

Inventory

Inventory is valued at the lower of average production cost and net realizable value. Net realizable value is calculated as the estimated selling price at the measurement date less future costs required to sell inventory.

Production costs are included in inventory, including applicable amortization and depletion of estimated resource properties. The cost of inventory includes, when applicable, the associated costs of crushing and

Note 4 – Significant Accounting Policies (continued)

Inventory (continued)

hauling.

Any write down of inventory is recognized as a charge against profit or loss in the period the write down occurs.

Intangible Assets

Intangible assets include management contracts relating to the management of aggregate pits, which are carried at cost and amortized on a straight-line basis over the expected life of the contract, or the remaining life of the mine if shorter. The Corporation has not identified intangible assets for which the expected useful life is indefinite.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and any accumulated impairment losses. The Corporation provides for depreciation on its property and equipment using the following methods and rates:

	Method	Rate
Onsite buildings and fences	Straight line	10 years
Office complex	Straight line	15 years
Scale and scale houses	Straight line	10 years
Exploration and development tangible assets	Unit-of-production	
Equipment		
Crushing equipment	Unit-of-production	
Mobile home	Straight line	10 years
Computer software	Straight line	1-3 years
Office equipment	Straight line	3 years
Computer hardware	Declining balance	30%
Large equipment	Declining balance	20%
Vehicles	Declining balance	30%

Costs for property and equipment include all costs required to bring the asset into its intended use by the Corporation. Significant parts of an item of property and equipment with different useful lives are recognized and depreciated separately. Depreciation commences when the asset is available for use. The assets residual values, useful lives and method of depreciation are reviewed each financial year and adjustments are accounted for prospectively if appropriate. Repairs and maintenance expenditures are charged to operations as incurred. Major improvements and replacements, which extend the useful life of an asset, are capitalized. An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognizing of an asset is included in profit or loss in the period the asset is derecognized.

Resource Properties and Related Expenditures

Direct mineral exploration, evaluation and development costs are capitalized on a specific project basis until such time as a resource is defined or the project is abandoned. Any related decommissioning and restoration provisions are capitalized on an individual project basis. Costs for properties that are abandoned are written off. The capitalized costs will be amortized on the basis of units produced in relation to the proven and probable reserves available on the related property following commencement of production. Exploration and evaluation expenditures incurred before the Corporation has obtained the legal

Note 4 – Significant Accounting Policies (continued)

Resource Properties and Related Expenditures (continued)

right to explore an area are expensed as incurred.

The capitalized costs do not necessarily reflect the current or future values since the recoverability of the amounts capitalized for undeveloped mineral properties is dependent upon the determination of an economically recoverable resource, confirmation of the Corporation's interest in the underlying mineral properties, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently unreliable conveyance history characteristic of many mineral properties. The Corporation has investigated title to all of its mineral properties and, to the best of its knowledge all of its properties are in good standing.

The Corporation may conclude that it will receive future economic benefits from an exploration property, which is generally when a bankable feasibility study has been completed and economically recoverable mineral resources for the project are determined. At this stage, the property is considered to be under development. Previously capitalized exploration costs related to the property are at that time tested for impairment and are then transferred to development costs. Subsequent development costs are capitalized, including any costs incurred to increase or extend the life of existing production. Once a mineral property has been brought into commercial production, costs of any additional work on that property are expensed as incurred, except for development programs that extend the life or enhance the value of a property, which will be deferred and depleted over the useful life of the related assets. On the commencement of commercial production, net capitalized costs will be charged to operations on a unit-of-production basis, by property, using estimated proven and probable reserves as the depletion base.

Mineral properties are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. When it is determined that a project or property will be abandoned the costs are written-off, or if its carrying value has been impaired, the costs are written down to the recoverable amount, which is the higher of fair value less costs to sell and value in use. Where future cash flows are not reasonably determinable, mineral property interests are evaluated for impairment based on results of exploration work, management's intent and ability to retain title to the property, and determination of the extent to which future exploration programs are warranted and likely to be funded.

Income Per Common Share

Income per common share is calculated by dividing the net income for the period by the weighted average number of common shares outstanding during the financial reporting period. Diluted income per share is calculated by adjusting the weighted average number of shares for the dilutive effect of options and warrants. The computation of diluted income per share assumes the conversion, exercise or contingent issuance of securities only when such conversion would have a dilutive effect on income. It is assumed that outstanding options, warrants and similar items are exercised or converted into shares and that the proceeds that would be realized upon such exercise or conversion are used to purchase common shares at the average market price per share during the relevant financial reporting period.

Decommissioning and Restoration Provision

The Corporation recognizes a liability for restoration, rehabilitation and environmental obligations associated with long-lived assets, including the abandonment of mineral properties and returning properties to the condition required in order to satisfy regulatory obligations.

The Corporation records the present value of the estimated legal and constructive obligations required to restore the exploration sites in the period incurred, along with a corresponding increase in the carrying

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Note 4 – Significant Accounting Policies (continued)

Decommissioning and Restoration Provision (continued)

value of the related asset. The present value of the estimated future cash outflows to settle the obligation is determined using a risk-free pre-tax discount rate that reflects the time value of money. The liability is subsequently adjusted for the passage of time, and is recognized as a finance cost in profit or loss. The liability is also adjusted due to revisions in either the timing or amount of the original estimated cash flows associated with the liability, or for changes to the current market-based discount rate. Changes resulting from revisions to the timing or amount of the original estimate of undiscounted retirement obligation cash flows are recognized as an increase or decrease in the carrying amount of the decommissioning and restoration provision with a corresponding increase or decrease in the carrying value of the related asset.

Impairment of Non-financial Assets

For the purposes of assessing impairment, the recoverable amount of an asset, which is the higher of its fair value less costs to sell and its value in use, is estimated. If it is not possible to estimate the recoverable amount of an individual asset, the asset is included in the cash-generating unit to which it belongs and the recoverable amount of the cash generating unit is estimated. As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. Intangible assets with an indefinite useful life and an intangible asset not yet available for use are also tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the asset is impaired such as decreases in mineral prices, an increase in operating costs, or a decrease in mineable reserves. The Corporation also considers net book value of the asset, the ongoing costs required to maintain and operate the asset, and the use, value and condition of the asset.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount which is the higher of its fair value less costs to sell and its value in use. To determine the value in use, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Future cash flows used in the determination of value in use are estimated based on expected future production, recoverability of reserves, commodity prices, operating costs, decommissioning and restoration costs, as well as capital costs. Management estimates of future cash flows are subject to risks and uncertainties. It is reasonably possible that changes in estimates could occur which may affect the recoverable amounts of assets, including the Corporation's investments in mineral properties.

Fair value less costs to sell is determined with reference to discounted estimated future cash flow analysis or on recent transactions involving dispositions of similar properties.

An impairment loss for a cash-generating unit is first allocated to reduce the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is allocated on a pro rata basis to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist or may have decreased. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, however only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Note 4 – Significant Accounting Policies (continued)

Share-based Compensation

The Corporation grants stock options to directors, officers, employees and consultants of the Corporation pursuant to a stock option plan. The fair value of options granted is recognized as an expense with a corresponding increase in contributed surplus.

Share-based compensation to employees and others providing similar services are measured on the grant date at the fair value of the instruments issued. Fair value is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value.

Share-based payments to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

Any consideration received upon exercise of options is credited to share capital and the associated amounts originally recorded in contributed surplus are transferred to share capital.

In the event options are forfeited prior to vesting, the amounted recognized in prior periods in relation to the option is reversed.

Leases

Leases are classified as finance or operating leases. A lease is classified as a finance lease if it effectively transfers substantially the entire risks and rewards incidental to ownership.

At the commencement of the lease the Corporation recognizes finance leases as an asset acquisition and an assumption of an obligation in the balance sheet at the amounts equal to the lower of the fair value of the leased property, or the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the incremental borrowing rate is used. The interest element of the lease payment is recognized as finance cost over the lease term to achieve a constant periodic rate of interest on the remaining balance of the liability. Any initial direct costs of the lessee are added to the amount recognized as an asset. The useful life and depreciation method is determined on a consistent basis with the Corporation's policies for property and equipment. The asset is depreciated over the shorter of the lease term and its useful life.

All other leases are accounted for as operating leases, wherein payments are expensed on a straight-line basis over the term of the lease.

Provisions

Liabilities are recognized when the Corporation has a present legal or constructive obligation arising as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made.

