Athabasca Minerals Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2020

November 24, 2020

The following management's discussion and analysis ("MD&A") of Athabasca Minerals Inc.'s ("Athabasca", "AMI", "our" or the "Corporation"), and its wholly-owned subsidiaries AMI RockChain Inc. ("AMI RockChain") and AMI Silica Inc. ("AMI Silica"), financial condition and results of operations should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2020. It also includes the accounts of the Corporation's wholly-owned subsidiaries AMI RockChain, which was incorporated on March 19, 2018 and AMI Silica, which was incorporated on May 30, 2018 (collectively the "subsidiaries"). Additionally, as at June 30, 2020, AMI RockChain acquired 100% of the shares in TerraShift Engineering Ltd. ("TerraShift"). The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts referred to in this MD&A are Canadian dollars. Athabasca Minerals is a reporting issuer in each of the provinces of Canada. The Corporation's shares trade on the TSX Venture Exchange under the symbol AMI-V.

Readers are cautioned that the non-IFRS measures presented in this MD&A are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of Athabasca's performance or cash flows, a measure of liquidity or as a measure of actual return on the shares of Athabasca. These non-IFRS measures should only be used in conjunction with the unaudited interim condensed consolidated financial statements of the Corporation.

Athabasca's board of directors, on the recommendation of the audit committee, approved the content of this MD&A on November 24, 2020.

> Additional information about Athabasca, including our annual information form, management information circular and quarterly reports, is available at **www.athabascaminerals.com** and on the System for Electronic Document Analysis and Retrieval (SEDAR) at **www.sedar.com.**

OUR BUSINESS

Incorporated in 2006, Athabasca is an integrated group of companies focused on the aggregates, industrial minerals and resource sectors, including exploration and development; aggregates marketing and midstream supply-logistics solutions. Business activities include aggregate production, sales and royalties from corporate-owned pits, management services of third-party pits, acquisitions of sand and gravel operations, integrated supply/delivery solutions of industrial minerals, and new venture development. The Corporation is strategically focused on growing its three core business units: the AMI Aggregates division, the AMI RockChain division, and the AMI Silica division. Management is continually pursuing opportunities for sustained growth and diversification in supplying aggregate products and industrial minerals.

Athabasca's business is comprised the following three reportable segments:

- **AMI Aggregates** division produces and sells aggregate out of its corporate pits and manages the Coffey Lake Public Pit on behalf of the Province of Alberta for which aggregate management services revenue are earned. Additionally, the Corporation has industrial mineral leases, such as those supporting AMI's Richardson Quarry Project, that are strategically positioned for future development in industrial regions with historically and consistently high demand for aggregates.
- **AMI Silica** division is positioning to become a leading supplier of premium domestic silica sand with regional deposits in Alberta and NE British Columbia. This reporting segment encompasses all silica assets including Firebag, the Duvernay Project and the Montney In-Basin Project.
- **AMI RockChain** division is a midstream technology-based business using its proprietary RockChain™ digital platform, associated algorithm and quality assurance & control services to provide cost-effective integrated supply / delivery solutions of industrial minerals to industry, and the construction sector.
    - **TerraShift Engineering Ltd.** is a newly acquired entity of RockChain. It offers technology-based applications that support resource exploration and development, environmental and regulatory planning, resource management, compliance reporting, and reclamation for a growing customer base across Western Canada and Ontario.

BUSINESS HIGHLIGHTS

Athabasca Minerals reports the following key highlights in Q3-2020:

- In September 2020, the Corporation announced the advancement of a strategic Joint Venture ("JV") initiative with an international industrial partner to pursue the Duvernay Sand Project. The aim of the JV initiative is to co-develop and operate one of the greenest sand facilities in North America. The JV initiative offers a number of unique synergies including industrial land for construction of the facility, as well as access to industrial utilities and transportation infrastructure;
- AMI Aggregates was impacted by lower activity due to COVID-19 as well as the economic downturn. Resumption of normalized production out of Coffey Lake or AMI's other corporate pits is not anticipated until early 2021 without improvement to commodity prices and lifting of COVID-19 restrictions;
- In the third quarter of 2020, AMI RockChain had increased sales volumes relative to Q2-2020; however, volumes continue to be impacted by the economic downturn from COVID-19;
- Subsequent to the third quarter of 2020, on October 26, 2020, the Corporation announced the closing of a $1.48 million non-brokered private placement, with the issuance of 9,866,688 common shares at a premium price of $0.15. Proceeds from the private placement will be used to advance Front-End Engineering & Development ("FEED") activities for the Duvernay Sand Project ("Duvernay Project") and for general corporate purposes. The private placement was supported by JMAC Resources Ltd. as an anchor investor. With the private placement, insider ownership of the Corporation's Common Shares increased from 8.1% to 22.5%;
- On October 26, 2020, the Corporation also announced the addition of Jon McCreary, CEO of JMAC Resources Inc., to the Board of Directors, effective November 1, 2020; and
- AMI continues to pursue strategic partnering and joint-venture relationships that will advance its industrial minerals growth strategies, diversify its revenue generation, and increase options for access to lower-cost capital funding.

Fiscal Management & Reporting

- The Corporation has undertaken several financial initiatives in response to the COVID-19 pandemic:
  - A $40,000 loan for AMI Silica and a $40,000 loan for AMI RockChain were secured through the Canadian Emergency Business Account ("CEBA") program to support these businesses through the COVID-19 pandemic. TerraShift also had a $40,000 CEBA loan at the time of acquisition. These loans are interest free, require no principal payments until December 2022, and $10,000 is forgivable if repaid by December 2022. In October 2020, the Government of Canada announced its intention to increase CEBA loans from $40,000 to $60,000, of which $20,000 will be forgivable if repaid by December 2022;
  - AMI applied for the Canadian Emergency Wage Subsidy ("CEWS") program to assist its businesses through the COVID-19 pandemic. The CEWS program is currently in place until June 2021, and AMI has received and accrued subsidies totaling $267,574 as at September 30, 2020 from the CEWS program;
  - In November 2020, AMI intends to apply for the Canadian Emergency Rent Subsidy ("CERS") program to further assist its businesses by receiving subsidies for rent and other commercial properties expenses incurred from September 27, 2020 until June 2021;
  - Principal repayment of the $1,500,000 bank loan purposed for Coffey Lake Public Pit and the True North Staging Hub construction was deferred an additional three months to six months of interest-only payment terms, which ended in July 2020;

- In an effort to preserve the Corporation's cash position and employees during the COVID-19 pandemic and economic downturn, AMI implemented a 90/10 compensation program whereby 90% of base salary is paid in cash and 10% of base salary is paid in treasury-issued shares. For this compensation program, the Corporation has put into place an Employee Share Purchase Plan ("ESP Plan") and participation in the ESP Plan is voluntary. The compensation program was put into effect June 1, 2020 for employees and management. For director's fees, the compensation program was retroactive to April 1, 2020. The ESP Plan was approved by the shareholders on September 22, 2020 and by the TSX Venture Exchange on October 16, 2020.

- AMI's cash position as at September 30, 2020 was $1.2 million free cash and $1.1 million restricted cash. The free cash balance increased subsequent to quarter end as a result of the $1.48 million non-brokered private placement which closed on October 26, 2020. AMI's cash position as at October 31, 2020 was $2.4 million free cash and $1.1 million restricted cash.

SELECTED FINANCIAL INFORMATION

	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	% Change	2020	2019	% Change
FINANCIAL HIGHLIGHTS:						
Aggregate Sales Revenue	$ 326,194	$ 78,146	317%	$ 874,283	$ 1,058,551	-17%
Management Services Revenue	99,537	-	100%	556,750	433,635	28%
Revenue	425,731	78,146	445%	1,431,033	1,492,186	-4%
Gross profit (loss)	(321,952)	(444,782)	28%	(311,516)	(853,293)	63%
Gross profit (loss) percent	-76%	-569%		-22%	-57%	
Operating (loss) income	(1,165,567)	748,220	-256%	(2,921,459)	(1,658,023)	-76%
Other non-operating income (expenses)	55,841	(18,041)	410%	317,265	(32,068)	1089%
Total (loss) income and comprehensive (loss) income	$ (1,106,354)	$ 748,666	-248%	$ (2,595,992)	$ (1,618,940)	-60%
(Loss) income per share, basic ($ per share)	(0.023)	0.017	-240%	(0.055)	(0.038)	-40%
(Loss) income per share, fully diluted ($ per share)	(0.023)	0.016	-240%	(0.055)	(0.038)	-40%
CASH FLOW HIGHLIGHTS:						
Net cash (used in) generated from operating activities	$ (512,389)	$ (760,354)	33%	$ (1,470,694)	$ (1,867,805)	21%
Purchase of property and equipment	-	(35,946)	100%	-	(44,824)	100%
Spending on resource properties	(701)	(20,549)	-	(1,527)	(57,185)	97%
Weighted Average # of Shares Outstanding	48,533,165	44,682,155		47,473,740	42,803,924	
OPERATIONAL HIGHLIGHTS:						
Tonnes sold						
Susan Lake operations	-	-	0%	-	341,459	-100%
Coffey Lake operations	-	-	0%	80,155	-	100%

	As at		
	September 30, 2020	December 31, 2019	% Change
FINANCIAL POSITION:			
Working capital[1]	$ 989,716	$ 2,776,312	-64%
Total assets	18,097,757	18,272,460	-1%
Total liabilities	5,529,189	4,000,646	38%
Shareholder's Equity	12,568,568	14,271,814	-12%

[1]Non-IFRS Measure - identified and defined under "Liquidity & Capital Resources"

Revenue

Revenues for the three and nine months ended September 30, 2020 were $0.4 million and $1.4 million respectively compared to $0.1 million and $1.5 million for the same periods in 2019.

