



UNAUDITED FINANCIAL STATEMENTS

For the Nine Months Ended

August 31, 2010 and 2009

ATHABASCA MINERALS INC.

**Notice of No Auditor Review of Interim Financial Statements
Nine months ended August 31, 2010**

The accompanying unaudited interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management and have been approved by the Audit Committee and Board of Directors of the Corporation.

The Corporation's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

October 27, 2010

"Udomdej Kriangkum"

Udomdej Kriangkum
Chief Executive Officer

"Don Hrubá"

Don Hrubá
Chief Financial Officer

ATHABASCA MINERALS INC.

Balance Sheets

	August 31, <u>2010</u> (unaudited)	November 30, <u>2009</u> (audited)
ASSETS		
CURRENT		
Cash	\$ 391,800	\$ 2,077,716
Accounts receivable	2,364,055	1,769,709
Prepaid expenses	249,222	121,861
Prepaid stripping costs	274,721	339,602
Short- term investment	603,000	603,000
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	3,882,798	4,911,888
LONG -TERM DEPOSITS (Note 4)	125,050	50,000
PROPERTY AND EQUIPMENT	714,240	828,881
RESOURCE PROPERTIES	3,340,398	2,999,617
INTANGIBLE ASSETS	6,435,835	7,139,013
GOODWILL	2,537,701	2,537,701
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	\$ 17,036,022	\$ 18,467,100
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 501,296	\$ 1,073,593
Demand loans (Note 5)	6,026,209	7,383,146
Income tax payable	194,693	41,757
Current portion of long-term debt	-	60,000
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	6,722,198	8,558,496
ASSET RETIREMENT OBLIGATION	226,727	213,169
FUTURE INCOME TAX	2,449,315	2,505,772
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	9,398,240	11,277,437
SHAREHOLDERS' EQUITY		
SHARE CAPITAL		
Common shares (Notes 7 b, 7 c)	6,761,993	6,610,693
Warrants (Note 7 e)	-	176,164
	<hr/>	<hr/>
	6,761,993	6,786,857
CONTRIBUTED SURPLUS (Notes 7 c , 8)	699,793	598,763
RETAINED EARNINGS (DEFICIT)	175,996	(195,957)
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	7,637,782	7,189,663
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	\$ 17,036,022	\$ 18,467,100

Approved by the Board of Directors

"Douglas Stuve", Director

Douglas M. Stuve

"Theodore Rousseau", Director

Theodore Rousseau

The accompanying notes are a part of these financial statements.

ATHABASCA MINERALS INC.

Statements of Net Income, Comprehensive Income and Retained Earnings (Deficit)

	For the Three Months Ended		For the Nine Months Ended	
	August 31,		August 31,	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	(Unaudited)		(Unaudited)	
AGGREGATE MANAGEMENT FEE REVENUE	\$ 3,559,303	\$ 3,099,387	\$ 6,408,611	\$ 5,721,976
ROYALTIES	1,065,421	994,076	1,870,627	1,862,977
	2,493,882	2,105,311	4,537,984	3,858,999
AGGREGATE MANAGEMENT OPERATING EXPENSES	723,122	246,155	1,481,875	709,911
	1,770,760	1,859,156	3,056,109	3,149,088
EXPENSES				
Accretion	4,613	-	13,559	-
Amortization of property and equipment	41,429	48,516	125,542	112,582
Amortization of intangible assets	234,394	222,089	703,180	690,874
Write down of resource properties	1,350	-	49,695	-
General and administrative	447,679	411,073	1,188,619	1,289,171
Interest on long-term debt	-	5,647	-	26,036
Interest on demand loans	71,514	76,799	215,573	267,688
Stock-based compensation (Note 8)	20,736	3,853	100,435	(1,355)
	821,715	767,977	2,396,603	2,384,996
INCOME BEFORE OTHER ITEMS	949,045	1,091,179	659,506	764,092
OTHER INCOME (LOSS)				
Interest income	6,248	5,676	19,646	31,002
Miscellaneous income	12,080	-	12,080	-
Loss on disposal of property and equipment	-	-	-	(1,270)
	18,328	5,676	31,726	29,732
INCOME BEFORE INCOME TAXES	967,373	1,096,855	691,232	793,824
INCOME TAXES				
Current income tax expense	318,963	20,837	375,736	41,675
Future income tax expense (recovery)	(171,528)	312,833	(56,457)	239,680
	147,435	333,670	319,279	281,355
NET INCOME AND COMPREHENSIVE INCOME	819,938	763,185	371,953	512,469
DEFICIT, BEGINNING OF PERIOD	(643,942)	(1,779,996)	(195,957)	(1,529,280)
RETAINED EARNINGS (DEFICIT), END OF PERIOD	\$ 175,996	\$ (1,016,811)	\$ 175,996	\$ (1,016,811)
BASIC AND DILUTED NET INCOME PER COMMON SHARE (Note 7f)	\$ 0.03	\$ 0.03	\$ 0.01	\$ 0.02
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	27,958,073	27,978,165	27,971,419	27,978,165

