MANAGEMENT'S DISCUSSION AND ANALYSIS

For the quarter and year ended December 31, 2021

April 28, 2022

The following management's discussion and analysis ("MD&A") of Athabasca Minerals Inc.'s ("Athabasca", "AMI", "our" or the "Corporation") financial condition and results of operations should be read in conjunction with the Audited Consolidated Financial Statements for the year ended December 31, 2021. The accompanying Audited 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 Inc. ("Athabasca", "AMI", "our" or the "Corporation") 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.

Athabasca's board of directors, on the recommendation of the audit committee, approved the content of this MD&A on April 26, 2022.

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.**

FORWARD LOOKING INFORMATION

This document contains "forward looking statements" and "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of Canadian securities legislation. Such forward-looking statements the Corporation and its subsidiaries, relating to, without limitation, expectations, intentions, plans and beliefs, including information as to the future events, results of operations and Athabasca's future performance (both operational and financial) and business prospects. Forward-looking statements can be identified by the use of words such as "anticipates", "believes", "continue", "estimates", "expects", "intends", "may", "pending", "potential", "plans", "seeks", "should", "projects", "will" or variations of such words and phrases.

Forward-looking statements are based on the expectations and opinions of the Corporation's management ("Management") on the date the statements are made. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. Such forward-looking statements reflect Athabasca's beliefs, estimates and opinions regarding its future growth, results of operations, future performance (both operational and financial), and business prospects and opportunities at the time such statements are made, and Athabasca undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or circumstances should change, except as required by applicable securities laws. Forward-looking statements are necessarily based upon a number of estimates and assumptions made by Athabasca that are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Forward-looking statements are not guarantees of future performance.

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 April 28, 2022 (a copy of which can be found under Athabasca'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 foregoing list of factors is not exhaustive and should refer to "Risk Factors" set out in the Corporation's annual information form dated April 28, 2022.*

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 under Athabasca's profile on SEDAR at www.sedar.com.

OUR BUSINESS

Incorporated in 2006, Athabasca Minerals is an integrated group of companies capable of full life-cycle development and supply of aggregates and industrial minerals. The Corporation is comprised of the following business units:

- **AMI Aggregates** division produces and sells aggregates from its corporate pits and manages the Coffey Lake Public Pit on behalf of the Government of Alberta.
- **Métis North Sand & Gravel** is a strategic partnership with the Fort McKay Métis Group to deliver aggregates to the energy, infrastructure, and construction sectors in the Wood Buffalo region in Alberta ("AB"). Mining and delivery of premium sand commenced on February 22, 2022.
- **AMI Silica** division (www.amisilica.com) has resource holdings and business interests in Alberta, North-East British Columbia ("BC"), and the United States ("US").
- **AMI RockChain** division (www.amirockchain.com) is a midstream, technology-enabled business using its proprietary RockChain™ digital platform, automated supply-chain and logistics solutions, quality-assurance & safety programs to deliver products across Canada.
- **TerraShift Engineering** (www.terrashift.ca) conducts resource exploration, regulatory, mining, environmental and reclamation engineering for a growing nation-wide customer base and is also the developer of the proprietary TerraMaps™ software.

BUSINESS HIGHLIGHTS

Athabasca Minerals reports the following key highlights in Q4 2021 and subsequent highlights for 2022:

- Consolidated gross revenue for Q4-2021 was $3.3 million, and $12.1 million for 12 months ending Dec-31, 2021. Year-to-date 2022 revenue (as of date of filing) is anticipated to exceed $8.8 million.
- AMI Silica's divisional revenue for Q4-2021 was $2.0 million, and $4.6 million for 12 months ending Dec-31, 2021. Year-to-date 2022 revenue (as of date of filing) is anticipated to exceed $4.0 million. (This includes revenue from AMI Silica LLC. on a proportional basis, i.e. AMI's 50% net ownership).
- AMI RockChain divisional revenue for Q4-2021 was $0.6 million, and $5.0 million for 12 months ending Dec-31, 2021. Year-to-date 2022 revenue (as of date of filing) is anticipated to exceed $3.0 million.
- AMI Aggregates divisional gross revenue for Q4-2021 was $0.4 million, and $1.6 million for 12 months ending Dec-31, 2021. Year-to-date 2022 revenue (as of date of filing) has exceeded $1.5 million.
- TerraShift Engineering divisional revenue for Q4-2021 was $0.4 million, and $1.3 million for 12 months ending Dec-31, 2021. Year-to-date 2022 revenue (as of date of filing) is $0.3 million.
- On December 1, 2021 the Corporation announced the acquisition of strategic sand assets in Wisconsin, which includes real-estate of 1100 acres, a fully functional and staffed mine and processing plant capable of 2 million tons sand production annually, fixed storage, rail transload with unit train capability (i.e. loading/unloading 100 railcar shipments), mobile equipment and active supply chain contracts. The acquisition was completed by AMI Silica LLC which is 50% co-owned by JMAC Energy Services LLC. AMI's share of funding for the acquisition was made through a non-brokered Private Placement with JMAC Resources Ltd on Dec 1, 2021. The Company subsequently announced the closing of the acquisition on March 3, 2022.
- On February 22, 2022 the Corporation announced that it had commenced the mining and delivery of premium domestic sand from its Firebag resource under its partnership agreement with Métis North Sand & Gravel to a major oilsands operator. In Dec 2021, the partnership received a 1.0 million tonne notice of award which will be fulfilled throughout 2022 from AMI's Firebag and Kearl pits.
- On March 7, 2022 the Corporation announced the receipt of two purchase orders totaling $2.2 million for the supply of aggregates from the Hargwen and Coffey Lake pits.
- On March 16, 2022 the Corporation announced a Definitive Agreement for the construction, operation, and supply of treated industrial wastewater for the Prosvita Sand Project.