The $0.3 million increase in Q3-2020 revenues as compared to Q3-2019 occurred due to:

- Aggregate sales revenue increasing to $0.3 million in Q3-2020 from $0.1 million in Q3-2019 as a result of growth in aggregate sales revenues from the AMI RockChain division.
- Management services revenue of $0.1 million was generated by TerraShift in Q3-2020, while management services revenue generated in Q3-2019 was nil with the closure of Susan Lake operations in Q1-2019.

Revenues for the nine months ended September 30, 2020 were $0.1 million lower than for the nine months ended September 30, 2019 due to:

- Aggregate sales revenue declined by $0.2 million for the nine months ended September 30, 2020 as a result of a $1.0 million decline in AMI corporate pit revenue, and an increase of $0.8 million of networked 3rd party sales revenue through AMI RockChain.
- Management services revenue increased by $0.1 million due to sales from Coffey Lake and the addition of TerraShift's revenue stream.

FINANCIAL AND OPERATIONAL REVIEW

GROSS PROFIT (LOSS)

Gross profit (loss) for the three and nine months ended September 30, 2020 was a loss of $0.3 million and loss of $0.3 million, respectively, compared to a loss of $0.4 million and $0.9 million for the same periods in 2019. Included in the loss of $0.3 million for the three and nine months ended September 30, 2020 was an inventory write-down of $0.3 million.

Prior to the impact of the inventory write-down, adjusted gross loss for the three and nine months ended September 30, 2020 was a loss of less than $0.1 million and loss of less than $0.1 million, respectively, compared to a loss of $0.4 million and $0.9 million for the same periods in 2019. Adjusted gross profit (loss) is a non-IFRS measure, and does not have a directly comparable IFRS measure. Management uses adjusted gross profit (loss) to measure business performance independent of gains and losses arising from material changes in estimated values of non-financial assets and liabilities.

	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Revenue	425,731	78,146	445%	1,431,033	1,492,186	-4%
Gross profit (loss)	(321,952)	(444,782)	28%	(311,516)	(853,293)	63%
Gross profit (loss) percent	-76%	-569%		-22%	-57%	
Inventory write-down included in gross profit (loss)	(265,876)	-	0%	(265,876)	-	0%
Adjusted gross profit (loss)[1]	(56,076)	(444,782)	87%	(45,640)	(853,293)	95%
Adjusted gross profit (loss) percent[1]	-13%	-569%		-3%	-57%	

[1]Non-IFRS Measure

The Corporation took the necessary actions to adjust costs structures where possible, and as a result, both gross losses and adjusted gross losses were significantly reduced in the three and nine month 2020 periods.

It is anticipated that these adjustments to costs will benefit the Corporation on an ongoing basis.

GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended September 30,			Nine months ended September 30, 2020		
	2020	2019	% Change	2020	2019	% Change
Wages and benefits	$ 280,816	$ 439,478	-36%	$ 1,196,760	$ 1,280,001	-7%
Consulting	123,427	29,715	315%	282,033	170,052	66%
Legal and professional fees	52,858	136,263	-61%	177,972	348,512	-49%
Insurance	48,437	28,840	68%	111,982	82,049	36%
Directors fees and expenses	34,000	38,386	-11%	110,701	120,685	-8%
General office	27,123	20,514	32%	65,833	68,065	-3%
Investor relations	32,649	22,091	48%	52,139	92,735	-44%
Rent and office expenses	18,076	44,758	-60%	47,591	147,319	-68%
Travel	10,018	11,237	-11%	28,665	47,337	-39%
Severance	4,231	-	0%	6,780	8,608	100%
Exploration	-	1,165	-100%	-	24,162	-100%
	$ 631,635	$ 772,447	-18%	$ 2,080,456	$ 2,389,525	-13%

General and administrative expenses for the three and nine months ended September 30, 2020 were $0.6 million and $2.1 million, respectively, compared to $0.8 million and $2.4 million for the same periods in 2019.

During Q1 2020, initial payroll reductions were implemented. In Q2-2020, a second round of payroll reductions and optimizations at all levels of the company were implemented, up to and including the Board of Directors. In order to preserve the Corporation's cash position and employees, AMI implemented a 90/10 compensation plan, whereby 90% of the base salary is paid in cash and 10% of base salary is paid in treasury issued-shares. The treasury-issued shares are issued under the ESP Plan, which was approved at the Corporation's Annual and Special Meeting in September 2020. In addition, the Corporation applied for and received monthly CEWS subsidies beginning in Q1 2020 and continues to receive these subsidies. The subsidies serve to reduce the amount of salaries and benefits expensed incurred during the three and nine months ended September 30, 2020. To date, the Corporation has recorded $0.3 million in CEWS subsidies. The reductions and subsidies have both contributed to a decrease in wages and benefits.

The decrease in Q3-2020 as compared to Q3-2019 general and administrative expenses was partially due to the decrease in legal and professional fees, which was mainly due to legal costs that were incurred in Q3-2019 for advice concerning aggregates and reclamation obligations with Syncrude Canada Ltd. This issue was resolved in 2019 and as such the costs were not repeated in 2020. Wages and benefits also decreased significantly as discussed above, which was partially offset by increases in consulting costs relative to the previous year due to temporary utilization of consultants. Rent and office expenses declined as a result of a change in accounting for the rent of premises to a right of use asset in 2020, whereas for the first nine months of 2019 rent was expensed as a general and administrative cost.

The decrease in September 30, 2020 year-to-date general and administrative expenses as compared to the corresponding period in 2019 was predominantly due to the decrease in wages and benefits, a decrease in legal and professional fees, a decrease in rent and office expenses and a decrease in investor relations expenses. The decrease in legal and professional fees, rent and office expenses decreased for the same reasons noted above, and investor relations costs reduced due to moving the function in-house. Cost savings from lower wages and benefits, rent and office expenses and investor relations were somewhat offset by an increase in consulting fees for the nine months ended September 30, 2020. The decrease in wages and benefits due to CEWS and payroll reductions was offset by additions to supervision and project management staff associated with construction operations in opening the Coffey Lake pit, as well as the addition of sales and logistics personnel for AMI RockChain.

OPERATING (LOSS) INCOME

The Corporation's operating (loss) income is calculated as gross profit less general and administrative expenses, share of loss from associates, share-based compensation expense, and other operating income (expenses). The operating losses for the three and nine months ended September 30, 2020 were $1.2 million and $2.9 million respectively compared to income of $0.7 million and a loss of $1.7 million for the same periods in 2019.

Three material events impacted the Q3 year over year operating (loss) income as follows:

- Write-down of inventory of $0.3 million in Q3-2020;
- Write-down of Steepbank exploration costs of $0.1 million in Q3-2020, and;
- Change in estimate in environmental rehabilitation obligations ("ERO") at Susan Lake as a result of the approval of the Susan Lake Public Pit Closure Plan in 2019, which resulted in a gain of $2.2 million in Q3-2019.

Excluding the above three events, the adjusted operating losses for the three and nine months ended September 30, 2020 were $0.8 million and $2.5 million respectively, compared to adjusted losses of $1.4 million and $3.7 million for the same periods in 2019. Adjusted operating (loss) income is a non-IFRS measure, and does not have a directly comparable IFRS measure. Management uses adjusted operating (loss) income to measure business performance independent of gains and losses arising from material changes in estimated values of non-financial assets and liabilities.

	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Operating (loss) income	(1,165,567)	748,220	-256%	(2,921,459)	(1,658,023)	-76%
Inventory write-down included in operating (loss) income	(265,876)	-		(265,876)	-	
Write-down of Steepbank exploration costs included in operating (loss) income	(105,826)	-		(105,826)	-	
Change in estimate related to EROs included in operating (loss) income	-	2,174,334		-	2,077,368	
Adjusted operating (loss) income[1]	$ (793,865)	$ (1,426,114)	44%	$ (2,549,757)	$ (3,735,391)	32%

[1]Non-IFRS Measure

The decrease in adjusted operating loss for Q3-2020 at $0.8 million as compared to the adjusted Q3-2019 loss at $1.4 million was due to:

- As noted above, the Corporation's adjusted gross loss decreased to less than $0.1 million in Q3-2020 from a $0.4 million loss in Q3-2019;
- As noted above, general and administrative expenses at $0.6 million in Q3-2020 decreased from $0.8 million in Q3-2019;
- Share-based compensation expense at $0.1 million in Q3-2020 decreased from $0.2 million in Q3 of 2019; and
- Share of loss from investments in associates' expense was unchanged at less than $0.1 million for Q3-2020 and Q3-2019.