A provision is a liability of uncertain timing or amount. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using the pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as a finance cost.

Note 4 – Significant Accounting Policies (continued)

Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity and other comprehensive income, in which case the tax expense is also recognized directly in equity and other comprehensive income, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates and laws enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are provided for using the liability method on temporary differences between the tax bases and carrying amounts of assets and liabilities. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the year in which temporary differences are expected to be recovered or settled. Changes to these balances, including changes due to changes to income tax rates, are recognized in profit or loss in the period in which they occur.

Deferred tax assets are recognized to the extent future recovery is probable. Deferred tax assets are reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Financial instruments

The Corporation has classified its financial assets and liabilities as follows:

Financial statement item	Classification	Measurement
Cash	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Land use agreement receivable	Loans and receivables	Amortized cost
Long-term deposits	Loans and receivables	Amortized cost
Restricted cash	Loans and receivables	Amortized cost
Trade and other payables	Other financial liabilities	Amortized cost
Long-term debt	Other financial liabilities	Amortized cost

i. Non-derivative financial assets

The Corporation classifies non-derivative financial assets as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available for sale financial assets as appropriate.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets in this category are measured at fair value, with any changes therein recognized in profit and loss when incurred, along with any attributable transaction costs.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method.

Note 4 – Significant Accounting Policies (continued)

Financial instruments (continued)

i. Non-derivative financial assets (continued)

Held to maturity
A financial asset that has fixed or determinable payments and fixed maturity, and which the Corporation has the positive intention and ability to hold until maturity. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held to maturity investments are measured at amortized cost using the effective interest method.

Available for sale
Financial assets classified as available for sale are initially recognized at fair value and subsequently measured at fair value with any changes in fair value recognized in other comprehensive income.

ii. Non-derivative financial liabilities

The Corporation's non-derivative financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities, based on the purpose for which the liability was incurred.

Other financial liabilities
These financial liabilities are recognized initially at fair value net of any directly attributable transactions costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss are initially and subsequently measured at fair value with changes in fair values recognized in profit or loss.

iii. Impairment of financial assets

At each reporting date, the Corporation assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

Borrowing Costs

Borrowing costs are capitalized when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to prepare for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

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

New standards not yet adopted (continued)

i. Scope of the reporting entity (continued)

annual periods beginning on or after January 1, 2013. As no equity interests are currently held in, or joint arrangements held with other entities, this standard has no current effect on the Corporation.

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. From management's perspective, this is anticipated to have minimal impact.

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. As no joint venture interests are currently held in or between other entities, this standard has no current effect on the Corporation.

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. From management's perspective, this is anticipated to have minimal impact.

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. As no employee benefit plans are currently in place to which IAS 19 applies, this standard has no current effect on the Corporation.

vi. Financial instruments classification and measurement

In October 2010, the IASB issued IFRS 9 "Financial Instruments" ("IFRS 9") which proposes to replace IAS 39 "Financial Instruments: recognition and measurement". The replacement standard has the following significant components: establishes two primary measurement categories for financial assets-amortized cost and fair value; establishes criteria for classification of financial assets within the measurement category based on business model and cash flow characteristics; and eliminates existing held to maturity, available-for-sale, and loans and receivable categories.

In November 2013, the IASB issued an amendment to IFRS 9 which includes a new hedge model that aligns accounting more closely with risk management, as well as enhancements to the disclosures about hedge accounting and risk management. Additionally as the impairment guidance in IFRS 9, as well as certain limited amendments to the classification and measurement requirements of IFRS 9 are not yet complete, the previously mandated effective date of IFRS 9 of January 1, 2015, has been

New standards not yet adopted (continued)

vi. Financial instruments classification and measurement (continued)

removed. Entities may apply IFRS 9 before the IASB completes the amendments, but are not required to. The Corporation will evaluate the impact of the change to its financial statements based on the characteristics of its financial instruments at the time of adoption.

Note 5 – Inventory

Inventory consists of the following:

		November 30, 2013		November 30, 2012
Stockpiled crushed gravel	$	5,296,985	$	1,385,400
Stockpiled sand		2,158,059		115,542
	$	7,455,044	$	1,500,942

Inventory with a production cost of $5,230,558 was sold during fiscal 2013 (2012- $1,477,582) and forms part of aggregate operating expenses.

Note 6 – Long-Term Deposits

		November 30, 2013		November 30, 2012
Security deposits on gravel leases	$	324,900	$	256,150
Security deposits on miscellaneous leases		30,000		-
Deposits on lease obligations		125,629		110,696
	$	480,529	$	366,846

Note 7 – Restricted Cash

	November 30, 2013		November 30, 2012
$	336,317	$	213,015

Under its long-term land use agreement with a camp provider (Note 9) the Corporation has received and has placed funds on deposit totalling $286,317 (2012- $163,015) to be first applied toward any costs for reclamation of the Poplar Creek site.

The Corporation has placed funds on deposit totalling $50,000 (2012- $50,000) to be applied toward reclamation of the House River pit.

Note 8 – Property and Equipment

Cost at:	Crushing Spread $	Equipment $	Onsite buildings and fences $	Office Complex $	Scales and scale houses $	Total $
November 30, 2011	-	715,309	95,760	170,051	273,051	1,254,171
additions	3,676,482	6,704,905	678,366	3,816	282,875	11,346,444
disposals	-	(2,092,751)	(229,000)	-	-	(2,321,751)
write-offs	-	(48,013)	-	-	-	(48,013)
November 30, 2012	3,676,482	5,279,450	545,126	173,867	555,926	10,230,851
additions	1,767	2,525,892	46,065	-	99,993	2,673,717
disposals		(401,962)				(401,962)
write-offs		(14,515)				(14,515)
November 30, 2013	3,678,249	7,388,865	591,191	173,867	655,919	12,488,091
Accumulated Depreciation at:						
November 30, 2011	-	397,163	27,375	12,502	83,097	520,137
additions	40,850	493,139	28,553	11,464	45,315	619,321
disposals	-	(50,649)	(2,862)	-	-	(53,511)
write-offs	-	(23,186)	-	-	-	(23,186)
November 30, 2012	40,850	816,467	53,066	23,966	128,412	1,062,761
additions	393,786	1,137,712	58,710	11,591	63,670	1,665,469
write-offs	-	(2,096)	(2,862)	-	-	(4,958)
November 30, 2013	434,636	1,952,083	108,914	35,557	192,082	2,723,272
Carrying value at:						
November 30, 2013	3,243,613	5,436,782	482,277	138,310	463,837	9,764,819
November 30, 2012	3,635,632	4,462,983	492,060	149,901	427,514	9,168,090
Carrying value of leased assets included above:						
November 30, 2013	3,243,613	2,825,577	276,580	-	60,114	6,405,884
November 30, 2012	3,635,632	2,111,769	305,454	-	67,131	6,119,986

Depreciation expense for the following periods:	Total $
Year ending November 30, 2013	1,665,469
Year ending November 30, 2012	619,321

During the years ended November 30, 2013 and November 30, 2012 the Corporation participated in a lease buy back transaction (Note 16 and Note 25).

Note 9 – Land Use Agreement Receivable

		November 30, 2013		November 30, 2012
Land use agreement receivable	$	439,782	$	1,620,860
Less current portion of land use agreement receivable		185,941		660,873
Long-term land use agreement receivable	$	253,841	$	959,987

The Corporation has recognized a land use agreement receivable in connection with a long-term land use agreement with a work camp provider, whereby the Corporation transferred a 42 acre parcel of developed land out of the depleted portion of the Corporation's miscellaneous lease at Poplar Creek to the work camp provider. During fiscal 2011, the work camp provider constructed a lodge on the lease that can accommodate approximately 500 workers, primarily employed in the oil sands industry. Pursuant to the land use agreement, the work camp provider pays monthly fees and daily accommodation fees to the Corporation. The work camp provider will also contribute toward the estimated cost of decommissioning and restoration, in aggregate 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 decommissioning and restoration 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 the 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 land use agreement receivable carrying value and the gain on land use agreement, an estimate of total future 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.

During June 2012, the work camp provider began operating a second lodge with occupancy for 600 workers that it had constructed on the 42 acre parcel of developed land the Corporation had transferred during fiscal 2011. The 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 received at the first 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 not to exceed $300,000 in aggregate.