Fiscal Management & Reporting

- AMI's cash position as of December 31, 2021 was $2.5 million free cash and $0.1 million restricted cash.
- To assist and facilitate the Company aggressive growth program and enhance the shareholders' alignment, the Corporation re-instated its '90/10 Program' during the second half of 2021 whereby 10% of both Director and Employee's compensation was paid in treasury-issued AMI shares. This is also known as the Employee Share Purchase Plan ("ESP Plan"). The ESP Plan, first conducted in the second half of 2020, was re-approved by shareholders on June 22, 2021.

SELECTED FINANCIAL INFORMATION

	Three months ended December 31, 2021	2020	% Change	Years ended December 31, 2021	2020	% Change
FINANCIAL HIGHLIGHTS:						
Services revenue	**$ 2,475,780**	$ 124,925	1882%	**$ 9,093,507**	$ 514,181	1669%
Product sales revenue	**805,233**	389,222	107%	**3,035,742**	1,527,186	99%
Gross revenue, including royalties	**3,281,013**	514,147	538%	**12,129,249**	2,041,367	494%
Less: provincial royalties	**(139,316)**	-	0%	**(337,638)**	(96,187)	-251%
Gross revenue, net of royalties	**3,141,697**	514,147	511%	**11,791,611**	1,945,180	506%
Gross profit (loss)	**74,635**	(87,812)	185%	**1,104,778**	(399,328)	377%
Gross profit (loss) percent	**2%**	-17%		**9%**	-21%	
Operating loss	**(684,264)**	(907,011)	25%	**(2,351,699)**	(3,828,470)	39%
Other non-operating income	**43,810**	76,012	-42%	**206,438**	393,277	-48%
Total loss and comprehensive loss	**$ (643,621)**	$ (934,533)	31%	**$ (2,187,088)**	$ (3,530,525)	38%
Loss per share, basic ($ per share)	**(0.009)**	(0.017)	50%	**(0.032)**	(0.071)	50%
Loss per share, fully diluted ($ per share)	**(0.009)**	(0.017)	50%	**(0.032)**	(0.071)	50%
Weighted Average # of Shares Outstanding	**71,812,704**	56,113,640		**67,947,084**	49,657,351	

	As at December 31, 2021	December 31, 2020	% Change
FINANCIAL POSITION:			
Working capital[1]	**$ 1,991,501**	$ 917,834	117%
Total assets	**20,936,866**	18,543,202	13%
Total liabilities	**5,785,589**	5,358,368	8%
Shareholder's Equity	**15,151,277**	13,184,834	15%

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

FINANCIAL AND OPERATIONAL REVIEW

REVENUE

The Corporation's revenue net of royalties during Q4-2021 was $3.1 million compared to $0.5 million in Q4-2020. The increase in revenue of $2.6 million in the Corporation was largely the result of the operating service agreement held by AMI Silica LLC. to manage the US sand mine and plant, and additional revenues from RockChain and TerraShift.

For the 2021 year-ended, the Corporation's gross revenue increased by 6x compared to prior year to $12.1 million with divisional revenue contributions as follows:

- $4.6 million revenue from AMI Silica (which includes its 50% ownership in AMI Silica LLC.);
- $5.0 million in AMI RockChain related to increased sales and logistics contracts in 2021;
- $1.6 million in AMI Aggregates related to sales from the Coffey Lake pit; and
- $0.9 million in TerraShift external revenue (with internal revenue serving AMI's portfolio adding another $0.4 million).

GROSS PROFIT (LOSS)

The Corporation's gross profit for the year 2021 was $1.1 million, with $0.1 million contribution in Q4-2021.