The decrease in adjusted operating loss for the nine month period ended September 30, 2020 at $2.5 million as compared to a loss of $3.7 million for the corresponding period in 2019 was due to:

- As noted above, the Corporation's adjusted gross loss decreased to less than $0.1 million in Q3-2020 from a $0.9 million loss in Q3-2019;
- As noted above, general and administrative expenses at $2.1 million in Q3-2020 decreased from $2.4 million in Q3-2019;
- Share-based compensation expense was unchanged at $0.3 million in Q3-2020 and Q3-2019; and
- Share of loss from investments in associates' expense decreased from $0.1 million to less than $0.1 million for Q3-2020 and Q3-2019.

TOTAL LOSS (INCOME) AND COMPREHENSIVE (LOSS) INCOME

The total loss (income) and comprehensive loss (income) for the three and nine months ended September 30, 2020 was a loss of $1.1 million and $2.6 million, respectively, compared to income of $0.8 million and a loss of $1.6 million for the corresponding periods in 2019.

The increase in total loss (income) and comprehensive loss (income) for Q3-2020 at a loss of $1.1 million as compared to Q3-2019 income of $0.7 million was due to:

- As noted above, the Corporation's unadjusted operating loss increased to $1.2 million in Q3-2020 from an operating income of $0.7 million in Q3 2019; and
- Other non-operating income (expenses) increased to an income of $0.1 million in Q3-2020 from an expense of less than $0.1 million in Q3-2019. The increase was due to a $0.1 million write-down in fair value and exercise of share purchase options recorded in Q3-2019.

The increase in total loss (income) and comprehensive loss (income) for the nine month period ended September 30, 2020 at a loss of $2.6 million as compared to corresponding period loss in 2019 of $1.6 million was due to:

- As noted above, the Corporation's unadjusted operating loss decreased to $2.9 million for the first nine months from an operating loss of $1.7 million in the comparative period; and
- Other non-operating income (expenses) increased to income of $0.3 million for the nine months ended September 30, 2020 from an expense of less than $0.1 million for the corresponding period in 2019. The increase was due to a $0.1 million gain on the acquisition of TerraShift in Q2-2020, and the write-down in fair value and exercise of share purchase options recorded in Q3-2019.

Athabasca MINERALS INC.

SUMMARY OF QUARTERLY RESULTS

The following selected information is derived from the unaudited consolidated financial statements of the Corporation. The information has been prepared by Management in accordance with IFRS. Revenue refers to aggregate management fees and gross aggregate sales from pits where the Corporation owns Alberta Metallic and Industrial Minerals Permits and Surface Material Leases and third-party aggregates, and to fees from integrated supply/delivery solutions of industrial minerals provided to industry and the construction sector.

	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Aggregate Sales Revenue	$ 326,194	$ 59,071	$ 489,018	$ 631,241
Management Services Revenue	99,537	186,641	270,572	477,399
Total Revenue	425,731	245,712	759,590	1,108,640
Gross Profit (Loss)	(321,952)	(30,993)	41,429	(211,259)
Total (loss) income and comprehensive (loss) income	(1,106,354)	(673,958)	(815,680)	(1,101,728)
(Loss) earnings per common share - basic	(0.023)	(0.014)	(0.018)	(0.024)
(Loss) earnings per common share - diluted	(0.023)	(0.014)	(0.018)	(0.024)
Total Assets	18,097,757	19,070,097	20,482,851	18,272,460
Total Resource Properties	6,685,322	6,750,782	6,711,351	6,288,436
Current portion of lease obligations and debt	690,205	638,255	507,918	93,685
Long-term lease obligations and debt	1,126,158	1,296,828	1,340,881	86,205
	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Aggregate Sales Revenue	$ 78,146	$ 980,405	$ -	$ 114,718
Management Services Revenue	-	-	433,635	575,455
Total Revenue	78,146	980,405	433,635	690,173
Gross Profit (Loss)	(444,782)	(275,976)	(132,535)	140,975
Total Income (Loss) and Comprehensive Income (Loss)	748,666	(1,310,647)	(1,056,959)	(932,579)
Earnings (loss) per share, basic	0.017	(0.030)	(0.026)	(0.074)
Earnings (loss) per share, diluted	0.016	(0.030)	(0.026)	(0.074)
Total Assets	18,315,146	19,753,963	19,546,329	20,271,052
Total Resource Properties	6,272,040	6,261,111	6,260,921	6,212,364
Current portion of lease obligations and debt	94,493	30,979	49,245	29,284
Long-term lease obligations and debt	103,923	-	-	-

Seasonality of Operations

The Corporation derives revenues from managing the supply of, and from the production of, various types of aggregates in Northern Alberta. Aggregate sales and the associated delivery can be affected by, among other things:

- weather conditions;
- seasonal variances in oil and natural gas exploration and development activities;
- timing of projects;
- market demand; and
- timing of capital investments in the region.

Most construction, infrastructure and industry projects, to which the Corporation supplies aggregate, typically ramp up later in the summer and the fall seasons when ground conditions firm up. These seasonal trends typically lead to quarterly fluctuations in operating results and, consequently, the financial results from one quarter are not necessarily comparable or indicative of financial results in other quarters of the year. These seasonal trends can be observed in fluctuations in Total Revenue and Total (Loss) Income and Comprehensive (Loss) Income in the Summary of Quarterly Results above.

Mergers, Acquisitions & Strategic Joint Ventures

AMI continues to be active with screening, assessing, and reviewing acquisition and joint venture investment opportunities that are synergistic to the Corporation's portfolio, accretive, and able to expand revenues in the use and application of industrial minerals.

COVID-19

COVID-19 is having an adverse impact on global economic conditions, which has had an adverse effect on the Corporation's business and financial position. No inventory has been sold from the Corporate owned pits in the three months ended September 30, 2020. The Corporation's revenue for the three and nine months ended September 30, 2020 has been primarily due to networked sales with third parties via AMI RockChain and management services revenue at the Coffey Lake public pit and from the new TerraShift operations, but both aggregate sales revenue and management services revenue have been significantly lower than expected in 2020. The Corporation is continuing to monitor the actual and potential financial impact of COVID-19, such as changes to discount rates and indicators of impairment of inventory and exploration assets, and is updating any accounting estimates that are impacted by the effects of COVID-19.

AMI is navigating the situation on an ongoing basis with respect to making appropriate and prudent business decisions, including right-sizing the organization accordingly. The Corporation's divisions and associated operations have been deemed an essential business supporting construction, infrastructure and the energy sector. AMI will continue to monitor and adhere to the required protocols to ensure compliance and to mitigate the risks to staff, and to key stakeholders in its supply chain.

OPERATIONS

With respect to the Corporations operations, a conversion ratio of 2.471 acres to 1 hectare is used accordingly.

PIT MANAGEMENT CONTRACTS

Coffey Lake Public Pit

- On March 6, 2019, the Corporation announced that it was successful in winning a 15-year contract tendered by the Province of Alberta to construct, operate and manage the Coffey Lake Public Pit north of Fort McMurray, Alberta. This Crown resource is situated on approximately 750 acres (304 hectares) of land about 90 km north of Fort McMurray;
- Effective January 13, 2020, the Province of Alberta issued the Corporation a disposition for the Coffey Lake Pit and a Surface Mineral Lease that allows for the extraction of sand and gravel. This authorization enables the Corporation, as pit management contractor on behalf of the Province of Alberta, to commence activities to open aggregate operations at Coffey Lake to the public; and
- Effective March 21, 2020, Coffey Lake commenced commercial operations.

Susan Lake Public Pit

- As of the end of Q1-2019, the Susan Lake pit was closed to the public;
- On August 15, 2019, the Corporation received formal approval of its Susan Lake Closure Plan from AEP; and
- The Corporation executed a settlement agreement with Syncrude Canada Ltd. ("Syncrude") in September 2019. The closure plan approval and the settlement with Syncrude brought clarity and alignment for AMI to efficiently execute the pit closure and reclamation program and simplified the transition of lands to the overlapping oilsands operators (including Syncrude), with consideration of their respective mining plans. Of the four zones comprising Susan Lake, three zones have been successfully turned over to the overlapping oilsands operators. Zone-4 (non-overlapping land) is subject to reclamation monitoring for approximately the next two years and is concluded upon receipt of a reclamation certificate.

CORPORATE OWNED PITS

- The Corporation holds Surface Material Leases ("SMLs") for several aggregate pits in northern Alberta. A SML grants the lease holder the right to extract sand and gravel from Crown land; and
- The Corporation is exploring options to reactivate inactive pits, assign to a 3rd party under a royalty agreement, or divest depending on market conditions.

