MANAGEMENT'S DISCUSSION & ANALYSIS

Athabasca MINERALS INC.

FOR THE NINE MONTHS ENDED AUGUST 31, 2014

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GENERAL

This Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Athabasca Minerals Inc. ("Athabasca" or the "Corporation") as of October 17, 2014 and is intended to supplement and complement the Corporation's unaudited condensed interim financial statements for the three and nine months ended August 31, 2014 and August 31, 2013. Readers are cautioned that this MD&A contains forward looking statements and that actual events may vary from management's expectations. The forward looking information should be read in conjunction with the risk factors described in "Financial Instruments", "Risks and Uncertainties" and "Forward Looking Information" at the end of this MD&A.

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

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

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

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A. OVERVIEW

During Q3 2014 Athabasca continued its diversification into supplying sand and gravel from its corporate-owned aggregate operations, while maintaining management activities at the Susan Lake public pit. Fiscal Q3 2014 accomplished a number of significant financial and operating highlights, including:

Aggregate Operations

- Highest quarterly sales revenue in the Corporation's history of $9,326,884 during Q3;
- Second highest quarterly net income in the Corporation's history of $1,605,744;
- Delivery of 2,871,110 tonnes from the Susan Lake pit in Q3 2014, a 112.9% increase from Q2 2014 delivery of 1,348,713 and 11.9% decrease from Q3 2013 delivery of 3,259,127;
- Delivery of 203,985 tonnes of aggregates from corporate-owned pits in Q3 2014, a 175.8% increase from Q3 2013 delivery of 73,951 tonnes;
- Revenue from corporate-owned pits of $5,982,196 in Q3 2014, a 206.1% increase from Q3 2013 revenue of $1,954,643;
- Developed and commissioned Km248 aggregate operation;
- Significant realized savings from implemented production initiatives;

Firebag Project Development

- Received approval for the right to work and remove sand from Phase One of the Firebag Frac Sand Project from Alberta Environment and Sustainable Resource Development (ESRD);
- Subsequent to Q3, the Corporation announced the completion of the National Instrument 43-101 report for Athabasca's Firebag Project containing silica sand, with a 45 million tonne inferred resource within the Firebag property;
- Detailed engineering work on development of the Lynton siding and plant design underway;
- Continuing progress made on the preliminary economic assessment report with an anticipated completion date during fiscal 2014.

As well, during Q3 2014, the Corporation was added to the S&P / TSX Venture Exchange Select Index.

B. OUTLOOK

AGGREGATES:

The Corporation has taken steps to realize targeted cost reductions throughout its aggregate operations. This includes new programs focused on reducing equipment repair and maintenance costs, work crew accommodation costs, labour cost minimization, and reduced hauling rates for aggregates delivery.

Management has undertaken a major review of operating parameters and operational performance. Key performance indicators have been benchmarked and implemented, including mandated cost control measures. Productivity and efficiency gains from these initiatives have resulted in observed reductions in input costs and a reduced cost per tonne for inventory being produced and sold. These initiatives should be expected to provide improving future profit margins on sales from increased efficiency in inventory production and cost of sales. Realized savings during Q3 2014 indicate comparative quarter cost savings of nearly $600,000 from initiatives focused on reducing worker accommodation and aggregate labour cost. During Q3 2014, implemented strategies contributed to significant cost reduction in the processing of aggregate, where crushed inventory was completed at a processed cost savings sometimes greater than 20% compared to lowest previous production cost.

The pursuit of additional cost efficiencies and productivities will continue to be a key focus of management.

a) Corporate-Owned Pits

Management has maintained a strong focus on opportunities to sell down its existing aggregate inventory to existing and new customers in the region. During Q3 2014, more than 181,000 tonnes of aggregate was sold from Q2 inventory on hand with a related inventory cost exceeding $2 million. During Q3 2014 Athabasca worked on replenishing its inventory available for future sales by crushing more than 200,000 combined tonnes of aggregate at its Kearl pit and Km248 pit locations. This resulted in associated inventory cost additions of $1.9 million. As a result, inventory investment at Q3 2014 was $9,959,762, a reduction of $388,965 from Q2 2014 ending inventory of $10,348,727. These processed aggregates are available for immediate sale and require no further processing. During Q3 2014, sales from corporate-owned inventory totaled 203,985 tonnes and generated $5,982,196 in revenue.