During May 2013, the work camp provider dismantled and removed the 500 worker lodge, leaving only the 600 worker lodge in operation after that time.

At November 30, 2013 management valued the portion of the land use agreement receivable attributable to the first lodge at $109,797 (2012- $697,220). The valuation was determined with reference to the monthly fees that are payable by the work camp provider, through October 19, 2015. Total future cash flow from estimated future receipts was then discounted at a rate of 3.10%. The actual accommodation receipts and monthly fees from the first lodge were $181,092 during the year ended November 30, 2013.

At November 30, 2013 management valued the portion of the land use agreement receivable attributable to the second lodge at $329,985 (2012- $923,639). The valuation was determined with reference to the monthly average accommodation rate experienced since inception at the second lodge, covering the period June 2012 through November 2013. On January 23, 2014 the work camp provider has advised it plans to temporarily close the lodge for a period of between three to six months beginning February 2014 due to recent low occupancy at the lodge. Management has estimated the lodge will remain closed for a period of five months and will reopen in July 2014. The future accommodation rate is projected to remain constant through October 19, 2015 at 75% of the actual historic level. Total future cash flow in the amount of $341,498 from estimated receipts for daily occupancy at the second lodge was discounted at a rate of

Note 9 – Land Use Agreement Receivable (continued)

3.10%.The actual accommodation receipts from the second lodge were $344,332 during the year ended November 30, 2013.

Components of (Loss) Gain on Land Use Agreement	For the Year Ended November 30, 2013	2012
Lodge 1: Revaluation of estimated future discounted receipts	$ (407,181)	$ 193,922
Lodge 2: Revaluation of estimated future discounted receipts	(254,329)	1,219,019
Decreased (increased) future reclamation costs attributable to land use agreement (note 11)	63,053	(12,368)
	$ (598,457)	$ 1,400,573

The land use agreement receivable combined current and long-term carrying value of $439,782 at November 30, 2013 is the estimated future discounted receipts subsequent to November 30, 2013.

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.

Note 10 – Resource Properties

	November 30, 2013	November 30, 2012
Land	$ 157,100	$ 157,100
Mineral permits	39,375	46,250
Mineral leases	33,443	28,770
Decommissioning and restoration costs	327,622	572,730
Exploration costs	3,253,368	3,151,690
Production costs	1,798,271	1,939,205
Miscellaneous lease costs	211,982	-
	$ 5,821,161	$ 5,895,745

The land is located near Peace River, Alberta and was purchased as a potential gravel resource property.

The Corporation has seven mineral leases (expiring May 11, 2026) covering 12,800 hectares containing silica sand in the Regional Municipality of Wood Buffalo, Alberta, referred to by the Corporation as the Firebag property, a portion of which the Corporation may develop for the production of frac sand. The Corporation has two mineral leases (expiring June 24, 2028) covering 2,432 hectares containing silica sand in the Regional Municipality of Wood Buffalo, Alberta, referred to by the Corporation as the Birch Mountain property, a portion of which the Corporation may develop for the production of frac sand. The Corporation has four mineral leases (expiring May 11, 2026) covering 5,835.5 hectares containing salt near Boyle, Alberta, referred to by the Corporation as the Boyle property, which the Corporation may develop for the production of salt. The Corporation has one mineral lease (expiring September 23, 2028) covering 256 hectares containing salt in the Regional Municipality of Wood Buffalo, Alberta, referred to by the Corporation as the Dover property which the Corporation may develop for the production of salt. The Corporation has one mineral lease (expiring October 17, 2028) covering 256 hectares containing salt near Hinton, Alberta which the Corporation may develop for the production of conglomerate. Annual lease rental

Note 10 – Resource Properties (continued)

of $3.50 per hectare is required as payment to maintain a mineral lease in good standing.

During the year ended November 30, 2011 the Corporation recognized an obligation for future decommissioning and restoration costs on its Kearl pit. A determination of the fair value of the Kearl pit liability assumes undiscounted estimated future cash flows needed to settle the liability incurred to November 30, 2013 of approximately $163,066 which is expected to be expended at the termination of the surface materials lease in 2021. These estimated future cash flows have been discounted at a risk-free rate of 2.03%, resulting in a present value of $141,482, and included in decommissioning and restoration costs (net of $25,744 accumulated depreciation).

During the year ended November 30, 2012 the Corporation recognized an obligation for future decommissioning and restoration costs on its House River pit. A determination of the fair value of the House River pit liability assumes undiscounted estimated future cash flows needed to settle the liability incurred to November 30, 2013 of approximately $111,188 which is expected to be expended at the termination of the surface materials lease in 2021. These estimated future cash flows have been discounted at a risk-free rate of 2.15%, resulting in a present value of $94,344 and included in decommissioning and restoration costs (net of $46,778 accumulated depreciation).

During the year ended November 30, 2012 the Corporation recognized an obligation for future decommissioning and restoration costs on its Logan pit. A determination of the fair value of the Logan pit liability assumes undiscounted estimated future cash flows needed to settle the liability incurred to November 30, 2013 of approximately $198,904 which is expected to be expended at the termination of the surface materials lease in 2020. These estimated future cash flows have been discounted at a risk-free rate of 2.03%, resulting in a present value of $172,577 and included in decommissioning and restoration costs (net of $48,795 accumulated depreciation).

During the year ended November 30, 2013 the Corporation entered into an agreement for aggregate mining on 37 acres adjacent to the corporate-owned Logan pit, on property the Corporation refers to as the Logan East pit. Per the terms of the agreement, the Corporation receives all revenues and funds all costs associated with the setup, operations and reclamation of this pit. During the year ended November 30, 2013 the Corporation recognized an obligation for future decommissioning and restoration costs at the Logan East pit. A determination of the fair value of the Logan East pit liability assumes undiscounted estimated future cash flows needed to settle the liability incurred to November 30, 2013 of approximately $20,296 which is expected to be expended at the termination of the surface materials lease in 2022. These estimated future cash flows have been discounted at a risk-free rate of 2.03%, resulting in a present value of $17,174 and included in decommissioning and restoration costs.

During the year ended November 30, 2013 the Corporation recognized an obligation for future decommissioning and restoration costs on its Conklin, Alberta Stockpile Miscellaneous Lease (MLL). A determination of the fair value of the Conklin Stockpile liability assumes undiscounted estimated future cash flows needed to settle the liability incurred to November 30, 2013 of approximately $51,331 which is expected to be expended at the termination of the surface materials lease in 2020. These estimated future cash flows have been discounted at a risk-free rate of 1.88%, resulting in a present value of $43,436 and included in decommissioning and restoration costs.

The mineral permits are located largely in the areas of Fort McMurray and Hinton, Alberta. They have a term of 14 years covering seven assessment periods of two years each. The spending commitment to retain the existing permits is $5 per hectare for the first two year period, $10 per hectare for the second two year period, $10 per hectare for the third two year period, $15 per hectare for the fourth two year period, $15 per hectare for the fifth two year period, $15 per hectare for the sixth two year period and $15 per hectare for the seventh two year period.

Note 10 – Resource Properties (continued)

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

	2013	2012
	(hectares)	(hectares)
Balance at the beginning of the year	439,331	227,282
Mineral permits acquired during the year	125,934	264,181
Minerals permits relinquished during the year	(76,313)	(52,132)
Balance at end of the year	488,952	439,331

Subsequent to November 30, 2013, the Corporation relinquished mineral permits totalling 1,582 hectares and acquired additional permits covering 35,086 hectares.

The exploration, development and production costs reflected on the following resource properties schedule were incurred primarily in the Fort McMurray area of Northern Alberta.

During fiscal 2013 a total of $345,875 (2012- $670,389) had been written off pertaining to abandoned projects that had been previously capitalized and $6,875 of capitalized mineral permits were also written off. Management re-evaluated the future economic potential of these projects and determined that further financial investment would be unjustified. Consequently those projects were abandoned and their costs written off as a charge against current income.

Management has decided in the current year to separately disclose Miscellaneous Lease costs, previously included in Exploration costs.

Management determined during the year that $53,487 of costs previously included in exploration costs pertain to properties in production.

A description of each resource property reported in the following chart is provided:

Logan pit
Logan is an 80.37-acre corporate owned pit located approximately 160 kilometers south of Fort McMurray. National Instrument 43-101 Resource Calculations for the Logan aggregate deposit includes 1,357,000 tonnes of “indicated” gravel and a further 662,000 tonnes of “inferred” gravel. The surface material lease on this property expires in 2020.