General and Administrative Expenses

	Three months ended December 31,			Years ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Wages and benefits	$ 350,203	$ 402,651	-13%	$ 1,726,577	$ 1,606,191	7%
Legal and professional fees	119,452	64,718	85%	344,363	242,690	42%
Insurance	55,387	40,613	36%	209,073	152,595	37%
Rent and office expenses	53,274	41,778	28%	202,837	155,202	31%
Directors fees and expenses	41,199	38,800	6%	159,006	149,501	6%
Consulting	18,474	63,085	-71%	215,348	345,118	-38%
Investor relations	17,607	27,817	-37%	58,503	79,956	-27%
Travel	9,737	5,023	94%	18,498	33,688	-45%
Total general and administrative expenses	$ 665,333	$ 684,485	-3%	$ 2,934,205	$ 2,764,941	6%

General and administrative expenses for the three months and year ended December 31, 2021 were $0.7 million and $2.9 million, respectively, compared to $0.7 million and $2.8 million for the same periods in 2020. For the year:

- Wages and benefits increased by $0.1 million in 2021 over 2020 due mainly to the TerraShift acquisition where costs were borne for the entire year, versus 6 months in 2020.
- Rent and office expenses increased due to increased costs (bank charges, auto leases, and safety training & supplies), and consulting expenses decreased by $0.1 million in 2021 over 2020.
- Legal, professional fees and insurance costs have increased by $0.1 million in 2021 over 2020 driven mainly by increases in the size and complexity of the company, and 3rd party fees.

OPERATING LOSS

For the years ended December 31, 2021 and 2020, the operating loss was reduced to $2.4 million compared with $3.8 million previously. This was driven mainly by the Company's strong year over year growth in revenue and gross profit with a comparatively small rise in general and administrative costs.

The Corporation's operating loss for Q4-2021, which is calculated as gross profit less general and administrative costs, share-based compensation, and other operating income, was $0.7 million compared to Q4-2020's operating loss of $0.9 million due to improvements in revenue and gross profit.

TOTAL LOSS AND COMPREHENSIVE LOSS

For the years ended December 31, 2021 and 2020, the Corporation incurred a total loss and comprehensive loss of $2.2 million, $0.032 per share basic and diluted, and $3.5 million, $0.071 per share basic and diluted, respectively. The decrease in the total loss and comprehensive loss of $1.3 million was due to improving the gross profit as discussed above.

In Q4-2021, the Corporation incurred a total loss and comprehensive loss of $0.6 million, $0.009 per share basic and diluted, as compared to a total comprehensive loss of $0.9 million, $0.017 per share basic and diluted, for Q4-2020.

SUMMARY OF QUARTERLY RESULTS

The following selected information is derived from the Consolidated Financial Statements of the Corporation. The information has been prepared by Management in accordance with IFRS.

	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Services Revenue	$ 2,475,780	$ 3,359,063	$ 2,460,534	$ 798,130
Product Sales Revenue	805,233	981,985	821,402	427,122
Gross Revenue, including royalties	3,281,013	4,341,048	3,281,936	1,225,252
Less: provincial royalties	(139,316)	(29,024)	(40,703)	(128,595)
Revenue, net of royalties	3,141,697	4,312,024	3,241,233	1,096,657
Gross (Loss) Profit	74,635	362,350	467,114	200,679
Total Loss and Comprehensive Loss	(643,621)	(361,829)	(579,726)	(601,912)
Loss per share, basic	(0.009)	(0.005)	(0.009)	(0.009)
Loss per share, diluted	(0.009)	(0.005)	(0.009)	(0.009)
Total Assets	20,936,866	20,548,032	21,785,559	20,012,175
Total Resource Properties	12,126,762	11,179,738	11,927,504	11,629,111
Current portion of lease obligations and debt	828,669	982,156	1,134,662	1,285,153
Total Debt (non-current)	304,899	335,384	225,005	240,374
	Q4 2020	**Q3 2020**	**Q2 2020**	**Q1 2020**
Services Revenue	$ 125,108	$ 99,537	$ 226,958	$ 614,657
Product Sales Revenue	389,039	326,194	59,246	200,628
Gross Revenue, including royalties	514,147	425,731	286,204	815,285
Less: provincial royalties	-	-	(40,492)	(55,695)
Revenue, net of royalties	514,147	425,731	245,712	759,590
Gross (Loss) Profit	(87,812)	(321,952)	(30,993)	41,429
Total Loss and Comprehensive Loss	(93,453)	(1,126,583)	(694,153)	(829,217)
Loss per share, basic	(0.017)	(0.023)	(0.015)	(0.018)
Loss per share, diluted	(0.017)	(0.023)	(0.015)	(0.018)
Total Assets	18,543,202	18,043,796	19,036,366	20,469,314
Total Resource Properties	6,250,770	6,685,322	6,750,782	6,711,351
Current portion of lease obligations	1,446,564	690,205	638,255	507,918
Total Debt (non-current)	218,521	1,126,158	1,296,828	1,340,881

Seasonality of Operations

The Corporation derives revenues from managing the supply of, and from the production of, various types of aggregates across Canada and the United States. 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, 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 Revenue, net of royalties and Total Loss and Comprehensive Loss 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, technical services, technologies and logistics.