Currently, processed and stockpiled inventory of approximately 493,000 tonnes of gravel and 457,000 tonnes of sand is located across five corporate pits and stockpile sites.

During Q3 2014 Athabasca initiated fulfillment of a large gravel contract at its Kearl pit. The contract was successfully completed during fiscal Q4 2014. In order to avoid the high costs of winter processing of gravel at the Kearl pit, the Corporation plans to complete inventory processing prior to the onset of harsh winter conditions. The Corporation's crushing spread is currently in operation at Athabasca's Kearl pit. Following the Kearl pit's seasonal temporary closure, the crushing spread may be re-deployed to a different corporate-owned location dependent upon whether Athabasca is successful with its current aggregate contract bids, or other opportunities that may be pursued.

Athabasca's most recent, aggregate operation Km248, opened in Q3 2014. Gravel was produced at a record daily rate of production and at a significant improved cost per tonne compared with earlier production by Athabasca at its other gravel pits. Initial sales of production from this operation commenced during Q3 2014 and have continued into Q4 2014.

The Corporation is currently bidding on gravel contracts that, if awarded to Athabasca, should commence during Q4 2014 and would extend into fiscal 2015. It is anticipated that the product supply for fulfilling these contracts would come both from existing gravel inventories and also from new inventory production.

With its current inventory on hand, and capacity to process additional products to meet customer requirements, management is actively pursuing sales opportunities for its corporate-owned operations. During Q4 2013, Athabasca sold approximately 137,000 tonnes of product from its corporate-owned pits. Management is confident that this volume will be exceeded during Q4 2014, and has targeted a greater sales volume, particularly if Athabasca is successful with its current bidding on aggregate contracts.

- Susan Lake Public Pit

Q1 2014 was subject to frozen conditions and periods of extreme cold and snow resulting in very little construction activity requiring sand and gravel. Despite the soft first quarter in 2014, activity in the Susan Lake gravel pit increased substantially during Q2, although still leaving Q2 YTD 2014 sales tonneage at 47.7% behind the sales level set in the comparative period. As anticipated, Q3 2014 sales had again picked up appreciably over the earlier two fiscal periods; however, Q3 2014 tonneage sales remained 11.9% below the Q3 2013 level. After three fiscal quarters, current year Susan Lake sales of 4,718,366 tonnes trail the comparative period by 30.5%. Q3 YTD 2014 revenue of $5,425,813 from Susan Lake is 28.0% below the comparative period.

During Q4 2013, Susan Lake sold 2,567,308 tonnes which generated revenue of $2,882,736. If these same levels were repeated in Q4 2014, fiscal 2014 Susan Lake sales would reach 7,285,674 tonnes and revenue of $8,308,549. Management anticipates these sales levels are accomplishable, on the basis that recent sales in Q3 2014 sales had exceeded the Q4 2013 level.

The Susan Lake management contract with the Province of Alberta relates to the management of the aggregate pit at Susan Lake, Alberta. As at August 31, 2014 the remaining term of the contract is 39 months. The Province of Alberta has the right to withdraw any portion of the lands from the contract and those lands withdrawn shall cease to be the responsibility of the Corporation with respect to decommissioning and restoration.