Kearl pit
Kearl is a 79.99-acre corporate owned pit located approximately 60 kilometers east of the Susan Lake gravel pit, near Fort McMurray. National Instrument 43-101 Resource Calculations for the Logan aggregate deposit includes 3,770,330 tonnes and 7,636,390 tonnes of “indicated” gravel and sand respectively, and a further 434,000 tonnes of “inferred” gravel. The surface material lease on this property expires in 2021.

House River pit
House River is a 79.98-acre corporate owned pit located approximately 11 kilometers east of highway 63 on the House River, near Fort McMurray. During the fiscal year ended November 30, 2012 the Corporation sold 253,500 tonnes from this pit during its first year of production (2013 – nil tonnes). The surface material lease on this property expires in 2021.

Pelican Hill pit
Pelican Hill is a 79.7-acre corporate owned pit located approximately 70 kilometers southeast of the Hamlet of Wabasca, near Fort McMurray. A National Instrument 43-101 Resource Calculations for Pelican Hill pit has not been performed. The Corporation received surface material lease approval on this mixed sand and gravel pit in June, 2011, which expires in 2021.

Note 10 – Resource Properties (continued)

Boyle Project
The Corporation holds four mineral leases covering 5,835.5 hectares containing salt in the northeast area of Boyle, Alberta which the Corporation is considering for the development of salt. The Corporation maintains a 100% interest in these mineral leases.

Firebag Project
The Corporation holds seven mineral leases covering 12,800 hectares and mineral permits covering 21,472 hectares in the Regional Municipality of Wood Buffalo, Alberta. The leases and permitted lands contain silica sand. The Corporation is in discussions with the provincial government in order to obtain approvals for the development of a portion of this property for the production of frac sand. The Corporation maintains a 100% interest in these mineral leases.

Canadian Shield
The Corporation conducted exploration for lithium and other rare earth elements in the northeast corner of Alberta near the NWT border. During the year ended November 30, 2012 the project was abandoned on the basis that the economic potential of the project did not justify continued investment. The Canadian Shield project costs are included in All Other Projects.

Birch Mountain
The Corporation holds two mineral leases covering 2,432 hectares and mineral permits on 16,000 hectares in the Regional Municipality of Wood Buffalo, Alberta in the Birch Mountain area approximately 150 kilometers north of Fort McMurray on which it has identified a deposit of silica sand.

Dover Project
The Corporation holds one mineral lease covering 256 hectares and mineral permits on 31,616 hectares in the Regional Municipality of Wood Buffalo, 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. 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.

Richardson Project
The Corporation holds mineral permits covering 54,790 hectares in the Regional Municipality of Wood Buffalo, Alberta approximately 150 kilometers north of Fort McMurray on which it has identified a deposit of granite and dolomite.

Hinton Project
The Corporation holds one mineral lease covering 256 hectares and mineral permits on 113,325 hectares near Hinton, Alberta on which it has identified a deposit of conglomerate.

All Other Projects
This project category consists of approximately 15 individual projects which have not yet reached the stage where they have been separately broken out. The related properties are located in the Fort McMurray area, and principally pertain to the exploration of gravel, limestone, granite, lithium and other minerals.

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Notes to Financial Statements
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Note 10 – Resource Properties (continued)

Exploration and Production Costs November 30, 2013

Exploration Costs	Logan Pit	Kearl Pit	House River Pit	Pelican Hill Pit	Boyle Project	Firebag Project	Hinton Project	Richardson Project	Birch Mountain	Dover Project	All Other Projects	Total
Balance at November 30, 2012	$ -	-	-	70,838	72,758	416,197	25,540	72,330	431,993	1,006,319	1,055,715	$3,151,690
Year ended November 30, 2013 activity												
Consulting fees	-	-	-	-	-	33,030	25,200	89,175	3,520	1,813	49,826	202,564
Testing and drilling	-	-	-	-	-	-	-	174,032	-	-	20,762	194,794
Equipment and aircraft rental	-	-	-	-	-	-	-	9,507	-	-	(5,867)	3,640
Land leases	-	-	-		21,655	47,319	108	-	6,606	167	-	75,855
Salaries and employee benefits	-	-	-	225	760	20,796	1,349	16,228	72	441	27,212	67,083
Travel	-	-	-	-	-	3,177	-	39,150	-	-	8,669	50,996
Other	-	-	-	1,573	-	2,156	56	25,515	-	10	37,776	67,086
Abandoned projects	-	-	-	-	-	-	-	-	-	-	(345,875)	(345,875)
Total	-	-	-	1,798	22,415	106,478	26,713	353,607	10,198	2,431	(207,497)	316,143
Transferred to Production Costs	-	-	-	-	-	-	-	-	-	-	(53,487)	(53,487)
Transferred to Miscallaneous Leases Costs	-	-	-	-	-	-	-	-	-	-	(160,978)	(160,978)
Cumulative Exploration Costs- November 30, 2013	**-**	**-**	**-**	**72,636**	**95,173**	**522,675**	**52,253**	**425,937**	**442,191**	**1,008,750**	**633,753**	**3,253,368**
Production Costs												
Balance at November 30, 2012	$ 612,976	1,247,794	78,435	-	-	-	-	-	-	-	-	$1,939,205
Transferred from Exploration costs	8,233	10,653	34,601	-	-	-	-	-	-	-	-	53,487
Year ended November 30, 2013 activity												
Intangible costs-												
Clearing	39,450	-	-	-	-	-	-	-	-	-	-	39,450
Survey	-	-	8,750	-	-	-	-	-	-	-	-	8,750
Salaries and employee benefits	14,471	74	7,897	-	-	-	-	-	-	-	-	22,442
Other	316	1,320	9,993	-	-	-	-	-	-	-	-	11,629
	675,446	1,259,841	139,676	-	-	-	-	-	-	-	-	2,074,963
Current Year Depletion	(140,455)	(136,237)	-	-	-	-	-	-	-	-	-	(276,692)
Cumulative Production Costs- November 30, 2013	**534,991**	**1,123,604**	**139,676**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,798,271**
Total Exploration and Production Costs- November 30, 2013	**$ 534,991**	**$ 1,123,604**	**$ 139,676**	**$72,636**	**$95,173**	**$522,675**	**$ 52,253**	**$ 425,937**	**$442,191**	**$ 1,008,750**	**$ 633,753**	**$5,051,639**