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. The Corporation's revenue for 2022 has been primarily due to networked sales and transportation services with third parties via AMI RockChain, management services revenue at the US pit, and from the TerraShift operations. 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 Corporation's operations, a conversion ratio of 2.471 acres to 1 hectare has been used throughout.

PIT MANAGEMENT CONTRACTS

Coffey Lake Public Pit – In Production

- Effective January 13, 2020, the Government of Alberta issued the Corporation a disposition for the Coffey Lake Public Pit and a Surface Mineral Lease that allows for the extraction of sand and gravel. This authorization enabled the Corporation, as pit management contractor on behalf of the Government of Alberta, to commence activities to open aggregate operations at Coffey Lake to the public.
- Coffey Lake has been active throughout 2021, with activity increasing into 2022.

Corporate-Owned Pits

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

Table 1. Resource Properties

Resource Properties	Location	Land Size (hectares)	Resource Type	Status
Coffey Lake	90 kms North of Fort McMurray, AB, Canada	335	Sand and gravel	In production
Firebag	97 kms North of Fort McMurray, AB, Canada	32	Sand	In production
Kearl	76 kms North of Fort McMurray, AB, Canada	32	Sand and gravel	In production
Hixton	Hixton, Wisconsin, US	440	Sand	In production
Hargwen	27 kms East of Hinton, AB, Canada	32	Sand and gravel	Production ready
Emerson	27 kms Southeast of Hinton, AB, Canada	30	Sand and gravel	Production ready
House River	South of Fort McMurray, AB, Canada	65	Sand and gravel	Production ready
Logan	110 kms North of Lac La Biche, AB, Canada	81	Sand and gravel	Production ready
Pelican Hill	70 kms Southeast of Wabasca, AB, Canada	32	Sand and gravel	Production ready
Richardson Quarry	130 kms North of Fort McMurray, AB, Canada	3,900	Granite and dolomite	Exploration
Prosvita	Duvernay, AB, Canada	320	Sand	Exploration
Montney in-basin	North of Fort St. John, BC, Canada	150,000	Sand	Exploration

Strategic Partnerships

- **Fort McKay Métis Group:** AMI and Fort McKay Métis Group entered into a project partnership agreement creating Métis North Sand & Gravel. In Dec 2021, the partnership received a 1.0 million tonne notice of award from a major oil sands producer, which commenced February 2022 and will continue throughout the year sourcing sand from AMI's Firebag and Kearl pits.
- **Ministikwan Lake Cree Nation:** TerraShift entered an Engineering Services Contract and has subsequently been awarded an environmental site assessment project and a waste management project with a combined value of approximately $200,000 with activity throughout 2021 and into 2022.
- **Montana First Nation (MFN):** AMI and MFN have entered into a 10-year Aggregates Management Agreement to explore and develop potential aggregate resources on 3,885 hectares (9,600 acres) of MFN lands, as well as develop commercial opportunities with AMI RockChain.

Firebag – In Production

- The Firebag sand deposit is located north of Fort McMurray, Alberta with an active SML covering 32 hectares (80 acres).
- During December 2021, the Corporation announced it had received, along with Métis North Sand & Gravel, a notice of Award from a major oilsands operator to supply approximately 1 million tonnes (i.e. 992,300 tonnes) of filter sand in 2022 from AMI's Firebag and Kearl Resources located north of Ft. McMurray.
- Sales of sand from Firebag commenced in February 2022.

Kearl Pit – In Production

- The Kearl corporate pit is located on 32 hectares (80 acres) of crown land north of Fort McMurray, Alberta on an all-season road near Imperial Oil /Exxon Kearl Oilsands Operations.
- The SML has been extended until October 2030.
- The Kearl pit was activated in Q2-2021 preparing material for hauling in Q3/Q4 2021 under a royalty agreement for the delivery of sand.
- During December 2021, the Corporation announced it had received, together with Métis North Sand & Gravel, a notice of Award ("Award") from a major oilsands operator to supply approximately 1 million tonnes (i.e. 992,300 tonnes) of filter sand in 2022 from AMI's Firebag and Kearl Resources located north of Ft. McMurray.