The accompanying notes are a part of these financial statements.

ATHABASCA MINERALS INC.

Statements of Cash Flows

	For the Three Months Ended		For the Nine Months Ended	
	August 31,		August 31,	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	(Unaudited)		(Unaudited)	
OPERATING ACTIVITIES				
Net income	\$ 819,938	\$ 763,185	\$ 371,953	\$ 512,469
Adjustments for non-cash items				
Amortization and accretion	280,436	270,605	842,281	803,456
Write down of resource properties	1,350	-	49,695	-
Future income tax expense (recovery)	(171,528)	312,833	(56,457)	239,680
Stock-based compensation (Note 8)	20,736	3,853	100,435	(1,355)
Loss on disposal of equipment	-	-	-	1,270
	<u>950,932</u>	<u>1,350,476</u>	<u>1,307,907</u>	<u>1,555,520</u>
Net changes in non-cash working capital balances				
Accounts payable and accrued liabilities	(58,358)	301,622	(572,297)	(2,563,913)
Accounts receivable	(870,216)	(1,046,828)	(594,346)	2,560,468
Income tax payable	302,693	-	152,936	-
Prepaid expenses	(43,283)	(44,211)	(127,361)	(31,455)
Prepaid stripping costs	<u>573,907</u>	<u>-</u>	<u>64,881</u>	<u>-</u>
	<u>855,675</u>	<u>561,059</u>	<u>231,720</u>	<u>1,520,620</u>
INVESTING ACTIVITIES				
Long-term investment	(25,000)	-	(75,050)	(50,000)
Proceeds on disposal of equipment	-	-	-	1,906
Purchase of property and equipment	(7,148)	(10,940)	(10,904)	(87,908)
Resource properties	<u>(130,744)</u>	<u>(122,481)</u>	<u>(390,476)</u>	<u>(324,325)</u>
	<u>(162,892)</u>	<u>(133,421)</u>	<u>(476,430)</u>	<u>(460,327)</u>
FINANCING ACTIVITIES				
Repayment of advances from related parties	-	-	-	(250,000)
Repayment of demand loans	(452,313)	(601,541)	(1,356,937)	(1,201,541)
Proceeds from demand loan	-	37,000	-	37,000
Repurchase of common shares	(24,269)	-	(24,269)	-
Repayment of long term debt	-	(160,000)	(60,000)	(360,000)
	<u>(476,582)</u>	<u>(724,541)</u>	<u>(1,441,206)</u>	<u>(1,774,541)</u>
NET INCREASE (DECREASE) IN CASH FOR THE PERIOD	216,201	(296,903)	(1,685,916)	(714,248)
CASH, BEGINNING OF PERIOD	<u>175,599</u>	<u>808,866</u>	<u>2,077,716</u>	<u>1,226,211</u>
CASH, END OF PERIOD	\$ 391,800	\$ 511,963	\$ 391,800	\$ 511,963
Supplemental cash flow information (Note 10)				

The accompanying notes are a part of these financial statements.

ATHABASCA MINERALS INC.