Exploration Costs	Logan Pit	Kearl Pit	House River Pit	Pelican Hill Pit	Boyle Project	Firebag Project	Hinton Project	Richardson Project	Birch Mountain	Dover Project	All Other Projects	Total
Balance at November 30, 2011	$ -	-	-	70,278	50,028	285,712	-	-	431,418	1,004,544	1,262,416	$3,104,396
Year ended November 30, 2012 activity												
Consulting fees	-	-	-	-	800	39,421	8,670	35,033	575	1,775	123,427	209,701
Testing and drilling	-	-	-	-	-	15,824	9,895	619	-	-	69,582	95,920
Equipment and aircraft rental	-	-	-	-	-	-	-	3,029	-	-	69,960	72,989
Land leases	-	-	-	-	21,527	46,730	-		-	-	-	68,257
Salaries and employee benefits	-	-	-	-	43	17,989	4,560	7,863	-	-	91,779	122,234
Travel	-	-	-	-		10,393	2,286	6,557	-	-	23,962	43,198
Other	-	-	-	560	360	128	129	19,229	-	-	84,978	105,384
Abandoned projects	-	-	-	-	-	-	-	-	-	-	(670,389)	(670,389)
Total	-	-	-	560	22,730	130,485	25,540	72,330	575	1,775	(206,701)	47,294
Transferred to Development Costs	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Exploration Costs- November 30, 2012	**$ -**	**-**	**-**	**70,838**	**72,758**	**416,197**	**25,540**	**72,330**	**431,993**	**1,006,319**	**1,055,715**	**$3,151,690**
Development Costs												
Balance at November 30, 2011	$ 236,082	949,976	37,426	-	-	-	-	-	-	-	-	$1,223,484
Year ended November 30, 2012 activity												
Intangible costs-												
Testing and drilling	-	12,206	33,272	-	-	-	-	-	-	-	-	45,478
Stripping	283,056	65,798	-	-	-	-	-	-	-	-	-	348,854
Wages	30,791	92,704	4,876	-	-	-	-	-	-	-	-	128,371
Fuel	60,425	48,332	1,477	-	-	-	-	-	-	-	-	110,234
Other	44,625	103,605	23,683		-	-	-	-	-	-	-	171,913
Total	654,979	1,272,621	100,734	-	-	-	-	-	-	-	-	2,028,334
Transferred to Production Costs	(654,979)	(1,272,621)	(100,734)	-	-	-	-	-	-	-	-	(2,028,334)
Cumulative Development Costs- November 30, 2012	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Production Costs												
Balance at November 30, 2011	$ -	-	-	-	-	-	-	-	-	-	-	$ -
Year ended November 30, 2012 activity												
Tangible costs- Road building	-	512,494	-	-	-	-	-	-	-	-	-	512,494
Intangible costs-												
Testing and drilling	3,210	29,353	38,523	-	-	-	-	-	-	-	-	71,086
Stripping	331,056	256,584	-	-	-	-	-	-	-	-	-	587,640
Salaries and employee benefits	62,100	105,370	16,811	-	-	-	-	-	-	-	-	184,281
Fuel	60,425	48,332	1,477	-	-	-	-	-	-	-	-	110,234
Other	198,188	320,488	43,923	-	-	-	-	-	-	-	-	562,599
	654,979	1,272,621	100,734	-	-	-	-	-	-	-	-	2,028,334
Current Year Depletion	(42,003)	(24,827)	(22,299)	-	-	-	-	-	-	-	-	(89,129)
Cumulative Production Costs- November 30, 2012	**612,976**	**1,247,794**	**78,435**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,939,205**
Production Costs												
Cost at:												
November 30, 2013	$ 717,449	$ 1,284,668	$ 161,975	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$2,164,092
November 30, 2012	$ 654,979	$ 1,272,621	$ 100,734	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$2,028,334
Accumulated Depletion at:												
November 30, 2013	$ 182,458	$ 161,064	$ 22,299	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 365,821
November 30, 2012	$ 42,003	$ 24,827	$ 22,299	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 89,129

Note 11 – Intangible Assets

	Susan Lake Management Contract	Poplar Creek Management Contract	Poplar Creek Decommissioning and Restoration Costs	Total
Cost at:	$	$	$	$
November 30, 2011	7,800,000	105,000	369,567	8,274,567
additions (reductions)	-	-	(4,963)	(4,963)
November 30, 2012	7,800,000	105,000	364,604	8,269,604
additions (reductions)	-	-	(219,665)	(219,665)
November 30, 2013	7,800,000	105,000	144,939	8,049,939
Accumulated Amortization at:				
November 30, 2011	2,624,074	105,000	369,567	3,098,641
amortization for the year	866,667	-	-	866,667
additions (reductions)	-	-	(4,963)	(4,963)
November 30, 2012	3,490,741	105,000	364,604	3,960,345
amortization for the year	866,667	-	-	866,667
additions (reductions)	-	-	(219,665)	(219,665)
November 30, 2013	4,357,408	105,000	144,939	4,607,347
Carrying value at:				
November 30, 2012	4,309,259	-	-	4,309,259
November 30, 2013	3,442,592	-	-	3,442,592

Intangible assets consist of two management contracts with the Province of Alberta relating to the management of aggregate pits at Poplar Creek, Alberta and Susan Lake, Alberta. The Susan Lake management contract is amortized on a straight-line basis over the life of the contract. As at November 30, 2013 the remaining term of the contract is 48 months. The Poplar Creek pit has been depleted and accordingly its management contract and decommissioning and restoration costs carrying values were written off at November 30, 2011.

During the year ended November 30, 2013, the estimate for future decommissioning and restoration costs for the Poplar Creek pit decreased by $219,665 (2012- $4,963). Of the decrease, $63,053 (2012- $12,368 increase) was a decrease attributable to the 42 acres related to the land use agreement (Note 9), and $156,612 (2012- $17,331) was a decrease attributable to the 124 acre laydown storage yard. $63,053 (2012- $12,368 reduction in gain) was recorded as a reduction in the loss on the land use agreement, and $156,612 (2012- $17,331) was credited to intangible assets and subsequently impaired and included in the recovery of write down of intangible assets.

The terms of the contracts give the Province of Alberta the right to terminate the contracts without cause upon three months written notice. The contracts provide that the Province of Alberta may at any time during the term of the agreement require the Corporation to operate the tender location in cooperation with oil sand lease development. The Province of Alberta also has the right to withdraw any portion of the lands from the contracts and those lands withdrawn shall cease to be the responsibility of the Corporation with respect to decommissioning and restoration.

Note 12- Goodwill

The goodwill arose as a result of the acquisition of Aggregates Management Inc. that closed on November 20, 2008. The acquired company held the management contracts to operate on behalf of the Province of Alberta, two aggregate pits in the Fort McMurray area of Alberta. Impairment of goodwill was tested at November 30, 2012 and at November 30, 2013 with a conclusion reached that no impairment has occurred.

The Susan Lake pit cash generating unit (“CGU”) represents virtually all of the revenues and cash inflows of the acquired company, with the result that all goodwill is allocated to the Susan Lake pit CGU for the purposes of impairment testing.

The recoverable amount of a CGU is determined based on the higher of value in use calculations or fair value less cost to sell. The Corporation’s value in use calculations use after-tax cash flow projections expected to be generated by the CGU based on the actual results of operations from the preceding fiscal year. The cash flows were done over duration equal to the remaining life of the Susan Lake management contract (four years and five years at November 30, 2013 and November 30, 2012 respectively). No growth rate was applied to the projections and a discount rate of 9% had been used based on the Corporation’s after-tax weighted cost of capital.

Note 13 – Long-Term Debt

	November 30, 2013	November 30, 2012
Bank loan, repayable in monthly instalments of $83,333 plus interest at the bank's prime lending rate plus 1.75%, due June 8, 2016	$ 2,583,333	$ 3,583,333
Deferred long-term debt transaction costs amortized over life of term debt	(25,781)	(34,903)
	2,557,552	3,548,430
Principal due within one year	1,000,000	1,000,000
	$ 1,557,552	$ 2,548,430

The principal repayment requirements for the subsequent three years are as follows:

December 1, 2013 – November 30, 2014	$1,000,000
December 1, 2014 – November 30, 2015	$1,000,000
December 1, 2015 – November 30, 2016	$ 583,333
	$2,583,333

The term debt is subject to an annual cash sweep of 20% free cash flow or a minimum of $350,000, whichever is larger, if the Corporation’s annual funded debt to EBITDA ratio is equal to or greater than 2.0 to 1.0. The cash sweep covenant is to be waived once the outstanding term debt reduces to $2,500,000 or if the Corporation’s annual funded debt to EBITDA ratio is less than 2.0 to 1.0. For the year ended November 30, 2013 the ratio was less than 2.0 to 1.0 therefore a cash sweep is not reflected in the principal repayment requirements.

Security was provided for the long-term debt, the lease obligation (Note 14), the demand revolving operating loan, and additional credit facilities as follows:

- general security agreement creating a first priority security interest in all present and after acquired personal property of the Corporation and a floating charge over all the Corporation’s present and after acquired real property;
- collateral land mortgage over half of a section of land located near Peace River, Alberta (Note 10);
- assignment of risk insurance;
- environmental agreement and indemnity;
- security agreement over cash, credit balances and deposit instruments; and

Note 13 – Long-Term Debt (continued)

- current account overdraft agreement in support of line of credit.

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. The operating loan bears interest at the bank's prime lending rate plus 1%. No balance was outstanding on the operating loan, apart from the letters of credit described below, which bear a different rate of interest.

Availability of operating loan borrowing is subject to margin requirements, and is determined based upon acceptable accounts receivable and inventory.

The Corporation has a letter of commercial credit for $603,000 to the benefit of the Government of Alberta for decommissioning and restoration at the Susan Lake pit. A cost of 2.50% per annum is charged for the letter of commercial credit. A guaranteed investment certificate in the amount of $603,000 had served as security on the letter of credit. The security was released during the year ended November 30, 2012 as a result of debt refinancing.

The Corporation has a letter of commercial credit for $248,760 to the benefit of the Government of Alberta for decommissioning and restoration in relation to a miscellaneous lease for a storage yard located at the Poplar Creek site. A cost of 2.50% per annum is charged for the letter of commercial credit.