Richardson Quarry Project – Exploration Project

- The Corporation holds leases for a potential large-scale quarry located approximately 70 km north of the Susan Lake gravel pit and 130 km north of Fort McMurray, Alberta (the "Richardson Quarry Project"). It contains high quality dolomite and granite deposits;
- With the closure of Susan Lake as a source of aggregates, limited options are available to the industry for supply in the Fort McMurray/Wood Buffalo region. Proximity to market and market demand are important factors. The Richardson Quarry Project is located about 40 kilometers from major oilsands operations north of Fort McMurray. These oilsands operations represent significant sustainable annual demand for aggregates and justify the potential role of the Richardson Quarry Project in the coming years, especially as Coffey Lake Public Pit depletes reserves and declines in production. The Richardson Quarry Project offers high quality granite and dolomite in large volumes (683+ million tonnes), on a transportation corridor, which make it attractive for future development. It offers a new source of high-quality crushed aggregates that supports a wide variety of construction applications with the capability of meeting ongoing regional demand;
- An initial drilling program in 2013 confirmed that granite and dolomite extended beyond the outcrop, and a follow up drilling program completed in 2014 successfully cored the dolomite, and all but one drill hole intersected the granite basement. APEX Geoscience Ltd. ("APEX") of Edmonton, Alberta completed a technical resource report in accordance with NI 43-101 on the Richardson Project in 2015, estimating an initial crush rock dolomite aggregate inferred mineral resource of 683 million tonnes with thickness ranging from 8.3 m to 47.9 m, averaging 39.5 m. The granite is conservatively estimated at 165 million tonnes;
- In Q1 2019, the Corporation was granted three Metallic and Industrial Mineral Leases for the Richardson Quarry Project totaling 9,647 acres (3,904 hectares). Management secured the leases following discussions with government, industry and First Nations stakeholders in relation to the newly designated Kitaskino Nuwenëné Wildland Provincial Park, which was announced by the Province of Alberta on March 11, 2019. With a view to the establishment of the new wildland provincial park, the Corporation agreed to voluntarily surrender 97,575 acres (39,488 hectares) of its original eight contiguous Metallic and Industrial Minerals Permits which had no impact on the project. AMI's lease boundary includes the deposit that was assessed in the Richardson Technical Report (as defined herein) so that the estimated inferred resource has not been compromised and includes additional lands proximal to the deposit area and the granite outcrop;
- In December 2019, AMI announced that the Richardson Technical Report had been updated by APEX Geoscience Ltd. with respect to three contiguous Metallic and Industrial Mineral Leases of 9,647 acres (3,904 hectares) granted to Athabasca by the Province of Alberta in Q1 2019. The updated Richardson Technical Report includes estimates of approximately 683 million tonnes of inferred crush rock aggregate (dolomite and granite) resource situated in the "Winnipegosis Formation" with a thickness ranging from 8.3m to 47.9m averaging 39.5m. The resource lies beneath an estimated 497 million tonnes of unconsolidated glaciofluvial sand and boulders ("overburden") with an average thickness of 35.7m. In addition, the updated Richardson Technical Report assessed the basement granite as a potential target for future exploration and describes a potential granite deposit of between 157 and 236 million tonnes in the resource area;
- The leases provide the Corporation with subsurface rights to commercially develop industrial minerals, but prior to commencing operations, the leases are subject to a regulatory review including an environmental impact assessment and public consultations. Other municipal development permits and provincial authorizations (e.g. under the Public Lands Act (Alberta) and the Water Act (Alberta)) will also be required;
- Athabasca is maintaining front-end development plans for the Richardson Quarry Project, including a preliminary budget for regulatory approvals. Regulatory sensitivities associated with woodland caribou remain a factor affecting permit timing and start of construction. An assessment of a draft Caribou Range Plan published by the Government of Alberta in 2018 did not identify immediate negative impacts. The Corporation will align the Richardson Project with goals for restoring the caribou habitat pending a final decision for the proposed caribou plan; and
- Athabasca is actively pursuing a joint-venture approach for the development of the Corporation's Richardson Quarry Project north of Fort McMurray over the next two years, and is engaged in ongoing discussions with potentially interested parties.

OTHER AGGREGATES DEPOSITS (Hargwen, Bickerdike, and Steepbank)

- The Corporation controls three other deposits for potential development: the Hargwen aggregates deposit, the Bickerdike sand deposit, and the Steepbank aggregates deposit.
- **Hargwen aggregates deposit**: is located on approximately 80 acres (32 hectares) of crown land about 21 km east of the community of Hinton, Alberta on an all-season road:
  - AMI has an SML- approved in principle;
  - A Conservation Operation & Reclamation Plan was submitted in January 2019 and has been approval from Alberta Environment & Parks; and
  - AMI is continuing to address the opening of the pit, with timing based on upcoming infrastructure projects in the area.
- **Bickerdike sand deposit:** is located on approximately 80 acres (32 hectares) of crown land about 20 km south of the community of Edson, Alberta on an all-season road:
  - The Bickerdike sand has been tested. It is considered marginal as proppant for well-drilling and completion applications, and therefore the Corporation intends to allow the SML to expire in 2020.
- **Steepbank aggregates deposit** is located on approximately 80 acres (32 hectares) of crown land about 50 km south-west of Conklin, Alberta, accessible by approximately 30 km winter access road:
  - In the three months ended September 30, 2020, the Steepbank project was canceled, and management therefore wrote down the carrying value of the associated cumulative exploration costs to $nil, resulting in the recognition of an impairment loss of $105,826 included in other operating expenses.

Strategic Partnerships

- **Montana First Nation (MFN):** In 2019, AMI and MFN entered into a 10-year Aggregates Management Agreement to explore and develop potential aggregate resources on 9,600 acres (3,885 hectares) of MFN lands, as well as develop commercial opportunities with AMI RockChain. In 2019, AMI made progress on the following:
  - AMI RockChain, in conjunction with MFN, secured an aggregate supply and delivery contract on 'Spread-1' of the TMX Pipeline Project in Q4 2019;
  - AMI RockChain and MFN are bidding on additional industrial developments within MFN's traditional territory;
  - AMI successfully executed an Emergency Road Repair Program on MFN lands in Q4-2019; and
  - Initial exploration for aggregates was conducted at select locations on MFN lands in Q3- Q4 2019 with limited results. Due to current market conditions, the Corporation does not expect any exploration in 2020.

Firebag – Development Project

- The Firebag silica sand deposit is located north of Fort McMurray, Alberta with an active SML covering 80 acres (32 hectares), and a land amendment application for an additional SML consisting of 420 acres (170 hectares);
- In December-2019, the Corporation announced it had updated the its previous report for the Firebag Project filed in 2014 (the "Firebag Report"). The updated Firebag Report contains an indicated resource of 38.2 million tonnes of various fractions. The updated Firebag Report was prepared by Stantec Consulting Ltd. ("Stantec");
  - 4.5 million tonnes in the 20/40 fraction, 19.3 million tonnes in the 40/70 fraction, 13.4 million tonnes in the 70/140 fraction and 1.0 million tonnes in the 140/170 fraction.
- The asset is fully permitted for mining operations;
- The Corporation has applied for permits to develop a rail transload terminal in the Fort McMurray region to facilitate transportation to market; and
- The Corporation is exploring options to either develop the pit, assign to a 3rd party under a royalty agreement, or divest depending on market prospects.

Kearl Pit – Development Project

- The Kearl corporate pit is located on 80 acres (32 hectares) of crown land north of Fort McMurray, Alberta on an all-season road in close proximity to Imperial Oil /Exxon Kearl Oilsands Operations;
- Athabasca received SML approval in March 2011 for 10 years to develop and operate an aggregate operation; and
- The Kearl corporate pit was in production for approximately four years with approximately one million tonnes of aggregates removed. Kearl has not been operational since 2016 in response to a slowdown in the regional market demand. As would be expected, the pit will have incremental production costs when the time comes to access the remaining aggregates reserves. Athabasca is currently bidding on multiple projects, as well as considering strategic partnerships or divesture options depending on market prospects.

Pelican Hill Pit – Development Project

- The Pelican corporate pit is located on 80 acres (32 hectares) of crown land approximately 70 km south-east of the hamlet of Wabasca, Alberta, and historically was only accessible by a 2 km winter road;
- Athabasca received SML approval in June-2011 for 10 years to develop and operate an aggregate operation;
- The Pelican corporate pit has not yet gone into production due to changes in the regional demand market and seasonal access limitations which require advanced orders versus crushing on demand; and
- In Q2-2019, the Corporation entered into a royalty agreement with a 3rd party. The Corporation is now actively addressing the opening of the pit for operation in 2020, based on demand associated with potential infrastructure projects in the area. Conversion of the winter-access road into an all-season road is underway.

Logan Pit – Development Project

- The Logan corporate pit is located on 200 acres (81 hectares) across 3 leases of crown land, approximately 110 km north of Lac La Biche, Alberta, and is accessible by an all-season road to the south and a seasonal winter road from the east;
- Athabasca received SML approvals for each of the three adjacent leases on February 2010, May 2012, Nov-2012 respectively, in each case for 10 years, to develop and operate an aggregate operation; and
- The Logan corporate pit (first lease) was in production from 2013 to 2017 with approximately 400,000 tonnes of aggregates removed. It has not been operational since 2017 due to changes in the regional demand market and seasonal access limitations which require advanced orders versus crushing on-demand.

House River Pit – Development Project

- The House River corporate pit is located on 160 acres (65 hectares) across two leases of Crown land south of Fort McMurray, Alberta, approximately 11 km east of Highway 63 on the House River. During August 2011, the Corporation received SML approval from the Government of Alberta to develop an open pit aggregate operation on 80 acres (32 hectares) of the leased land for a term of 10 years. A second SML approval was obtained in October 2016 for 10 years for an additional 80 acres (32 hectares) of Crown land; and
- The House River corporate pit was in production for one winter season with approximately 250,000 tonnes of aggregates removed in 2016.