Notes to Financial Statements

For the Nine Months Ended August 31, 2010 and 2009

Note 1 – Significant Accounting Policies

The accompanying unaudited interim financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles (“GAAP”) on a basis consistent with that followed in the November 30, 2009 audited financial statements. These unaudited interim financial statements do not include all the information and note disclosures required by GAAP for annual financial statements and therefore should be read in conjunction with the said November 30, 2009 audited financial statements and the notes below.

In the opinion of management, the unaudited interim financial statements include all adjustments (consisting of normal recurring accruals) considered necessary by management to present a fair statement of the results of operations, financial position and cash flows. The unaudited interim financial statements were prepared using the same accounting policies and methods as those used in the Corporation’s audited financial statements for the year ended November 30, 2009.

Note 2 – Seasonality of Operations

The Corporation derives a significant portion of its revenues from producing various types of aggregates in Northern Alberta. The ability to remove gravel from its gravel pits is hampered by cold and wet weather conditions. As a result, winter and spring are traditionally the slowest time for the Corporation.

Note 3 - Future Changes in Accounting Policies

The Corporation has not yet adopted the following accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) and is currently reviewing these standards to determine the potential impact on its financial statements.

International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that outlined the convergence of Canadian GAAP with the International Financial Reporting Standards (“IFRS”) over an expected five year transitional period. In February 2008, the AcSB announced that publicly-listed companies will be required to follow IFRS starting for fiscal years beginning on or after January 1, 2011. The transition to IFRS will be applied retroactively and, accordingly, will require the restatement of the amounts reported by the Company for the year ended November 30, 2011. While the Company has begun a preliminary assessment of the effect of the adoption of IFRS on the financial statements, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business Combinations, Consolidated Financial Statements and Non-controlling Interests

In January 2009, the CICA issued three new accounting standards: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements, and Section 1602, Non-controlling Interests with the objective of harmonizing Canadian accounting for business combinations with US and International standards. These standards need to be implemented concurrently and become effective for the corporation on December 1, 2011. In the event of a business combination, the Corporation will assess whether to early adopt the new accounting standards in order to minimize the amount of retroactive application when the Corporation adopts IFRS.

ATHABASCA MINERALS INC.

Notes to Financial Statements

For the Nine Months Ended August 31, 2010 and 2009

Note 4 - Long-Term Deposits

	August 31, <u>2010</u> (unaudited)	November 30, <u>2009</u> (audited)
Prepaid gravel	\$ 100,000	\$ 50,000
Security deposit – Poplar Creek storage yard miscellaneous lease	<u>25,050</u>	<u>-</u>
Balance at end of period	<u>\$ 125,050</u>	<u>\$ 50,000</u>

Pursuant to an option and lease agreement with a private land owner, the Corporation paid \$100,000 to the owner as a prepayment on the purchase of 166,667 cubic yards of gravel. Management does not expect to obtain the gravel in the next 12 months. Accordingly, the prepayment has been treated as a long term deposit.

The Corporation provided a security deposit of \$25,050 paid to the Province of Alberta in relation to the miscellaneous lease for the storage yard at the Poplar Creek site. The security deposit is refundable at the expiry of the lease in 2013.

Note 5 - Demand Loans

	August 31, <u>2010</u> (unaudited)	November 30, <u>2009</u> (audited)
Bank loan, repayable in monthly installments of \$150,000 plus interest at the bank's prime lending rate plus 1.875%, due December 31, 2013.	\$6,000,000	\$7,350,000
Bank loan, repayable in monthly installments of \$771 plus interest at the bank's prime lending rate plus 2%, due June 30, 2013.	<u>26,209</u>	<u>33,146</u>
	<u>\$ 6,026,209</u>	<u>\$ 7,383,146</u>

ATHABASCA MINERALS INC.

Notes to Financial Statements

For the Nine Months Ended August 31, 2010 and 2009

Note 5 - Demand Loans (continued)

The bank loans have been classified as a current liability since the lender has the right to demand repayment at any time. If not demanded, the principal repayment requirements for the subsequent four years are expected to be as follows:

2011	\$ 1,809,250
2012	1,809,250
2013	1,809,250
2014	<u>598,459</u>
	<u>\$ 6,026,209</u>

The following security is provided for the demand loans and the following additional credit facilities:

- general security agreement
- mortgage over half of a section of land located near Peace River, Alberta
- withhold of management compensation
- assignment of short term investment at a minimum of \$600,000

The Corporation has a letter of commercial credit for \$603,000 to the benefit of the Province of Alberta for reclamation at the Susan Lake pit. A cost of 1.75% per annum is charged for the letter of commercial credit.