Hargwen – Development Project

- Hargwen aggregates deposit is located on 32 hectares (80 acres) of crown land about 21 km east of the community of Hinton, Alberta on an all-season road:
  - During April 2021, the Corporation announced SML approval from the Government of Alberta to develop an open-pit aggregate operation of the leased land for a term of 10 years.
  - During March 2022, the Corporation announced AMI is going to be opening Hargwen in Q2, 2022 on the basis of being awarded a $1.1 million aggregate supply contract.

Emerson Pit – Development Project

- The Emerson corporate pit is located on 30 hectares (75 acres) of crown land approximately 27 km south-east of the community of Hinton, Alberta on an all-season road.
- The pit is production ready but there were no sales in the year.

House River Pit – Development Project

- The House River corporate pit is currently inactive and is located on 65 hectares (160 acres) across two leases of Crown land south of Fort McMurray, Alberta, approximately 11 km east of Highway 63 on the House River.

Logan Pit – Development Project

- The Logan corporate pit is located on 81 hectares (200 acres) 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.
- The SML for this pit has been extended until October 2030.
- The Logan corporate pit is currently inactive due to changes in the regional demand market and seasonal access limitations which require advanced orders versus crushing on-demand.

Pelican Hill Pit – Development Project

- The Pelican corporate pit is located on 32 hectares (80 acres) 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.
- 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.
- In early 2021, conversion of a winter-access road by a third party into an all-season road was completed.

Inventory Staging and Distribution Hubs (Conklin, Sunday Creek, KM248, 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 the 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. The vegetation clearing activities gave rise to an ERO which was included in the Corporation's liabilities as of December 31, 2020.

Richardson Quarry Project – Exploration Project

- The Corporation holds leases for a potential large-scale quarry located approximately 40 km north of Coffey Lake and 130 km north of Fort McMurray, Alberta for the Richardson Project. It contains high quality granite and dolomite in large volumes (683 million tonnes), on a transportation corridor, which make it attractive for future development.
- Athabasca intends to pursue 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.

AMI RockChain

AMI RockChain is 'a midstreamer of aggregates, enabled by technology'. The subsidiary is uniquely focused on enhanced price/delivery solutions in matching 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 response 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 benefit a growing customer base across Western Canada and Ontario.

AMI Silica LLC.

- On March 3, 2022 AMI Silica LLC. which is owned on a 50/50 basis by the Corporation and JMAC Energy Services LLC. announced the closing of an acquisition of an operational U.S. sand mine and facilities in Wisconsin (the "Assets"). The Assets include real-estate of 1,100 acres, a fully functional and staffed mine and processing plant capable of 2 million tons sand production annually, fixed storage, rail transload with unit train capability (i.e. loading/unloading 100 railcar shipments), mobile equipment and active supply chain contracts. The portfolio of land and facilities, originally developed at a cost of more than USD $100 million within the past 10 years, were procured at less than 10% the development value as per terms of the acquisition first announced in the December 1, 2021 press release.
- From June 1, 2021 until the closing of the acquisition an acquisition, AMI Silica LLC operated the Assets under a management services agreement. The 2021 AMI Silica segmented revenue of $4.6 million represents the Corporations 50% net proportional share of the 2021 revenue generated by AMI Silica LLC under the management services agreement.
- Upon closing of the acquisition, AMI Silica LLC owns the Assets and generates revenue directly from the purchased Assets, of which the Corporation owns 50%.

Prosvita Sand Project

- On February 3, 2020, AMI Silica Inc and Shell ratified a Master Purchase Contract to purchase Premium Domestic sand from AMI's Prosvita Sand Project beginning on the later of mid-2021 or 30 days after the Prosvita facility has been commissioned. Under terms of the contract, there is a minimum sales volume at predetermined prices, with an optional maximum annual volume that books a significant portion of the Prosvita Sand Project production capacity. The contract has a five-year term from the effective delivery date and gives Shell the right to extend for an additional two 12-month terms thereafter, with the option to procure sand from AMI's future Montney In-Basin Project.

- The Corporation invested $1,000,735 in contract costs during 2020 in order to secure an offtake agreement with Shell for silica sand from the Prosvita site. In September 2020, the Corporation entered in the advancement of a strategic JV initiative with an international industrial partner to pursue the Prosvita Sand Project. The JV initiative aims to co-develop and operate one of the greenest sand facilities in North America.

- On February 5, 2021, the Corporation acquired the full ownership interest for additional consideration of 8 million shares at $0.25 per share, for incremental consideration of $2.0 million, in addition to costs previously incurred.

- On June 21, 2021, the Corporation announced that it has filed its regulatory application with Alberta Environment and Parks (AEP) allowing for the operation of a Class 1 Pit under the Code of Practice for Pits in Alberta.