Emerson Pit – Development Project

- The Emerson corporate pit is located on 75 acres (30 hectares) of crown land approximately 27 km south-east of the community of Hinton, Alberta on an all-season road;
- Athabasca acquired the SML in March-2011 for 10 years to develop and operate an aggregate operation;
- The Corporation had the SML transferred into its possession on April 17, 2019 in accordance with the asset purchase and sale agreement dated June 1, 2016 with Prairie Mines; and
- The pit was active in 2019, and 2020 sales will be based on demand from projects in the area.

Inventory Staging and Distribution Hubs (Conklin, Sunday Creek, KM208, and True North Staging Hub)

The Corporation has strategic inventory staging hubs on accessible, year-round roads to support product supply and deliveries on demand to local projects and industry customers. These staging hubs are also accessible in relation to nearby Corporate pits. AMI's key staging hubs include:

- **Conklin** - The Conklin staging hub, located 13km East of the Town of Conklin, Alberta. The Conklin staging hub is accessible by Corporation's Logan Pit, and has inventory on location.
- **Sunday Creek** - The Sunday Creek staging hub is located 26km North of the Town of Conklin, Alberta on roads accessible to nearby industry SAGD operations. The Sunday Creek hub has historically staged and delivered product from various aggregate sources in the area to service annual orders.
- **KM248** - Located at kilometer 248 of Highway 881, KM248 hub was historically an aggregate source (now depleted) and has been re-purposed as a staging hub for industrial customers near the town of Anzac, Alberta, south of Fort McMurray.
- **True North Staging Hub** - Strategically located 7 km from the Coffey Lake Public Pit at the Highway-63 junction, near Fort McMurray, Alberta. AMI received its disposition from Alberta Environment & Parks in Q1-2020. The Corporation will manage the True North Staging Hub to provide stockpiling and crushing access for aggregate producers in the area. The Corporation completed vegetation clearing activities in Q1 2020 and based on the deferral of projects for Coffey Lake, management expects to open the hub in early 2021. The vegetation clearing activities gave rise to an ERO which is included in the Corporation's liabilities as at September 30, 2020.

INVESTMENTS IN ASSOCIATES

Duvernay Project

- The Corporation has a 49.6% ownership interest in an entity ("Privco2") that owns the Duvernay Project. The Corporation's cash investments in Privco2 have been allocated towards funding the delineation program, a NI 43-101 compliant technical report (including validation of reserve or resource), securing land options, conducting facility design, and for the preparation of regulatory applications;
- In Q3-2019, Privco2 completed a NI 43-101 technical report (the "Duvernay Report") to validate the reserves and resources. The Duvernay Report was prepared by Stantec and establishes that the Duvernay Project contains a sand resource of:
  - fine-to-coarse grain sands with pay thickness from 0.4 meters to 21.6 meters; and
  - 24.7 million metric tonnes ("MT") measured resource, with an additional 5.6 million MT indicated resource, and a further 4.9 million MT inferred resource;
- On February 3, 2020, a Master Purchase Contract was entered into whereby a contract with an effective date of July 1, 2021 was agreed to by AMI Silica and Shell Canada ("Shell"). Under terms of the contract, Shell is to purchase, at pre-determined prices, a minimum amount of silica sand up to an annual maximum representing the majority of the Duvernay Project's stated capacity. The contract's initial term is five years commencing on the effective date with Shell having the right to extend the contract for an additional period of two 12 month terms. The contract also provides Shell with the option to procure sand from the Corporation's future Montney silica sand project;
- The Corporation invested $1,000,735 in contract asset costs during the nine-month period ended September 30, 2020 (December 31, 2019: nil) in order to secure an offtake agreement with Shell Canada Energy for silica sand from the Duvernay site;
- In September 2020, the Corporation announced the advancement of a strategic Joint Venture ("JV") initiative with an international industrial partner to pursue the Duvernay Sand Project. The aim of the JV initiative is to co-develop and operate one of the greenest sand facilities in North America. The JV initiative offers a number of unique synergies including industrial land for construction of the facility, as well as access to industrial utilities and transportation infrastructure.
- The development program is presently focused on revising the Front-end Engineering & Development (FEED) in collaboration with the international industrial partner, obtaining permits, and thereafter, confirming Financial Investment Decision (FID) to proceed to Execution.

Montney In-Basin Project

- On December 14, 2018, the Corporation purchased a 49.2% ownership interest in a private Alberta corporation ("Privco1") that owns the Montney In-Basin silica sand project located in the vicinity of Dawson Creek and Fort St. John, British Columbia. The purchase price for the 49.2% interest was $1,498,000 cash and 1,186,956 common shares of the Corporation;
- The Corporation's cash investment in the Montney Project is being deployed for its resource delineation program and the subsequent funding of a National Instrument 43-101 technical report for the validation of reserve or resource status once a preferred development location is confirmed; and
- AMI Silica's Montney Silica Sand Delineation & Development program has been re-adjusted for cashflow management purposes, in relation concurrent demands related to the Duvernay Project. Together with its existing joint-venture (JV) partner Privco1, the parties are taking a measured approach concerning expenditures in order to confirm the most suitable and cost-effective location for development within the 370,650-acre (150,000 hectare) area in which the JV holds mineral leases.

SEGMENTED REPORTING

The reportable segments discussed below represent segments that Management considers when reviewing the performance of the Corporation and deciding how to allocate resources. A summary of key financial information by reportable segment for the three and nine months ended September 30, 2020 along with comparative information for 2019 is as follows:

	AMI Aggregates		AMI RockChain		AMI Silica		Corporate		Consolidation / elimination entries		Consolidated	
For the three months ended September 30,	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Revenue:												
Aggregate sales revenue	$ -	$ 34,101	$ 326,194	$ 44,045	$ -	$ -	$ -	$ -	$ -	$ -	$ 326,194	$ 78,146
Management services revenue	-	-	138,569	-	-	-	-	-	(39,032)	-	99,537	-
Total income (loss) and comprehensive income (loss)	(491,339)	1,623,045	13,616	(124,532)	(28,849)	(393,819)	(547,815)	(356,028)	(51,967)	-	(1,106,354)	748,666
Amortization, depreciation, and depletion	(45,234)	(70,036)	(2,109)	(901)	-	-	(47,337)	(21,535)	(51,967)	-	(146,647)	(92,472)
Finance costs	(2,598)	(251)	-	-	-	-	-	-	-	-	(2,598)	(251)
Interest income	-	-	-	-	-	-	5,970	18,738	-	-	5,970	18,738
Income tax recovery (expense)	-	-	-	-	-	-	-	-	-	-	-	-
For the nine months ended September 30,	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Revenue:												
Aggregate sales revenue	$ -	$ 1,014,506	$ 874,283	$ 44,045	$ -	$ -	$ -	$ -	$ -	$ -	$ 874,283	$ 1,058,551
Management services revenue	457,213	433,635	138,569	-	-	-	-	-	(39,032)	-	556,750	433,635
Total income (loss) and comprehensive income (loss)	(582,258)	1,042,909	(225,413)	(248,682)	(128,469)	(728,344)	(1,734,033)	(1,684,823)	74,181	-	(2,595,992)	(1,618,940)
Amortization, depreciation, and depletion	(166,309)	(200,376)	(4,275)	(2,401)	-	-	(127,791)	(35,641)	(51,967)	-	(350,342)	(238,418)
Finance costs	(8,185)	(872)	-	-	-	-	-	-	-	-	(8,185)	(872)
Interest income	-	-	-	-	-	-	16,387	73,848	-	-	16,387	73,848
Income tax recovery (expense)	-	-	-	-	-	-	-	(1,825)	-	-	-	(1,825)
As at	**Sept. 30, 2020**	**Dec. 31, 2019**	**Sept. 30, 2020**	**Dec. 31, 2019**	**Sept. 30, 2020**	**Dec. 31, 2019**	**Sept. 30, 2020**	**Dec. 31, 2019**	**Sept. 30, 2020**	**Dec. 31, 2019**	**Sept. 30, 2020**	**Dec. 31, 2019**
Segment assets	$ 14,807,559	$ 12,448,558	$ 346,671	$ 689,520	$ 5,874,361	$ 4,911,880	$ 1,424,215	$ 2,365,482	$ (4,355,049)	$ (2,142,980)	$ 18,097,757	$ 18,272,460
Segment liabilities	4,829,307	3,720,962	1,553,668	470,849	3,041,128	1,516,780	451,602	435,035	(4,346,516)	(2,142,980)	5,529,189	4,000,646

The Corporation has three reportable Operations segments, and a Corporate costs segment.

AMI Aggregates

The Corporation produces and sells aggregate out of its Corporate Owned Pits (see discussion of Corporate Owned Pits in the Operations section of this MD&A), manages the Coffey Lake aggregate pit on behalf of the Province of Alberta for which aggregate management services revenue are earned, and manages other contract work for customers. The Corporation previously managed the Susan Lake aggregate pit which was closed to the public in the second quarter of 2019.

Three months ended September 30, 2020

Aggregate sales were inactive during Q3-2020 with nil revenue being generated as compared to less than $1.0 million in aggregates sales revenue for 2019 from operations at the Susan Lake pit which was closed in Q2 of 2019.

Revenue from management services for Q3-2020 was nil, which is consistent with Q3-2019.