The Corporation has a letter of commercial credit for $500,000 to the benefit of the Government of Alberta for decommissioning and restoration at the Poplar Creek pit. A cost of 2.50% per annum is charged for the letter of commercial credit.

The Corporation has access to an $8,000,000 leasing facility to finance the acquisition of equipment, of which it has utilized $6,803,876. See Lease Obligation (Note 14).

The Corporation has access to a corporate credit card facility, up to a maximum of $100,000.

As at November 30, 2013 and at November 30, 2012 the Corporation is in compliance with the lender's covenants.

Note 14 – Lease Obligation

	November 30, 2013	**November 30, 2012**
Lease, repayable in monthly instalments of $38,817 including interest at 4.124%, due June 30, 2017	$1,515,767	$1,910,190
Lease, repayable in monthly instalments of $65,253 including interest at 4.250%, due August 31, 2017	2,709,984	3,362,716
Lease, repayable in monthly instalments of $6,627 including interest at 4.250%, due August 31, 2017	275,306	341,595
Lease, repayable in monthly instalments of $7,452 including interest at 4.614%, due September 21, 2018	386,814	-
Lease, repayable in monthly instalments of $7,481 including interest at 4.593%, due October 12, 2018	394,482	-
	5,282,353	5,614,501
Principal due within one year	1,307,465	1,113,444
	$3,974,888	$4,501,057

Note 14 – Lease Obligation (continued)

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

December 1, 2013 – November 30, 2014	1,507,544
December 1, 2014 – November 30, 2015	1,507,544
December 1, 2015 – November 30, 2016	1,507,544
December 1, 2016 – November 30, 2017	1,059,304
December 1, 2017 – October 21, 2018	157,004
	$5,738,940
Less interest included in payments:	
Year 1	$ 200,078
Years 2 - 5	256,509
	$ 456,587
Lease loan principal outstanding	$5,282,353

Security is provided for the lease obligation. See Long-Term Debt (Note 13).

Note 15 – Decommissioning and Restoration Provision

The Corporation has recognized a decommissioning and restoration provision in connection with Poplar Creek management agreement and related surface material lease acquired November 20, 2008, with the Kearl pit surface material lease for land disturbance occurring during the year ended November 30, 2011, and with the House River pit surface material lease and with the Logan pit surface material lease for land disturbance occurring during the year ended November 30, 2012.

	2013	2012
Balance at beginning of year	$ 1,098,041	$ 587,664
Change in interest rate	(26,379)	59,448
Accretion	17,405	14,971
Change in estimate	(441,783)	83,014
House River pit addition during year	-	174,348
Conklin stockpile miscellaneous lease addition during year	43,436	-
Logan pit addition during year	17,174	178,596
Balance at end of year	$ 707,894	$ 1,098,041

A determination of the fair value of the Poplar Creek provision assumes undiscounted estimated future cash flows needed to settle the liability as at November 30, 2013 of approximately $264,298. This pertains to both the depleted 42 acre parcel of land transferred under a long-term land use agreement with a work camp provider (Note 9), and the depleted 124 acres on which the Corporation has applied to extend a miscellaneous lease which expired February 28, 2013 to develop a work camp and storage yard within the Poplar Creek pit. The decommissioning and restoration costs are expected to be expended at the expiry of the land use agreement in 2015 plus an expected five year renewal through 2020, and at the expiry of the extended miscellaneous lease term (currently under application),with decommissioning and restoration expected to be completed during 2018. These estimated future cash flows have been discounted at a risk-free rate of 2.03% on the 42 acre parcel of land transferred under a long-term land use agreement, and 1.73% on the depleted 124 acres within the Poplar Creek pit. The Corporation has provided a $500,000 letter of credit to the benefit of the Government of Alberta on behalf of the Corporation for decommissioning and restoration in relation to the Poplar Creek management agreement and related surface material lease (Note 11). These estimated future cash flows include an assumed inflation rate of 3%. The estimated future decommissioning and restoration cost associated with the Poplar Creek pit was decreased by $213,826 during the year ended November 30, 2013.

Note 15 – Decommissioning and Restoration Provision (continued)

During the year ended November 30, 2011 the Corporation recognized a decommissioning and restoration provision on its Kearl pit. A determination of the fair value of the Kearl pit provision assumes undiscounted estimated future cash flows needed to settle the liability as at November 30, 2013 of approximately $163,066 which is expected to be expended at the termination of the surface materials lease in 2021. These estimated future cash flows have been discounted at a risk-free rate of 2.03%. The Corporation has provided a $79,990 security deposit paid to the Government of Alberta on behalf of the Corporation for decommissioning and restoration in relation to the Kearl pit surface materials lease. These estimated future cash flows include an assumed inflation rate of 3%. The estimated future decommissioning and restoration cost associated with the Kearl pit was decreased by $131,211 during the year ended November 30, 2013 with the decrease deducted from the related asset.

During the year ended November 30, 2012 the Corporation recognized a decommissioning and restoration provision on its House River pit. A determination of the fair value of the House River pit provision assumes undiscounted estimated future cash flows needed to settle the provision as at November 30, 2013 of approximately $111,188 which is expected to be expended at the termination of the surface materials lease in 2021. These estimated future cash flows have been discounted at a risk-free rate of 2.15%. The Corporation has provided a $79,980 security deposit paid to the Government of Alberta on behalf of the Corporation for decommissioning and restoration in relation to the House River pit surface materials lease. These estimated future cash flows include an assumed inflation rate of 3%. The estimated future decommissioning and restoration cost associated with the House River pit was decreased by $99,701 during the year ended November 30, 2013 with the decrease deducted from the related asset.

During the year ended November 30, 2012 the Corporation recognized a decommissioning and restoration provision on its Logan pit. A determination of the fair value of the Logan pit provision assumes undiscounted estimated future cash flows needed to settle the provision as at November 30, 2013 of approximately $198,904 which is expected to be expended at the termination of the surface materials lease in 2020. These estimated future cash flows have been discounted at a risk-free rate of 2.03%. The Corporation has provided an $80,370 security deposit paid to the Government of Alberta on behalf of the Corporation for decommissioning and restoration in relation to the Logan pit surface materials lease. These estimated future cash flows include an assumed inflation rate of 3%. The estimated future decommissioning and restoration cost associated with the Logan pit was decreased by $8,004 during the year ended November 30, 2013 with the decrease deducted from the related asset.

During the year ended November 30, 2013 the Corporation recognized a decommissioning and restoration provision on the Logan East pit. A determination of the fair value of the Logan East pit provision assumes undiscounted estimated future cash flows needed to settle the provision as at November 30, 2013 of approximately $20,296 which is expected to be expended at the termination of the surface materials lease in 2022. These estimated future cash flows have been discounted at a risk-free rate of 1.86%. The Corporation has provided a $37,170 security deposit paid to the Government of Alberta on behalf of the Corporation for decommissioning and restoration in relation to the Logan East pit surface materials lease. These estimated future cash flows include an assumed inflation rate of 3%.

During the year ended November 30, 2013 the Corporation recognized a decommissioning and restoration provision on the Conklin stockpile miscellaneous lease. A determination of the fair value of the Conklin stockpile provision assumes undiscounted estimated future cash flows needed to settle the provision as at November 30, 2013 of approximately $51,331 which is expected to be expended at the termination of the miscellaneous lease in 2022. These estimated future cash flows have been discounted at a risk-free rate of 1.86%. The Corporation has provided a $20,000 security deposit paid to the Government of Alberta on behalf of the Corporation for decommissioning and restoration in relation to the Conklin stockpile miscellaneous lease. These estimated future cash flows include an assumed inflation rate of 3%.

No decommissioning and restoration provision has been provided for the Susan Lake management agreement as either a third party will assume the retirement costs or the specific area of the pit has not been environmentally disturbed.

Note 15 – Decommissioning and Restoration Provision (continued)

In view of uncertainties concerning decommissioning and restoration provisions, the ultimate costs could be materially different from the amounts estimated. The estimate of future decommissioning and restoration provisions is subject to change based on amendments to applicable laws and legislation. Future changes in decommissioning and restoration provisions, if any, could have a significant impact and would be reflected prospectively, as a change in accounting estimate.