The Corporation has an irrevocable standby letter of credit for \$500,000 to the benefit of the Province of Alberta for reclamation of the Poplar Creek Pit. A cost of 1.75% per annum is charged for the letter of credit.

The Corporation has access to a corporate credit card facility, up to a maximum of \$50,000 of which \$30,000 has been utilized.

The Corporation has access to a letter of commercial credit, for which the maximum of \$250,000 is available at a cost of 1.75% per annum relating to reclamation. As at August 31, 2010, a letter of commercial credit of \$248,760 has been issued to the benefit of the Province of Alberta in relation to a miscellaneous lease for a storage yard located at the Poplar Creek site.

As at August 31, 2010, the Corporation is in compliance with the lender's financial covenants.

ATHABASCA MINERALS INC.

Notes to Financial Statements

For the Nine Months Ended August 31, 2010 and 2009

Note 6 - Related Party Transactions

During the three months ended August 31, 2010 the Corporation incurred expenses of \$139,493 (August 31, 2009 - \$186,203) in consulting fees in lieu of salaries, director fees and expenses, travel and miscellaneous, exploration costs, interest expense, letter of credit fees, and rental fees from certain directors and officers and certain companies controlled by certain officers and directors of the Corporation.

During the nine months ended August 31, 2010 the Corporation incurred expenses of \$476,499 (August 31, 2009 - \$537,842) in consulting fees in lieu of salaries, director fees and expenses, travel and miscellaneous, exploration costs, interest expense, letter of credit fees, and rental fees from certain directors and officers and certain companies controlled by certain officers and directors of the Corporation.

These fees are recorded in the financial statements as follows:

	For the Three Months Ended August 31,		For the Nine Months Ended August 31,	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	(Unaudited)		(Unaudited)	
Directors and officers:				
Director fees and expenses	\$ 20,000	\$ 4,500	\$ 27,273	\$ 47,101
Travel and miscellaneous	4,932	2,888	22,601	16,595
Exploration costs	876	225	1,211	225
Interest	-	454	-	1,725
	<u>25,808</u>	<u>8,067</u>	<u>51,085</u>	<u>65,646</u>
Companies controlled by directors and officers:				
Consulting fees in lieu of salaries	\$ 90,313	\$ 117,332	\$ 346,445	\$ 345,935
Travel and miscellaneous	1,842	2,654	2,594	3,745
Exploration costs	6,530	22,151	18,746	35,140
Interest	-	4,099	296	31,376
Letter of credit fees	-	20,000	13,333	20,000
Rent	15,000	12,000	44,000	36,000
	<u>113,685</u>	<u>178,136</u>	<u>425,414</u>	<u>472,196</u>
	<u>\$ 139,493</u>	<u>\$ 186,203</u>	<u>\$ 476,499</u>	<u>\$ 537,842</u>

There is \$5,539 related to these expenses recorded in accounts payable and accrued liabilities at August 31, 2010 (August 31, 2009 - \$12,500).

During the three months ended August 31, 2010, there was a \$nil promissory notes repayment to directors and officers (August 31, 2009- \$112,000) and a \$nil promissory notes repayment to companies controlled by directors and officers (August 31, 2009 - \$12,000). During the nine ended August 31, 2010, there was a \$4,000 promissory notes repayment to directors and officers (August 31, 2009 - \$24,000) and a \$44,000 promissory notes repayment to companies controlled by directors and officers (August 31, 2009- \$264,000). As at August 31, 2010, \$nil in promissory notes are due to directors and officers (August 31, 2009- \$16,000 and \$nil in promissory notes are due to companies controlled by directors and officers (August 31, 2009- \$176,000).

During the three months ended August 31, 2010, the Corporation received \$nil (August 31, 2009 - \$nil) in advances and repaid \$nil (August 31, 2009 - \$nil) in advances from a company controlled by a director.