The total loss and comprehensive loss in Q3-2020 of $0.5 million is consistent with the with low operating levels during the quarter, combined with material write-downs of inventory and the Steepbank exploration costs. A total income and comprehensive income amounting to $1.6 million was recorded for Q3-2019, due to material changes in estimates relating to environmental rehabilitation obligations. Amortization, depreciation and depletion in Q3-2020 was marginally less than Q3-2019 with ongoing depreciation of net assets and asset additions and disposals.

Nine months ended September 30, 2020

Revenue from aggregate sales were nil for the nine months ended September 30, 2020 as compared to $1.0 million in the corresponding 2019 period.

Revenue from management services for the nine month period ended September 30, 2020 from Coffey Lake pit operations was $0.5 million as compared to $0.4 million in the corresponding 2019 period from operations at the Susan Lake pit which was closed in Q2 of 2019.

The total loss and comprehensive loss for the nine months ended September 30, 2020 was $0.6 million, which is consistent with the with low operating levels during the first nine months of 2020 as compared to total income and comprehensive income of $1.0 million for the comparable 2019 period. As noted in the discussion earlier under Gross Profit (Loss) and Operating (Loss) Income in the Financial and Operational Review section, there were several material revaluations of non-financial assets and liabilities in 2019 and 2020, which had the effect of increasing income in 2019 and increasing losses in 2020. Amortization, depreciation and depletion at $0.2 million was essentially unchanged from the comparable prior year period.

Segment Assets and Liabilities

The segment's assets as at September 30, 2020 were $14.8 million (December 31, 2019: $12.4 million). Segment assets as at September 30, 2020 consisted of accounts receivable (prior to intercompany eliminations of a similar amount) of $4.5 million, inventory of $0.8 million, long-term deposits of $0.6 million, restricted cash of $1.1 million, property plant and equipment of $0.8 million, resource properties and ERO assets carried at $5.5 million, and contracts assets of $1.5 million. The $2.4 million increase over December 31,2019 was due to an increase in accounts receivable of $2.0 million which was as a result of additional intercompany account receivables from AMI RockChain for various operating costs and from AMI Silica with respect to securing the Shell offtake agreement, and an increase in resource properties of $0.4 million due to a change in the estimate and discount rate of the ERO asset.

Segment liabilities as at September 30, 2020 were $4.8 million (December 31, 2019: $3.7 million) and were mainly comprised of accounts payable of $0.3 million, an ERO of $3.1 million and the advance of $1.4 million through bank financing. The $1.1 million increase over December 31, 2019 was due predominantly to bank financing in the amount of $1.4 million which was incurred to fund contract assets required for site preparation of the Coffey Lake pit and an increase in ERO of $0.6 million due to a change in the estimate and discount rate, net of a decrease in accounts payable of $0.9 million.

AMI RockChain

AMI RockChain is 'a midstreamer of aggregates, enabled by technology'. The subsidiary is uniquely focused on enhanced price/delivery solutions in mapping customer orders to aggregates suppliers and transportation companies using technology for greater speed and efficiency. AMI RockChain purchases and takes custody of aggregates using its 'Solution Finder' algorithm in conjunction with its RockChain™ digital platform. This gives AMI RockChain distinctive advantages in the scope of its outreach, its ability to handle a large volume of bids, and in the turnaround time for networking optimal solutions for customers requiring aggregates. AMI RockChain is additionally reinforced by an in-house Quality Control/Quality Assurance program to ensure customer requirements are met upon delivery. Through the acquisition of TerraShift, AMI RockChain acquired proprietary technology that focuses on resource data, search intelligence and geospatial software that will further strengthen the functionality and capabilities of AMI's RockChain™ digital platform. TerraShift also brings technical services with highly efficient methods and streamlined approaches for resource exploration and development, environmental and regulatory planning, resource management, compliance reporting, and reclamation that benefits a growing customer base across Western Canada and Ontario.

Three months ended September 30, 2020

Segmented revenues from aggregate sales were $0.3 million for Q3-2020 as compared to less than $0.1 million in Q3-2019 when the division was still being established. AMI RockChain also earned $0.1 million in management services revenue via its TerraShift operations, as opposed to nil in Q3-2019 prior to the TerraShift acquisition. AMI RockChain generated total income and comprehensive income of less than $0. 1 million in Q3-2020, compared to a loss of $0.1 million for Q3-2019.

Nine months ended September 30, 2020

Segmented revenues from aggregate sales for the nine months ended September 30, 2020 were $0.9 million as compared to less than $0.1 million for the comparable period in 2019 when the division was still being established. AMI RockChain also earned $0.1 million in management services revenue via its TerraShift operations, as opposed to nil for the comparable period in 2019 prior to the TerraShift acquisition.

AMI RockChain's total loss and comprehensive loss for the nine months ended September 30, 2020 of $0.2 million was unchanged from the equivalent period in 2019. The loss in both years was the result of low activity during the months to September 30. As a result of COVID-19 impacts to the economy and to market demand, there have been staffing reductions in the AMI RockChain division as part of a company-wide optimization initiative, which were offset by the acquisition of TerraShift which added new employees to AMI RockChain.

Segment Assets and Liabilities

Segment assets as at September 30, 2020 were $0.3 million (December 31, 2019: $0.7 million) and consisted of accounts receivable prior to intercompany eliminations and the investment in TerraShift (refer to Note 4 in the Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020 for disclosure on the acquisition of TerraShift).

Segment liabilities as at September 30, 2020 were $1.6 million (December 31, 2019: $0.5 million) and consisted predominantly of accounts payable prior to intercompany eliminations.

AMI Silica

Three and nine months ended September 30, 2020

The Corporation owns a 49.6% interest in the Duvernay Project and a 49.2% interest in the Montney Project (see discussion under the "Investment in Associates" heading in the "Operations" section of this MD&A).

Revenues for the three and nine month periods ended September 30, 2020 and September 30, 2019 were nil with respective total loss and comprehensive loss in each period reflecting costs to move forward with developing the AMI Silica division. Revenues and income are expected to increase with the development of the Duvernay and Montney projects. Total loss and comprehensive loss decreased to less than $0.1 million in Q3-2020 compared to $0.4 million in Q3-2019.

AMI Silica (continued)

Segment Assets and Liabilities

Segment assets were $5.9 million as at September 30, 2020 (December 31, 2019: $4.9 million) consisting predominantly of $3.7 million in investments with respect to the Duvernay and Montney Projects, historical investments of $1.1 million in the Firebag Project, $1.0 million in costs incurred and capitalized as a contract asset related to securing the Shell offtake agreement, and $0.1 million for long-term deposits. The increase in Q3-2020 segment assets over December 31, 2019 was due mainly to the Corporation's $1.0 million contract asset investment to secure the Shell offtake agreement.

The segment's liabilities were $3.0 million as at September 30, 2020 (December 31, 2019: $1.5 million) consists of accounts payable prior to intercompany eliminations. The $1.4 million increase from the prior year-end is the result of increased intercompany accounts payable balance. This intercompany balance was due to the AMI Aggregates segment incurring expenses on AMI Silica's behalf for the Shell offtake agreement.

Corporate

Three and nine months ended September 30, 2020

Corporate costs for Q3-2020 and Q3-2019 were $0.6 million and $0.4 million, respectively. Corporate costs were consistent at $1.7 million for the nine months ended September 30, 2020 and nine months ended September 30, 2019. Corporate costs consist primarily of general and administrative expenses, share-based compensation and other non-operating income and interest income. Explanations for variances in these items are provided above in the Finance and Operational Review section of this MD&A under the subheadings Operating (Loss) Income, and Total (Loss) Income and Comprehensive (Loss) Income .

The Corporate segment's assets for the period ended September 30, 2020 were $1.4 million (December 31, 2019: $2.4 million). Corporate segment assets as at September 30, 2020 consisted of cash at 1.0 million, right-of-use assets for $0.3 million, prepaids and property plant and equipment of $0.1 million. The decrease from the 2019 year-end was due primarily to a decline in the cash balance.

The Corporate segment's liabilities for the period ended September 30, 2020 were $0.5 million (December 31, 2019: $0.4 million) which consisted of accounts payable and current and long-term leases. The decrease from the 2019 year-end was due to lower accounts payable in Corporate.

Consolidation/Elimination Entries

Three and nine months ended September 30, 2020

Total loss and comprehensive loss of less than $0.1 million recorded in the nine months ended September 30, 2020 reflects the gain on acquisition of TerraShift in Q2-2020, and amortization of intangible assets acquired as part of TerraShift in Q3-2020.

Segments assets and liabilities as at September 30, 2020 of $4.4 million and $4.3 million, respectively (December 31, 2019: $2.1 million in both assets and liabilities) reflect intercompany eliminations.

LIQUIDITY & CAPITAL RESOURCES

WORKING CAPITAL

Working capital is a non-IFRS measure calculated by subtracting current liabilities from current assets. There is not a directly comparable IFRS measure for working capital. Management uses working capital as a measure for assessing overall liquidity. The Corporation had net working capital of $1.0 million as at September 30, 2020 (December 31, 2019: $2.8 million). On October 26, 2020, the Corporation completed a $1.48 million non-brokered private placement enhancing AMI's net working capital. In management's opinion the enhanced net working capital from the private placement positions AMI to fund ongoing operations. The Corporation used less cash in operations in the three and nine months ended September 30, 2020 compared to the equivalent periods in 2019. The write-down of inventory also decreased working capital as at September 30, 2020 compared to December 31, 2019.