Note 16 – Deferred Gain on Sale and Leaseback

	November 30, 2013	November 30, 2012
	$ 27,006	$ 34,709

During the year ended November 30, 2012 the Corporation received lease proceeds on the sale and leaseback of property and equipment in an amount of $38,515 exceeding the carrying value of the assets that were sold. The deferred gain on sale and leaseback will be realized over the 60 month term of the lease. During the year ended November 30, 2013, $7,703 (2012- $3,806) of the deferred gain on sale and leaseback was realized and taken into income.

Note 17 - Income Taxes

The estimation of the Corporation's deferred tax assets and liabilities involves significant judgment around a number of assumptions. Judgment must be used to determine the Corporation's future earning potential, and the expected timing of the reversal of deferred tax assets and liabilities. Further uncertainties are the result of interpretation of tax legislation which might differ from the ultimate assessment of the tax authorities. These differences may affect the final amount or the timing of the payment of taxes.

Deferred taxes reflects the tax effects of non-capital losses carried forward and the effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts recognized for income tax purposes.

The tax effects of temporary differences that give rise to significant portions of the net deferred tax liability are:

	November 30, 2013	November 30, 2012
Deferred tax assets:		
Cumulative eligible capital	$ 37,784	$ 40,628
Prepaid gravel	-	37,500
Deferred gain on sale and leaseback	6,751	8,677
	44,535	86,805
Deferred tax liabilities:		
Property and equipment	313,084	163,189
Resource properties	1,054,996	983,508
Land use agreement receivable	140,771	405,215
Intangible assets	860,648	1,077,315
	2,369,499	2,629,227
Net deferred tax liability	$ 2,324,964	$ 2,542,422

Income tax expense varies from the amount that would result from applying the combined federal and provincial income tax rates to income before income taxes. These variances are presented in the following table.

Note 17 - Income Taxes (continued)

	For the Year Ended November 30, 2013	2012
Income before income taxes	$ 2,828,059	$ 6,480,414
Statutory Canadian combined corporate tax rate	25.0%	25.0%
Expected tax expense	707,015	1,620,104
Increase in income taxes resulting from:		
Non-deductible expenses	187,755	137,142
Change in unrecognized assets	37,500	-
Other	(25,851)	12,759
	$ 906,419	$ 1,770,005
The provision for taxes is comprised of:		
Provision for current taxes	$ 1,123,877	$ 1,524,537
Provision for deferred taxes (benefit)	(217,458)	245,468
	$ 906,419	$ 1,770,005

Note 18 – Share Capital

a) Authorized:
An unlimited number of:
Common voting shares with no par value
Preferred shares, issuable in series

b) Repurchased common shares:

During the years ended November 30, 2011 and 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 years ended November 30, 2012 and November 30, 2013 the Corporation had in place a normal course issuer bid (the “2012 Bid”) that commenced on August 14, 2012 and terminated on August 14, 2013. During the years ended November 30, 2012 and November 30, 2013 no common shares were repurchased pursuant to the 2012 Bid.

c) Stock options:

The Corporation has issued options to directors, officers, employees and consultants of the Corporation as incentives.

Note 18 – Share Capital (continued)

c) Stock options: (continued)

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

	2013			2012		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Options outstanding:						
Beginning of year	1,836,666	$	0.58	2,414,100	$	0.33
Issued	1,185,000		1.31	1,410,000		0.69
Expired or cancelled	(368,333)		1.24	(1,205,767)		0.40
Exercised	(326,667)		0.42	(781,667)		0.29
End of year	2,326,666	$	0.87	1,836,666	$	0.58

Of the outstanding stock options, 1,411,666 (2012- 781,666) options were exercisable at November 30, 2013 at a weighted average exercise price of $0.67 per share (2012- $0.42).

The weighted average remaining contractual life of the options is 3.65 years (2012- 3.91). The weighted average share price on the dates options were exercised is $1.29 (2012- $0.95).

The Corporation's stock option plan provides that the Board of Directors may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase common shares. The stock option plan provides for a floating maximum limit of 10% of the outstanding common shares, as permitted by the policies of the TSX Venture Exchange. Options may be exercisable for up to ten years from the date of grant, but the Board of Directors has the discretion to grant options that are exercisable for a shorter period. Options under the stock option plan are not transferable or assignable. Pursuant to the stock option plan, options must be exercised within a reasonable period following termination of employment or cessation of the optionee's position with the Corporation, or such other period established by the Board of Directors, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death or disability, the option may be exercised within one year, subject to the expiry date.

On October 6, 2011, the Corporation granted 70,000 stock options to the Corporation's directors, officers, employees and consultants. The options vest as to one-third on each of April 5, 2012, October 5, 2012 and April 5, 2013. The fair value of the options on the grant date was estimated at $17,612 ($0.2516 weighted average fair value per option) using the Black-Scholes Option Pricing Model with the following assumptions:

Exercise price	$0.35 (equal to closing price on date of grant)
Dividend yield	Nil
Expected Volatility	76%
Risk free rate of return	1.0%
Expected life	5 years
Forfeiture rate	0%

On March 29, 2012, the Corporation granted 1,205,000 stock options to the Corporation's directors, officers, employees and consultants. The options vest as to one-third on each of August 29, 2012, March 29, 2013 and August 29, 2013. The fair value of the options on the grant date was estimated at

Note 18 - Share Capital (continued)

c) Stock options: (continued)

$556,107 ($0.4615 weighted average fair value per option) using the Black-Scholes Option Pricing

Model with the following assumptions:

Exercise price	$0.63 (equal to closing price on date of grant)
Dividend yield	Nil
Expected Volatility	97%
Risk free rate of return	1.55%
Expected life	5 years
Forfeiture rate	0%

On August 24, 2012, the Corporation granted 205,000 stock options to the Corporation's directors, officers, employees and consultants. The options vest as to one-third on each of February 24, 2013, August 24, 2013 and February 24, 2014. The fair value of the options on the grant date was estimated at $154,508 ($0.7537 weighted average fair value per option) using the Black-Scholes Option Pricing Model with the following assumptions:

Exercise price	$1.04 (equal to closing price on date of grant)
Dividend yield	Nil
Expected Volatility	96%
Risk free rate of return	1.4%
Expected life	5 years
Forfeiture rate	0%

On December 11, 2012, the Corporation granted 560,000 stock options to the Corporation's directors, officers, and consultants. The options vest as to one-third on each of June 11, 2013, December 11, 2013 and June 11, 2014. The fair value of the options on the grant date was estimated at $671,608 ($1.1993 weighted average fair value per option) using the Black-Scholes Option Pricing Model with the following assumptions:

Exercise price	$1.64 (equal to closing price on date of grant)
Dividend yield	Nil
Expected Volatility	97%
Risk free rate of return	1.3%
Expected life	5 years
Forfeiture rate	0%

On September 6, 2013, the Corporation granted 625,000 stock options to the Corporation's directors, officers, and consultants. The options vest as to one-third on each of March 6, 2014, September 6, 2014 and March 6, 2015. The fair value of the options on the grant date was estimated at $459,742 ($0.7356) weighted average fair value per option) using the Black-Scholes Option Pricing Model with the following assumptions:

Exercise price	$1.02 (equal to closing price on date of grant)
Dividend yield	Nil
Expected Volatility	94%
Risk free rate of return	2.1%
Expected life	5 years
Forfeiture rate	0%

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

Note 18 - Share Capital (continued)

c) Stock options: (continued)

The following is a summary of the outstanding stock options:

Expiry Date	Exercise Price	Number of Options Outstanding November 30, 2013	Number of Options Outstanding November 30, 2012
May 13, 2013	$ .40	-	25,000
September 21, 2014	$ .25	75,000	125,000
October 15, 2015	$ .26	160,000	280,000
October 6, 2016	$ .35	70,000	70,000
March 29, 2017	$ .63	886,666	1,131,666
August 24, 2017	$ 1.04	150,000	205,000
December 11, 2017	$ 1.64	360,000	-
September 6, 2018	$ 1.02	625,000	-
		2,326,666	1,836,666

d) Net income per common share

	For the Year Ended November 30, 2013	2012
Net income per common share- basic		
Net income	$ 1,921,640	$ 4,710,409
Weighted average number of common shares outstanding	28,179,596	27,502,403
Net income per common share	$ 0.068	$ 0.171
Net income per common share- diluted		
Net income	$ 1,921,640	$ 4,710,409
Weighted average number of common shares outstanding	28,179,596	27,502,403
Effect of dilutive stock options	696,692	248,687
Weighted average number of common shares outstanding, assuming dilution	28,876,288	27,751,090
Net income per common share	$ 0.067	$ 0.170

During the year ended November 30, 2013, 313,452 options outstanding at November 30, 2013 were not dilutive (2012- 205,000 options).