- On August 5, 2021, Privco2 completed an NI 43-101 technical report for the Whitetail Sand Resource demonstrating measured and indicated resources of 40/140 mesh fraction which were calculated to be 11.9 million tonnes (MT) with an additional 0.9 MT of inferred resources further increasing the mineral resources for the project.
  - The lab analysis for Whitetail reported consistent crush strengths of 8K for 40/140 size fractions, with shape factors of 0.6 and 0.7-0.8 for roundness and sphericity respectively.
  - An updated NI 43-101 was also issued for White Rabbit on August 5, 2021. AMI updated the measured in-place mineral resource focused on the optimal 18.8 MT from the original 24.7 MT.
  - The Whitetail and White Rabbit deposits collectively now represent a measured in-place mineral resource of 30.7 MT for the Prosvita Sand Project.

Montney In-Basin Project

- On December 14, 2018, the Corporation purchased a 49.2% ownership interest in the numbered Alberta corporation that owns the Montney In-Basin Project (Privco1) located in the vicinity of Dawson Creek and Fort St. John, British Columbia, recorded at a historical cost basis of $1.6 million. On February 5, 2021, the Corporation acquired the remaining 50.8% ownership interest for additional consideration of one dollar. The Corporation is also using AMI shares to make one final Annual Minimum Royalty ("AMR") payment relating to the Montney deposit, valued at $0.2 million, with three corresponding milestone installments.
- The Corporation is taking a measured approach concerning expenditures to confirm the most suitable and cost-effective location for development within the 150,000 hectare (370,000 acre) mineral lease.

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. Specifically, an operating segment should have separate financial information available, with management review of financial information. The operating segment should engage in business activities where it earns revenue and incurs expenses. While a reporting segment should have revenue which is 10% or more of combined revenue; assets which are 10% or more of combined assets; and an absolute amount of reporting profit or loss that is 10% or more or reported profit of all operating segments.

Using this guidance, the Corporation has reported the TerraShift operations as a separate segment. At December 31, 2020 TerraShift operations were reported as part of the AMI RockChain segment. Where previously, any revenue earned by the TerraShift operating segment was reported as Management Services Revenue in the AMI RockChain segment, this revenue is now be reported separately as Management Services Revenue earned by the TerraShift operating segment. Similarly, Segment assets and liabilities of TerraShift previously reported within the AMI RockChain segment are now reported separately as assets and liabilities of the TerraShift operating segment.

A summary of key financial information by reportable segment for the year ended December 31, 2021 (along with comparative information for 2020) is as follows:

	AMI Aggregates		AMI RockChain		AMI Silica		TerraShift		Corporate & Eliminations		Consolidated	
For the years ended December 31,	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue:												
Services revenue	$ 1,286,770	$ 5,163	$ 2,288,248	$ 292,810	$ 4,636,835	$ -	$ 1,301,836	$ 267,302	$ (420,182)	$ (51,094)	$ 9,093,507	$ 514,181
Product sales revenue	283,736	548,237	2,752,006	978,949	-	-	-	-	-	-	3,035,742	1,527,186
Gross revenue, including royalties	1,570,506	553,400	5,040,254	1,271,759	4,636,835	-	1,301,836	267,302	(420,182)	(51,094)	12,129,249	2,041,367
Revenue, net of royalties	1,232,868	457,213	5,040,254	1,271,759	4,636,835	-	1,301,836	267,302	(420,182)	(51,094)	11,791,611	1,945,180
Gross profit (loss)	361,228	(549,658)	371,054	73,767	(335,864)	(104,389)	757,083	239,475	(48,723)	(58,523)	$ 1,104,778	$ (399,328)
As at	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Segment assets	$ 9,705,916	$ 9,869,939	$ 446,181	$ 779,482	$ 13,589,565	$ 5,666,381	$ 282,420	$ 130,885	$ (3,087,216)	$ 2,096,515	$ 20,936,866	$ 18,543,202
Segment liabilities	4,551,286	4,237,133	421,641	422,473	324,537	188,833	60,000	112,212	428,125	397,717	$ 5,785,589	$ 5,358,368

The Corporation has four reportable Operations segments:

AMI Aggregates

The Corporation produces and sells aggregate out of its Corporate Owned Pits (see the Operations section of this MD&A); manages the Coffey Lake aggregate pit on behalf of the Government of Alberta for which aggregate management services revenue are earned and manages other contract work for customers.

Total revenues net or royalties of $1.2 million from AMI Aggregates for the year were $0.7 million higher compared to $0.5 million in 2020 due to higher volume from Coffey Lake.

AMI RockChain

Segmented revenues from Product sales for the year increased significantly to $2.8 million as compared to $1.0 million for the comparable period in 2020, while Services revenue increased to $2.3 million due to a large contract with an oilsands customer.

AMI Silica

AMI Silica is reported as a segment representing the Corporations sand assets including 50% ownership in AMI Silica LLC., 100% ownership of the Prosvita Sand Project, and 100% ownership of the Montney In-Basin Project.