The Corporation's sources of liquidity as at September 30, 2020 were cash, accounts receivable, the Corporation's credit facility including the deferral of principal payments for three months with interest only payment terms from May to July 2020, funds secured through the Canadian Emergency Business Account program and funds secured through the Canadian Emergency Wage Subsidy program, and divestiture of non-core assets. Management believes it is able to generate sufficient amounts of cash to meet its commitments and support operations. The Corporation's capital expenditures may be funded by working capital, cash flows from operations and proceeds from debt and equity offerings.

The Corporation manages its capital structure and may make adjustments to it for market conditions to maintain flexibility while achieving the objectives stated above. To manage the capital structure, the Corporation may adjust capital spending, issue new shares, issue new debt, repay existing debt or enter into other credit arrangements.

The Corporation has undertaken several financial initiatives in response to the COVID-19 pandemic to preserve capital, e.g.:

- Secured a $40,000 loan for AMI Silica and a $40,000 loan for AMI RockChain through the CEBA program, in addition to the $40,000 loan assumed in the acquisition of TerraShift. These loans are interest free, require no principal payments until December 2022, and $10,000 is forgivable if repaid by December 2022. In October 2020, the Government of Canada announced its intention to increase CEBA loans from $40,000 to $60,000, of which $20,000 will be forgivable if repaid by December 2022;
- As at September 30, 2020, AMI had recorded funding in the amount of $267,574 under the federal CEWS program, which is currently in place until June 2021;
- The Corporation intends to begin applying for CERS in November 2020, which subsidizes rent and other commercial properties expenses incurred from September 27, 2020 until June 2021;
- In an effort to preserve the Corporation's cash position during the COVID-19 pandemic and economic downturn, and effectively June 1, 2020, the Corporation implemented an Employee Share Purchase Plan (the "ESP Plan"). Executives, employees, and directors can contribute up to 10% of their base salary in order to purchase Common Shares issued from treasury. The Corporation received shareholder approval of the ESP Plan at the Annual Meeting on September 22, 2020; and
- Principal repayment of the $1,500,000 bank loan purposed for Coffey Lake Public Pit and the True North Staging Hub construction was deferred an additional three months with interest-only payment terms from May to July 2020. Blended payments began in August 2020.

AVAILABLE CREDIT FACILITIES

On July 4, 2018 the Corporation entered into a credit facility with Canadian Western Bank ("CWB") with a letter of credit facility for up to $1,351,760 and a credit card facility for up to $20,000. Each letter of credit costs the Corporation an annual fee of 1.50%. On December 9, 2019, the letter of credit facility was increased to a maximum available amount of $1,458,240.

Security under the CWB facility is a general security agreement providing a first security interest in all present and after acquired property to be registered in all appropriate jurisdictions with specific registrations against guaranteed investment certificate instruments pledged as collateral.

The Corporation is in compliance with all covenants and capital spending requirements as part of this credit facility.

Letter of Guarantee Facility

The letters of commercial credit, secured with guaranteed investment certificates, to the benefit of the Government of Alberta for decommissioning and restoration are as follows:

		As at	
	Notes	September 30, 2020	December 31, 2019
Susan Lake Pit		$ 230,706	$ 228,540
Poplar Creek Site, storage yard		180,000	180,000
Emerson pit		75,240	75,240
Coffey Lake reclamation		296,520	296,520
Coffey Lake industrial miscellaneous lease		74,130	-
Coffey Lake performance bond		100,000	500,000
		$ 956,596	$ 1,280,300

Coffey Lake Performance Bond

In the third quarter of 2020, the Corporation secured a $500,000 bonding facility through Trisura Guarantee Insurance Company ("Trisura") to be held with the Government of Alberta in place of the $500,000 that AMI held as restricted cash previously for the Coffey Lake Performance Bond. The $500,000 bond with Trisura carries a 2% annual interest rate. Security for the bond is partly based on the appraised land value from the two Warrensville quarter sections, and a $100,000 letter of credit to be held as security for Trisura. This resulted in a reclassification of $400,000 from restricted to unrestricted cash.

CWB Bank Loan

On January 28, 2020, the Corporation entered into an arrangement with CWB whereby $1,500,000 was advanced to the Corporation by CWB for the development of the Coffey Lake Pit.

The term of the bank loan is thirty-nine months with thirty-three monthly loan payments of $49,022 which started in August 2020, after nine months of interest only payments. The bank loan was originally for three years; however, CWB added three months of interest only payments from May 2020 to July 2020 and extended the term of the loan by three months due to the economic uncertainty in Alberta and around the world due to the COVID-19 pandemic. The interest rate on the bank loan is 5.4%. The interest paid from February 2020 to September 2020, totaling $33,731, has been capitalized to the Coffey Lake contract asset.

Security for the bank loan is part of the general security agreement that was put in place when the credit facility with CWB was established in July 2018. The bank loan is also guaranteed by the Corporation's subsidiaries, AMI RockChain and AMI Silica. There are no new financial covenants added to the credit facility as a result of this new bank loan.

COMMITMENTS

The following table summarizes the contractual maturities of the Corporation's financial liabilities as at September 30, 2020:

	As at September 30, 2020			
	0 - 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 587,206	$ -	$ -	$ 587,206
Income taxes payable	31,344	-	-	31,344
Bank loans, including interest	588,262	1,051,215	-	1,639,477
Lease obligations, including interest	172,674	115,698	2,613	290,985
Total	**$ 1,379,486**	**$ 1,166,913**	**$ 2,613**	**$ 2,549,012**

SHARE CAPITAL

As of September 30, 2020, the authorized share capital of the Corporation consisted of an unlimited number of common voting shares with no par value, and preferred shares issuable in series. As of September 30, 2020, the Corporation had 48,313,758 (December 31, 2019: 45,326,440) common shares outstanding. As of the date of filing this MD&A, the outstanding share capital is 48,568,484 common shares. The Corporation did not declare or pay dividends during the three or nine months ended September 30, 2020 or for the year ended December 31, 2019.

RELATED PARTY TRANSACTIONS

All related party transactions during the period ended September 30, 2020 were in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties. Refer to Note 19 in the Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020 for disclosure with respect to related party transactions.

FINANCIAL INSTRUMENTS

Classification

The Corporation's financial instruments consist of the following:

Financial statement item	Classification
Cash	Amortized cost
Trade and other receivables	Amortized cost
Share purchase options	Fair value through profit and loss
Long-term deposits	Amortized cost
Restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Income taxes payable	Amortized cost
Lease obligations and bank loans	Amortized cost
Deferred share unit liability (included in Accounts payable and accrued liabilities)	Fair value through profit and loss

Due to the short-term nature of cash, trade and other receivables, accounts payable and accrued liabilities the carrying value of these financial instruments approximate their fair value. The fair value of restricted cash approximates the carrying values as they are at the market rate of interest. Long-term deposits are refundable. The fair values of the long-term deposits are not materially different from their carrying value. The deferred share unit liability and the share purchase options are the only financial instruments measured at fair value on a recurring basis.

For further information regarding the Corporation's financial instruments and how the Corporation manages the risk associated with the instruments, refer to Note 21 in the Unaudited Interim Consolidated Financial Statements for the three and nine months ended September 30, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements as at September 30, 2020 or December 31, 2019.

RISKS & UNCERTAINTIES

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

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

Outlined below are some of the Corporation's significant business risks. See also the risks and risk factors set out in the Corporation's annual information form dated September 3, 2020 and filed on SEDAR at www.sedar.com.

COVID-19

In March 2020, the World Health Organization declared COVID-19 a global pandemic; prompting many countries around the world to close international borders and order the closure of institutions and businesses. This has resulted in a swift and significant reduction in economic activity in Canada and internationally and has resulted in a sudden drop in demand for crude oil and natural gas. COVID-19 has caused an unprecedented global health crisis, and, coupled with an oversupply of crude oil has contributed to an economic crisis as well. The effect of low commodity prices in the energy sector will have a negative impact on parts to Athabasca's customer base and associated revenues.

The extent to which COVID-19 continues to impact the Corporation's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include: the duration, severity and scope of the outbreak and the actions to contain or remedy the pandemic. In particular, the continuation of the pandemic could materially and adversely impact the Corporation's business including without limitation: employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, potential restrictions to its projects, resource development program and the timing thereof, which are beyond the Corporation's control, and which may have a material or adverse effect on its business, financial condition and operations. The Corporation will continue to monitor and take corrective action in accordance with government guidelines to mitigate the impact on AMI's staff and business operations.

Economic Cyclicality of the Energy Industry
The aggregates business is directly affected by fluctuations in the level of oil and natural gas exploration, development, production and decommissioning activities carried on by its customers in the energy industry, which in turn is dictated by numerous factors, including world energy prices and government policies. Additionally, the business risks also include but are not limited to: seasonality; availability of skilled workers; ability to retain key customers; and the environmental and safety risks inherent in the business.