- Management was notified by the Alberta Environment and Sustainable Resources Development (ESRD) that the Surface Materials Lease ("SML") dimensions for the Susan Lake Aggregate Operation will be revised due to a change in the property boundary. If implemented, this will have the effect of reducing the size of the remaining area available to mine for aggregate resources;
- Management estimates that approximately 4,500 acres of the original 9,260 acres within the Susan Lake property boundary are to be affected by this realignment; however, management approximates that the estimated 4,500 acre portion only represents roughly 15% of the original total gravel tonneage within the entire Susan Lake pit;
- Management's understanding of the rationale supporting the proposed boundary change is to ensure that sufficient material is available for future reclamation of oilsands mining activities within Susan Lake;
- On July 29, 2014 management met with ESRD to further discuss the intended boundary revision, and on October 6, 2014 management had provided a written response to ESRD to the various considerations under discussion, and now awaits further communication from ESRD. It remains management's goal to maximize resource recovery in the Susan Lake pit;
- Management is assessing the impact of this proposed change, and at present an estimate of its financial impact cannot be made.

INDUSTRIAL METALLIC MINERALS PROJECTS:

- Firebag Project (Silica Sand)

The Firebag silica sand was tested and found to be suitable as frac sand for the oil and gas industry. On August 26, 2014 Athabasca announced it had received approval from Alberta Environment and Sustainable Resources Development ("ESRD") for the right to work and remove sand from its 80 acre parcel for a term of 10 years. The 80 acre parcel is the first phase of development of the overall 500 acre Firebag Silica Sand Project.

Additional testing was conducted on the Firebag sand to verify the consistency of the silica sand at various depths within the Firebag deposit, and to assist in the completion of the National Instrument 43-101 report. Athabasca sent samples to both Stim-Lab Inc. of Oklahoma and PropTester, Inc. for detailed analysis. The independent testing confirms a high quality product with crush strength meeting or exceeding API and ISO standards for frac sand.

Apex Geoscience Inc. has been retained to complete a National Instrument 43-101 report on the entire 500 acre parcel. On September 23, 2014 the Corporation announced the completion of the National Instrument 43-101 report, which confirmed the presence of a major silica sand deposit at Athabasca's Firebag property, containing a 45 million tonne inferred resource.

Athabasca also retained NorWest Corporation to complete a preliminary economic assessment on the Firebag Project. Modelling continues to advance and the Corporation expects project completion during fiscal 2014.

Athabasca has been in active discussions with a major railway company and the Regional Municipality of Wood Buffalo in developing a private switch and transloading facility in Fort McMurray. The initial spur line design has been completed and is under review.

With the completion of the National Instrument 43-101 report, and having successfully received the mining permit and positive sand test results, management will continue to focus priority on the development of this asset. Anticipated initial production is scheduled for late 2016.

- Richardson Project (Granite and Dolomite)

Detailed core logging and sampling has been completed at Athabasca's Edmonton facility. Samples were then tested at a major independent testing lab in Calgary and were found suitable as aggregate for use in concrete, asphalt and road base.

The drilling program of 2014 drill holes coupled with additional drilling from the same area in 2013 will provide necessary information in order to complete the resource report. Athabasca has retained Apex Geoscience Inc. to complete a National Instrument 43-101 report on the project, with anticipated completion during fiscal 2014. The Corporation will consider the findings of the report and, along with other projects, will consider Richardson for future development.

C. AGGREGATE SALES ANALYSIS: PUBLIC and CORPORATE-OWNED PITS (by TONNES and REVENUE)

FISCAL 2014 Q3 YTD

	Public Gravel Pits			Corporate-Owned Pits		
	FISCAL 2014	**FISCAL 2013**	**% Change**	**FISCAL 2014**	**FISCAL 2013**	**% Change**
Q1						
Tonnes Sold	498,543	1,329,430	(62.5)	79,994	186,794	(57.2)
Revenue	$554,567	$1,489,017	(62.8)	$2,863,278	$5,194,379	(44.9)
Q2						
Tonnes Sold	1,348,713	2,200,426	(38.7)	69,319	157,352	(55.9)
Revenue	$1,526,558	$2,427,022	(37.1)	$1,959,760	$3,851,656	(49.1)
Q3						
Tonnes Sold	2,871,110	3,259,127	(11.9)	203,985	73,951	175.8
Revenue	$3,344,688	$3,620,506	(7.6)	$5,982,196	$1,954,643	206.1

Public and Corporate-Owned Pits	**COMBINED Q3 YTD 2014**	**COMBINED Q3 YTD 2013**	**% Change**
Tonnes Sold	5,071,664	7,207,080	(29.6)
Revenue	$16,231,047	$18,537,223	(12.4)

The chart above shows the positive impact on revenue from corporate-owned pit sales during Q3 2014, rising 206.1% over the comparative quarter, resulting from a 175.8% increase in tonneage sold compared with Q3 2013.