On February 5, 2021, the Corporation announced the acquisition of control of the private Alberta corporations that respectively own the Montney In-Basin Project and the Prosvita Sand Project by securing 100% ownership of each company (see discussion under the "Operations" section of this MD&A). The loss in AMI Silica was mainly due to the closing cost of the acquisition.

Revenue of $4.6 million in 2021 represents the 50% net proportional share of AMI Silica LLC which completed the management services contract for the US sand Assets beginning on June 1, 2021 until closing on the acquisition on March 3, 2022. Gross profit generated from the management services contract was $0.1 million in 2021. Following the closing of the acquisition, AMI Silica LLC. will earn revenue from operating the US sand assets of which the Corporation owns 50%.

TerraShift

TerraShift began operating as part of the Corporations business organization on June 30, 2020 and earned $1.30 million in services revenue for the year ended December 31, 2021. The "Corporate & Eliminations" segment represents services provided by TerraShift to other segments, and is disclosed for reconciliation purposes only.

Liquidity & Capital Resources

WORKING CAPITAL

Working capital is a non-IFRS measure calculated by subtracting current liabilities from current assets. There is no 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 $2.0 million as of December 31, 2021 (2020: $0.9 million) which in management's opinion is sufficient to fund ongoing operations. The $1.1 million increase in working capital was predominately due to a $0.8 million increase in trade and other receivables, the increase in cash of $0.6 million, the repayment of $0.5 million of the current portion of bank loans, partially offset by a $0.8 million increase in accounts payable and accrued liabilities. Receivables and payables increased in line with higher operating volumes.

The Corporation's sources of liquidity as of December 31, 2021 were cash, accounts receivable, the Corporation's credit facility with Canadian Western Bank ("CWB"), and funds secured through the Canadian Emergency Business Account program. Management believes it is able to generate sufficient cash to meet its commitments, support operations, finance capital expenditures, and support growth strategies. 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 makes adjustments 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.

AVAILABLE CREDIT FACILITIES

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, repayable upon demand. Provided full repayment of the bank loan is not demanded by CWB, the term of the 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 in 2020, 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 in the year, totaling $57,472, has been expensed as finance costs.

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.

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	December 31, 2021	December 31, 2020
Susan Lake pit		$ 228,540	$ 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	74,130
Coffey Lake performance bond		100,000	100,000
		$ 954,430	$ 954,430

The Corporation has secured its letters of credit to the benefit of the Government of Alberta for decommissioning and restoration with guaranteed investment certificates.

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 based on the appraised value of private lands included in exploration costs and a $100,000 letter of credit to be held as security for Trisura.

COMMITMENTS

The following table summarizes the expected contractual maturities of the Corporation's financial liabilities as at December 31, 2021:

	As at December 31, 2021			
	0 - 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 1,765,131	$ -	$ -	$ 1,765,131
Income taxes payable - foreign	64,408	-	-	64,408
Bank loans, including interest	588,262	195,888	-	784,150
Lease obligations, including interest	75,228	5,062	-	80,290
Total	**$ 2,493,029**	**$ 200,950**	**$ -**	**$ 2,693,979**

SHARE CAPITAL

As of April 28, 2022 there were 77,504,388 Common Shares issued and outstanding, and other securities convertible into Common Shares as summarized in the following table:

	Number outstanding as of April 28, 2022	Number outstanding as of December 31, 2021
Common shares issued and outstanding	77,504,388	76,964,088
Options	5,381,900	5,822,200

As of December 31, 2021, 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 December 31, 2021, the Corporation had 76,964,088 (2020: 59,110,153) common shares outstanding. The Corporation did not declare or pay dividends during the years ended December 31, 2021 or December 31, 2020.

RELATED PARTY TRANSACTIONS

All related party transactions during the year ended December 31, 2021 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 20 of the Audited Consolidated Financial Statements for disclosure with respect to related party transactions.

The Corporation's related parties include four independent Directors, the Chief Executive Officer, the Chief Financial Officer, the Chief Operations Officer, AMI RockChain Inc., AMI Silica Inc., TerraShift Engineering Ltd., the numbered Alberta corporation that owns the Montney In-Basin Project, and the numbered Alberta corporation that owns the Prosvita Sand Project.

Transactions with the private Alberta corporations were as follows:

	As at and for the year ended					
	December 31, 2021			December 31, 2020		
	Montney in-basin project	Duvernay project	Total	Montney in-basin project	Duvernay project	Total
Amounts due from related entities	$ -	$ -	$ -	$ -	88,876	$ 88,876
Services revenue from related entities	-	-	-	-	88,876	88,876

The unpaid amounts due from related entities are unsecured and bear no interest. The remuneration earned by the Directors was as follows:

	Years ended December 31,	
	2021	2020
Directors:		
Directors fees	**$ 158,000**	$ 148,800
Travel and miscellaneous expenses	**1,007**	701
Share-based compensation	**47,344**	67,320
	$ 206,351	$ 216,821

The Directors fees are paid on a quarterly basis. All related party transactions were in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties.