The demand, pricing and terms for the Corporation's products and services largely depend upon the level of oil and natural gas exploration and development activity. Industry conditions are influenced by numerous factors that the Corporation has no control over, including but not limited to: oil and natural gas prices; expectations about future oil and natural gas prices; the cost of exploring for, producing and delivering oil and natural gas; the expected rates of declining production; the discovery rates of new oil and natural gas reserves; available pipeline and other oil and natural gas transportation capacity; certain regional weather conditions; global political, military, regulatory and economic conditions; and the ability of oil and natural gas producing companies to raise equity capital or debt financing.

The aggregates sector is highly reliant on the level of capital expenditures made by energy companies who base their capital expenditure decisions on several factors, including but not limited to oil and natural gas prices, production levels, availability of export capacity and access to capital. Commodity prices, and therefore, the level of drilling, production and exploration activity have been volatile. A prolonged, substantial reduction in commodity prices negatively affects the activity levels of energy companies and the demand for the Corporation's services. A significant, prolonged decline in commodity prices could have a material adverse effect on the aggregates sector, aggregates pricing, the Corporation's business, results of operations, cash flows and financial condition.

The price of labor, fuel, equipment and other input costs, insurance costs, interest rates, fluctuations in customers' business cycles and international, national and regional economic conditions are factors over which the Corporation has little or no control. A significant increase in fuel prices, equipment prices, employee wages and other input prices, interest rates, currency exchange rates or insurance costs could reduce profitability and could adversely affect the Corporation's cash flow and financial condition. The Corporation cannot predict the impact of future economic conditions and there is no assurance that the operations of the Corporation will be profitable in the future.

Commodity Risk
The Corporation's aggregates, including silica sand, are commodities, and as such there is commodity pricing risks in a competitive market.

Environmental & Regulatory
Environmental and Regulatory legislation is becoming increasingly stringent and time-consuming. Costs, expenses and approval periods associated with regulatory compliance are increasing. The impact of new and future environmental legislation on the Corporation's projects or operations could affect financial performance. Restrictions such as those relating to wildlife habitat can adversely affect the timing and scope of exploration and development activities or introduce production constraints.

Conditions of Equity Markets
The Corporation's on-going ability to finance exploration and development can be affected by, among other things, conditions of the equity market.

Access to Capital
The Corporation's access to capital for planned and future projects, including debt and equity financing, is subject to risk related to the amount capital required, market conditions, and timing.

Risk of Delays to Projects & Stakeholder Management
The development of resource projects may be subject to unexpected problems or delays due to a variety of stakeholder management factors, which in turn can delay or postpone the profitability expected from these ventures.

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

Loss of Key Personnel
The Corporation relies on certain key employees whose skills and knowledge are critical to maintaining its success. Loss of key personnel is an inherent risk. Athabasca strives to retain key employees with competitive compensation, including incentive-based programs.

Shortage of Equipment or Other Supplies
The mining industry in Alberta has a history of long periods of growth and significant capital development which can often impact the availability of equipment, labor and other supplies.

Sales and Inventory Turnover Versus Production
The conversion of annual aggregates production into annual sales within a given budget year is variable, where sales often range between 50% - 80% of production. Inventory turnover of annual production is typically affected by, but not limited to, economic demand, construction-window seasonality, and competitor pricing responses to market conditions.

Profitability from Production and Operations
The profitability of mining and resource companies depends, in part, on the actual costs of developing and operating such properties, which may differ significantly from estimates determined at the time a relevant resource project was approved. The development of resource projects may also be subject to unexpected problems and delays that could increase the cost of development and the ultimate operating cost of a given project. Athabasca's past and future decisions to acquire, develop, and operate resource properties for production are based on estimates in relation to expected or anticipated economic returns. These estimates are based on assumptions regarding future aggregate prices, anticipated tonnage (with geological uncertainties), recovery rates and quality, anticipated capital expenditures and operating costs. Actual cash operating costs, production and economic returns may vary from those anticipated by original project development estimates.

Reclamation & Remediation Obligations
The Corporation is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The estimates made by the Corporation for reclamation obligations could vary significantly due to potential changes in regulatory requirements and/or contractor rates and services prior to the actual commencement of reclamation work.

Estimation of Resource Reserves
The Corporation has a risk that actual reserves in place on its properties can vary from geological estimates of such reserves and resources.

Health, Safety & Environment ("HSE") Operational risks
Any major HSE operational incident in the future could significantly impact production, productivity, corporate reputation, or cause disruption to operations.

Cyber Security Risk
The Corporation's business requires the continued operation of information technology systems and network infrastructure. Management believes it has implemented reasonable cyber security measures, including third party surveillance, to safeguard against potential cyber-attacks. However, if a cyber security event occurred, and the Corporation's systems were detrimentally affected in a way that information systems cannot be recovered or re-instated in a timely manner, this could impact business operations, payment or financial collection.

Litigation
The risk of unknown future claims against the Corporation in excess of the Corporation's commercial general liability coverage could materially affect the Corporation's future operations.

SIGNIFICANT MANAGEMENT ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS as issued by the International Accounting Standards Board requires Management to make estimates and judgments that affect the amount reported in the consolidated financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are subject to measurement uncertainty. The effect on the consolidated financial statements of changes in such estimates in future reporting periods could be significant.

The most significant accounting estimates and judgements used in the preparation of the Corporation's Unaudited Interim Condensed Consolidated Financial Statements are included in Note 2 of the Audited Consolidated Financial Statements for the Year Ended December 31, 2019.

SIGNIFICANT ACCOUNTING POLICIES

The Corporation's accounting policies are included in Note 3 of the Audited Consolidated Financial Statements for the Year Ended December 31, 2019, and in Note 3 of the Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months Ended September 30, 2020.

FORWARD LOOKING INFORMATION

This document contains "forward looking statements" and "forward-looking information" (collectively referred to herein as "forward-looking statements") concerning anticipated developments and events that may occur in the future. Forward looking statements include, but are not limited to: statements with respect to the estimation of aggregate and mineral reserves and resources, the realization of aggregate and mineral reserve estimates, disposition of assets, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, requirements for additional capital, potential joint venture relationships, potential acquisitions, geographic diversification, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "continues", "future", "forecasts", "potential", "budget" and similar expressions, or are events or conditions that "will", "would", "may", "likely", "could", "should", "can", "typically", "traditionally" or "tend to" occur or be achieved. This MD&A contains forward-looking statements, pertaining to, among other things, the following: the impact of Athabasca's financial resources or liquidity on its future operating, investing and financing activities; Athabasca's capital budgets, the appropriateness of the amount and expectations of how it will be funded; the Corporation's capital management strategy and financial position; Athabasca's outlook, industrial and construction levels, and focus on cost management; the expansion of customers and network of AMI RockChain; the international industrial partner or joint venture for the Duvernay Project; a potential partner for the Montney Project; continued development of the Duvernay Project; the potential completion of a National Instrument 43-101 compliant technical report for the Montney Project; the reactivation of certain inactive pits; potential acquisition or divestiture activities; the demand for aggregates from the Richardson Quarry Project; and the impact of and the Corporation's response to the COVID-19 health pandemic.

Although the Corporation believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements are made, undue reliance should not be placed on the forward-looking statements because the Corporation can give no assurances that such statements and information will prove to be correct and such statements are not guarantees of future performance. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual performance and results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: known and unknown risks, including those set forth in the Corporation's annual information form dated September 3, 2020 (a copy of which can be found under Athabasca's website under Annual Documents or on the Corporation's profile on SEDAR at www.sedar.com); exploration and development costs and delays; weather, health, safety, market and environmental risks; integration of acquisitions, competition, and uncertainties resulting from potential delays or changes in plans with respect to acquisitions, development projects or capital expenditures and changes in legislation including, but not limited to incentive programs and environmental regulations; stock market volatility and the inability to access sufficient capital from external and internal sources; general economic, market or business conditions; the COVID-19 health pandemic; global economic events; changes to Athabasca's financial position and cash flow; the availability of qualified personnel, management or other key inputs; potential industry developments; and other unforeseen conditions which could impact the use of services supplied by the Corporation. Accordingly, readers should not place undue importance or reliance on the forward-looking statements. Readers are cautioned that the list of factors set out herein is not exhaustive and should refer to "Risk Factors" set out in the Corporation's annual information form dated September 3, 2020.

Statements, including forward-looking statements, contained in this MD&A are made as of the date they are given and the Corporation disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

Additional information on these and other factors that could affect the Corporation's operations and financial results are included in reports on file with applicable securities regulatory authorities and may be accessed on Athabasca's website or under Athabasca's profile on SEDAR at www.sedar.com.

APPROVAL

The Board of Directors has approved the disclosure in this MD&A, and related Unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2020 at the Board of Directors meeting on November 24, 2020.

Under National Instrument 52-109F2 Certification of Disclosure in Issuers' Annual and Interim Filings, TSX Venture Exchange issuers like Athabasca are required to certify using the Venture Issuer Basic Certificate. This certificate states that the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Corporation each certify that the documents prepared for the three and nine months ended September 30, 2020 have been reviewed, contain no misrepresentations, and provide a fair presentation of the financial condition, financial performance and cash flows of the Corporation, to the best of their knowledge. This Venture Issuer Basic Certificate does not include any representations relating to the establishment and maintenance of disclosure controls and procedures and/or internal controls over financial reporting. Please refer to the Form 52-109FV2 for additional details. The CEO and CFO of Athabasca have each certified using the Venture Issuer Basic Certificate for the three and nine months ended September 30, 2020.

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