ATHABASCA MINERALS INC.

Notes to Financial Statements

For the Nine Months Ended August 31, 2010 and 2009

Note 6 - Related Party Transactions (continued)

During the nine months ended August 31, 2010, the Corporation received \$nil (August 31, 2009 - \$250,000) in advances and repaid \$nil (August 31, 2009 - \$350,000) in advances from a company controlled by a director. The advances were unsecured, bearing interest at 7.5% and payable upon demand.

During the nine months ended August 31, 2010 companies controlled by the directors and officers of the Corporation have provided a \$500,000 letter of credit to the benefit of the Province of Alberta for reclamation at the Poplar Creek pit. In exchange, the Corporation paid letter of credit fees to these related companies in the amount of 4% of the letter of credit amount. Interest charged to the Corporation during nine months ended August 31, 2010 had been \$13,333 (August 31, 2009- \$20,000). During the nine months ended August 31, 2010 the Corporation obtained a letter of credit for this purpose and no longer pays letter of credit fees to related companies.

The Corporation has entered into consulting agreements in lieu of salaries with companies controlled by directors and officers and an employment agreement with a director and officer of the Corporation.

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

Note 7 - Share Capital

a) Authorized:

An unlimited number of common shares

An unlimited number of preferred shares (issuable in series)

b) The Corporation has issued common shares of its share capital as follows:

	Nine Months Ended		Year ended	
	August 31, 2010		November 30, 2009	
	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning of period	27,978,165	\$ 6,610,693	27,978,165	\$ 6,331,823
Warrants expired (Note 7 e)	-	176,164	-	278,870
Repurchased shares (Note 7 c)	(102,500)	(24,864)	-	-
Balance at end of period	27,875,665	\$ 6,761,993	27,978,165	\$ 6,610,693

c) Repurchased common shares:

During the nine months ended August 31, 2010 the Corporation had in place a normal course issuer bid. The issuer bid commenced on July 5, 2010 and will terminate on July 5, 2011. During the nine months ended August 31, 2010, the aggregate cost of the common shares purchased and cancelled was \$24,269 of which \$24,864 was recorded as a charge against share capital for the average carrying value of the common shares of approximately \$0.24 per share with \$595 credited to contributed surplus.

ATHABASCA MINERALS INC.
Notes to Financial Statements
For the Nine Months Ended August 31, 2010 and 2009

d) Stock options:

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

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

	Nine Months Ended August 31, 2010		Year ended November 30, 2009	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of period	2,537,435	\$ 0.35	1,937,435	\$ 0.40
Issued	-	-	900,000	\$ 0.27
Expired	(465,000)	\$ 0.40	-	-
Cancelled	(116,667)	\$ 0.25	(300,000)	\$ 0.40
Options outstanding, end of period	<u>1,955,768</u>	\$ 0.35	<u>2,537,435</u>	\$ 0.35

1,539,100 options were exercisable at August 31, 2010 at a weighted average exercise price of \$0.38.

The weighted average remaining contractual life of the options is 2.5 years.

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.

ATHABASCA MINERALS INC.
Notes to Financial Statements
For the Nine Months Ended August 31, 2010 and 2009

Note 7 d) Stock options (continued)

The following is a summary of the outstanding options:

Expiry Date	Exercise Price	Number of Options Outstanding August 31, 2010	Number of Options Outstanding November 30, 2009
January 1, 2010	\$ 0.40	-	200,000
January 8, 2012	\$ 0.40	1,022,435	1,022,435
April 4, 2013	\$ 0.43	100,000	100,000
May 13, 2013	\$ 0.40	75,000	75,000
July 28, 2013	\$ 0.40	-	240,000
September 21, 2014	\$ 0.25	658,333	800,000
November 30, 2014	\$ 0.40	100,000	100,000
		<u>1,955,768</u>	<u>2,537,435</u>

e) Warrants:

A continuity of the Corporation's outstanding warrants is as follows:

	Weighted Average Exercise Price	Number of Warrants	Fair Value Amount
Balance, November 30, 2009	\$ 0.60	1,185,000	\$ 176,164
Expired	\$ 0.60	(1,185,000)	(176,164)
Balance, August 31, 2010		<u>\$ Nil</u>	<u>\$ Nil</u>

f) Diluted net income per common share

All share options and warrants, which potentially could dilute basic earnings per share in the future, have been excluded from diluted earnings per common share as these securities are anti-dilutive for the period ended August 31, 2010. Accordingly, basic and diluted earnings per share are the same amount.