Note 19 – Finance Costs

	For the Year Ended November 30, 2013	2012
Interest on callable debt	$ -	$ 90,168
Interest on long-term debt	147,414	84,997
Interest on lease obligations	216,572	67,109
Amortization on long-term debt transaction costs	9,122	6,346
Accretion	17,405	14,971
	$ 390,513	$ 263,591

Note 20 - Related Party Transactions

During the year ended November 30, 2013, the Corporation incurred expenses of $185,406 (2012 - $979,517) 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 Year Ended November 30, 2013	2012
Directors and Officers:		
Directors fees and expenses	$ 79,886	$ 54,764
Travel and miscellaneous	10,320	31,498
	90,206	86,262
Companies controlled by directors and officers:		
Consulting fees for services rendered	-	263,859
Travel and miscellaneous	750	12,822
Property and equipment	10,450	-
Exploration and development costs	-	548,574
Rent	84,000	68,000
	95,200	893,255
	$ 185,406	$ 979,517

There is $68,491 related to these expenses recorded in accounts payable and accrued liabilities at November 30, 2013 (2012 - $55,660).

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.

Note 21 – 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 Year Ended November 30, 2013	2012
Salaries and other benefits	$ 805,888	$ 845,629
Share-based benefits	531,389	311,399
	$ 1,337,277	$ 1,157,028

Note 22 - 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, callable 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 callable 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 November 30, 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 November 30, 2012, 71.7% of the Corporation's accounts receivable was due from four customers.

The Corporation's aged accounts receivable are comprised of 49.6% current, 35.2% past due up to 60 days and 15.2% 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 $628,716 owed to the Corporation which is under dispute. The Corporation has provided $378,716 as an allowance for doubtful accounts, of which $259,509 was expensed to bad debts during fiscal 2013 and $119,207 during fiscal 2012. Management expects to collect the unimpaired balance of the receivable during the year ending November 30, 2014.

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 November 30, 2013.

As at November 30, 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.

Note 22 - Financial Instruments (continued)

c) Liquidity Risk (continued)

	0 -1 year	2- 3 years	4 - 5 years	Total
	$	$	$	$
Trade and other payables	4,973,845	-	-	4,973,845
Long-term debt, including interest	1,096,979	1,639,740	-	2,736,719
Lease obligation, including interest	1,507,544	3,015,087	1,216,309	5,738,940
Total	7,578,368	4,654,827	1,216,309	13,449,504

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 November 30, 2013. The expectation could be adversely affected by a material negative change in the demand for aggregate or the Corporation's management contracts (Note 11).

d) Foreign Currency Risk

The Corporation maintains a USD currency bank account with a nominal balance for the infrequent need to fund supplier purchases denominated in USD currency. As at November 30, 2013 the Corporation had USD cash on hand in the amount of $604 (CAD $638), and no USD denominated trade and other payables or receivables. As the amounts involved are unsubstantial 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 $19,000.

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.

Note 23 - Capital Disclosures

The capital structure of the Corporation consists of net debt (borrowings as detailed in Note 13 and Note 14 offset by cash and bank balances) plus equity (comprising share capital, contributed surplus and retained earnings). The Corporation's objective when managing capital is to provide sufficient capital to cover normal operating and capital expenditures. In order to maintain or adjust the capital structure, the Corporation may issue debt, purchase shares for cancellation pursuant to normal course issuer bids or issue new shares. The Corporation is subject to externally imposed capital requirements as discussed below.

The Corporation is subject to externally imposed capital requirements represented by various bank covenants related to its term debt and operating loan. These covenants include restrictions on capital expenditures and buy-back of share capital, minimum debt service coverage, minimum working capital ratio and a maximum funded debt to EBITDA ratio. The covenants will result in restrictions on the use of capital. As at November 30, 2013 the Corporation is in compliance with these covenants.

There were no changes to the Corporation’s capital management during the year ended November 30, 2013.

Note 24 - Supplemental Income Statement Disclosure

	For the Year Ended November 30, 2013	2012
Employee benefits	$ 5,560,907	$ 2,395,282

Employee benefits include wages, salaries, severance pay, bonus, group benefit premiums, and CPP and EI and WCB contributions.

	2013	2012
Reliance on major customers	$ 16,668,972	$ 8,446,191

During the year, the Corporation recognized aggregate sales to individual customers whose purchases represented more than 10% of the Corporation's revenue, as follows:

	2013	2012
Sales to first major customer	$ 8,994,353	$ 3,445,402
Sales to second major customer	4,775,163	2,594,364
Sales to third major customer	2,899,456	2,406,425
Sales to major customers	$ 16,668,972	$ 8,446,191

During the year ended November 30, 2013, total sales of $16,668,972 (66.4%) were sold to three customers whose purchases represented more than 10% of the Corporation's annual sales revenue (2012- $8,446,191) (57.4%).

The Corporation has reclassified $202,906 of expenses previously recorded as general and administrative expenses to other aggregate operating expenses for the year ended November 30, 2012.

Note 25 - Supplemental Cash Flow Information

	For the Year Ended November 30, 2013	2012
The Corporation paid or received cash during the year for the following:		
Interest paid	$ 364,942	$ 227,859
Interest received	$ 12,241	$ 25,402
Income taxes paid	$ 1,843,125	$ 1,493,788

During the year ended November 30, 2013 the Corporation obtained property and equipment in the amount of $802,169 by entering into finance leases. Of the total, property and equipment in the amount of $401,962 was acquired on a sale and leaseback basis, and a further $400,207 of acquired property and equipment was not previously owned by the Corporation.

During the year ended November 30, 2012 the Corporation obtained property and equipment in the amount of $6,001,707 by entering into finance leases. Of the total, property and equipment in the amount of $2,305,454 was acquired on a sale and leaseback basis, and a further $3,696,253 of acquired property and equipment was not previously owned by the Corporation.

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.

Note 26- Subsequent Events

a) Private Placement Financing

Subsequent to the year end, the Corporation announced the closing of a private placement offering of units of the Corporation. Pursuant to the offering, the Corporation issued 3,965,517 units at a price of $1.45 per Unit, for aggregate gross proceeds of $5,750,000.

Each unit consists of one common share in the capital of the Corporation and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $1.75 per share for a period of two years from January 15, 2014 the date of the closing of the offering.

The underwriter was paid a cash commission equal to 6% of the aggregate gross proceeds of the offering and was granted 237,931 options, with each such option entitling the holder to acquire one Common Share at a price of $1.45 per share for a period of two years from January 15, 2014 the date of the closing of the offering.

Pursuant to applicable securities laws, all securities issued pursuant to the offering will be subject to a statutory hold period which expires on May 15, 2014.

b) Opening of Cowpar Aggregate Operation and Signing of Aggregate Agreement

Subsequent to the year end, an agreement was signed between the Corporation and DeneCo Aggregates Ltd. ("DeneCo"), a First Nations company.

The Corporation has initiated aggregate production and delivery from its recently opened Cowpar aggregate operation ("Cowpar") located 95 km southeast of Fort McMurray. Cowpar is governed by the agreement between Athabasca and Deneco. Athabasca serves as the developer and operator for Cowpar in return for a royalty paid to DeneCo. Athabasca has entered into an additional agreement with DeneCo for a second nearby aggregate location, where Athabasca would serve as the developer and operator of that location under a similar arrangement. DeneCo will also assist Athabasca with the marketing of aggregates produced from Cowpar and Athabasca's other regional pits.

c) Joint Venture Agreement with Wood Buffalo Métis Corporation

Subsequent to the year end, an agreement was signed between the Corporation and Wood Buffalo Métis Corporation.

Athabasca entered into a joint venture agreement with the Wood Buffalo Métis Corporation on January 31, 2014, for the purposes of exploring for and developing and marketing aggregates, including industrial minerals such as granite, dolomite, limestone and silica sand, and for extracting, processing and selling aggregates from within the boundaries of the Regional Municipality of Wood Buffalo. Athabasca has the exclusive support of Wood Buffalo to drill, explore, produce and market aggregates for a period of ten years, with an option to renew, upon mutual agreement of the parties, for an additional ten years.