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

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
Amounts due from related entities	Amortized cost
Long-term deposits	Amortized cost
Restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Bank loans	Amortized cost
Deferred share unit liability (included in Accounts payable and accrued liabilities)	Fair value through profit and loss

Fair Value

Due to the short-term nature of cash, trade and other receivables, as well as accounts payable and accrued liabilities and amounts due from related entities, 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 fair value of bank loans approximate their carrying value as they are at market rates of interest.

The deferred share unit liability is the only financial instrument measured at fair value on a recurring basis. The deferred share unit liability is a Level 2 fair value hierarchy measurement. There were no transfers between Level 1, 2, or 3 of the fair value hierarchy for the year ended December 31, 2021 (December 31, 2020: none).

Credit Risk

Financial instruments that potentially subject the Corporation to credit risk consist primarily of cash, restricted cash, trade and other receivables, and long-term deposits. The Corporation's maximum credit risk at December 31, 2021 is the carrying value of these financial assets.

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

On an ongoing basis, the Corporation monitors the financial condition of its customers with all information available. The Corporation reviews the credit worthiness of all new customers and sets credit limits accordingly in order to minimize the Corporation's exposure to credit losses. The Corporation requires any customers deemed to be high-risk to prepay for aggregate prior to taking delivery.

The aging summary for trade and other receivables is as follows:

	Current	60-90 days	> 90 days	Total
As at December 31, 2021	$ 1,159,442	$ 129,044	$ 3,158	$ 1,291,644
As at December 31, 2020	$ 484,107	$ -	$ 6,811	$ 490,918

One customer owing greater than 10% of the accounts receivable total balance accounted for 80% of the Corporation's accounts receivable as at December 31, 2021 (2020: three customers accounted for 88%).

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through budgeting and forecasting cash flows to ensure it has enough cash to meet its short-term requirements for operations, business development and other contractual obligations.

As at December 31, 2021, the Corporation has enough 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's financial liabilities include accounts payable and accrued liabilities, income taxes payable, and the bank loans and lease obligations, including interest.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements as at December 31, 2021 or December 31, 2020.

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 and resource 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 a list of the Corporation's significant business risks. See also the risks and risk factors set out in the Corporation's annual information form dated April 28, 2022 and filed on SEDAR at www.sedar.com.

- Economic cyclicality of the energy industry;
- Commodity risk;
- Environmental and regulatory;
- Conditions of equity markets;
- Access to capital;
- Risk of delays to projects and stakeholder management;
- Seasonality;
- Loss of key personnel;
- Shortage of equipment or other supplies;
- Sales and inventory turnover versus production;
- Profitability from production and operations;
- Reclamation and remediation obligations;
- Estimation of resource reserves;
- Health, safety and environment operations risks;
- Cyber security risk; and
- Litigation.

SIGNIFICANT MANAGEMENT ESTIMATES

The preparation of Audited 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 Audited 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 of changes in such estimates on the Audited Consolidated Financial Statements in future reporting periods could be significant.

The most significant accounting estimates and judgements used in the preparation of the Corporation's Audited Consolidated Financial Statements are included in Note 2 of the Audited Consolidated Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES

The Corporation's accounting policies are included in Note 3 of the Audited Consolidated Financial Statements, and is updated to discuss the increased estimation uncertainty due to the risks associated with COVID-19.

Investment in Associates

The Corporation accounts for investments in associates with significant influence using the equity method.

Acquisition of 213 (Montney In-Basin Project) and 214 (Prosvita Sand Project)

The Corporation has applied the concentration of fair value test to assess whether an acquired set of activities and assets is not a business. Under the tests performed, the Corporation identified that 96% and 95% respectively of each company's main asset were resource properties. Since the assets acquired/liabilities assumed do not constitute a business the costs have been allocated across the assets/liabilities based on their relative fair value bases.

The Corporation has the accounting policy choice of remeasuring previously held equity interests to fair value, with any gain/(loss) through the income statement; or not remeasuring any previously held equity interests.

Using management's judgement, the Corporation has chosen to not remeasure any previously held equity interest.

APPROVAL

The Board of Directors has approved the disclosure in this MD&A, and related Audited Consolidated Financial Statements for the year ended December 31, 2021 at the Board of Directors meeting on April 26, 2022.

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 year ended December 31, 2021 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 year ended December 31, 2021.

A copy of this MD&A, the Audited Consolidated 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.