ATHABASCA MINERALS INC.
Notes to Financial Statements
For the Nine Months Ended August 31, 2010 and 2009

Note 8 - Contributed Surplus

	Nine Months Ended August 31, 2010 (unaudited)	Year Ended November 30, 2009 (audited)
Balance beginning of period	\$ 598,763	\$ 536,679
Stock based compensation expense	100,435	62,084
Repurchased shares below average carrying value (Note 7 c)	595	-
	<hr/>	<hr/>
Balance, end of period	<u>\$ 699,793</u>	<u>\$ 598,763</u>

Note 9 - Financial Instruments

The Corporation's financial instruments consist of cash, accounts receivable, short term investment, long term deposits, accounts payable and accrued liabilities and demand loans.

a) Fair Value

Due to the short-term nature of cash, accounts receivable, accounts payable and accrued liabilities the carrying value of these financial instruments approximate their fair value. The fair value of demand loans and short term investment approximates their carrying values as they are at the market rate of interest.

b) Credit Risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist primarily of accounts receivable. 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. The maximum credit risk exposure at August 31, 2010 is \$2,364,055 representing the Corporation's accounts receivable. At August 31, 2010, 85% of the Corporation's accounts receivable were from four customers.

The Corporation's aged accounts receivable are comprised of 57% current, 18% past due up to 60 days and 25% past due over 60 days. While certain amounts are past due, there is no impairment of the accounts receivable.

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 financial covenants as at August 31, 2010 however the credit facilities are due on demand. The demand feature of the credit facilities increases the Corporation's liquidity risk as the bank could demand repayment at any time. Management has assessed this risk and believes that it has sufficient capital through internally generated cash flows or alternate sources of financing to mitigate this risk.

ATHABASCA MINERALS INC.

Notes to Financial Statements

For the Nine Months Ended August 31, 2010 and 2009

Note 9 c) Liquidity Risk (continued)

As at August 31, 2010 the Corporation had sufficient working capital to fund ongoing operations and meet its liabilities when they come due. Accordingly, the Corporation is not exposed to significant liquidity risk. The Corporation has identified its financial liabilities as accounts payable and accrued liabilities and demand loans. In aggregate the contractual maturities and amount due at maturity by fiscal year for these financial liabilities are as follows:

Year 1	\$ 6,527,505
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The Corporation expects the demand loans will be repaid in monthly payments, however, the balance of \$6,026,209 has been reported in year 1 above as the lender has the right to demand at any time.

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 for 2010. The expectation could be adversely affected by a material negative change in the demand for aggregate or the Corporation's management contracts.

d) Foreign Currency Risk

The Corporation has no exposure to foreign currencies as the Corporation's business is conducted in Canadian dollars.

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 demand loans. A 100 basis point increase in interest rate on the demand loans would decrease net income and comprehensive income by approximately \$40,000.

The Corporation's bank loans bear interest at 1.875% and 2% over the bank prime lending rate. As the bank prime lending rate fluctuates so will the cost of borrowing. While exposed to interest rate risk in the short term, the Corporation has the ability to convert the variable rate financing to fixed rate financing thereby significantly reducing the exposure to interest rate risk. Given the ability to convert to a fixed rate bank loan, the Corporation is not exposed to significant interest rate risk.

Note 10- Supplemental Cash Flow Information

The Corporation paid or received cash during the period for the following:

	Nine Months Ended August 31, 2010	Nine Months Ended August 31, 2009
Interest paid	<u>\$ 217,090</u>	<u>\$305,480</u>
Income taxes paid	<u>\$ 223,299</u>	<u>\$ 20,837</u>
Interest received	<u>\$ 1,463</u>	<u>\$ 19,629</u>

Note 11- Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current period's presentation.