FISCAL 2013

	Public Gravel Pits	Corporate-Owned Pits	Combined Total
	FISCAL 2013	**FISCAL 2013**	**FISCAL 2013**
Q1			
Tonnes Sold	1,329,430	186,794	1,516,224
Revenue	$1,489,017	$5,194,379	$6,683,396
Q2			
Tonnes Sold	2,200,426	157,352	2,357,778
Revenue	$2,427,022	$3,851,656	$6,278,678
Q3			
Tonnes Sold	3,259,127	73,951	3,333,078
Revenue	$3,620,506	$1,954,643	$5,575,149
Q4			
Tonnes Sold	2,567,308	136,993	2,704,301
Revenue	$2,882,736	$3,698,041	$6,580,777
YE			
Tonnes Sold	9,356,291	555,090	9,911,381
Revenue	$10,419,281	$14,698,719	$25,118,000

Athabasca MINERALS INC.

D. CORPORATE PROFILE

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

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

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

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

The Corporation has successfully completed a number of aggregate exploration programs on public land, and following review of the test programs, four aggregate mining applications have received approval from the Alberta Government. Athabasca currently has four corporate-owned aggregate pits, and has opened two additional aggregate operations through a joint venture with a First Nations company.

Presently, the Corporation holds Alberta Metallic and Industrial Minerals Permits on 308,942 hectares (763,411 acres) of land, largely located in the Fort McMurray region in northeast Alberta. A variety of important industrial minerals have been identified as essential in this region including silica sand, granite and salt. These minerals are key ingredients for many products used to support the oil sands industry and Alberta infrastructure projects. The Corporation continues to assess its permitted land holdings for development based on mineral exploration programs that employ such methods as surface sampling, outcrop sampling and drilling.

As well, the Corporation also presently holds fifteen Alberta Metallic and Industrial Minerals Leases covering 21,579.5 hectares (53,324 acres) of land, largely located in the Fort McMurray region within Alberta. These mineral leases contain silica sand, salt and conglomerate.

E. AGGREGATE MANAGEMENT

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

Canada's oil reserves primarily situated near the Fort McMurray area in Alberta, anticipated to be 170 billion barrels, represent 98% of Canada's total oil reserves. The additional construction necessary to develop these reserves requires an abundance of aggregates for new and existing oil sands projects and regional infrastructure. Much of the Corporation's aggregate supply and industrial minerals are strategically situated nearby the expected demand for these resources.

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

Susan Lake Aggregate Operation

The Susan Lake aggregate operation is located approximately 85 km north of Fort McMurray. It is approximately 9,260 acres (3,750 hectares) in size. Approximately 1,392 hectares or 37.1% of the pit has been developed. Approximately 90.2 million tonnes of sand and gravel have been removed from this pit since 1998. The majority of its sales were to neighboring oil sands companies and also in supplying infrastructure aggregate to the expanding City of Fort McMurray. As at August 31, 2014, there are 39 months remaining on a ten year contract with the Alberta Government.

Operations in the pit are active year round, however there is a seasonal nature to the operations, due largely to construction projects starting up in late spring through late summer seasons, with the majority of demand and associated revenue earned in the 3rd and 4th quarters.

Between 2009 and 2013 aggregate sales from Susan Lake averaged 8.29 million tonnes per annum. Since 2009, the average annual sales tonneage at Susan Lake has trended upward as follows:

Fiscal Year	Aggregate Tonnes Sold	Cumulative Average Annual Sales
2009	6,589,828	6,589,828
2010	7,136,653	6,863,240
2011	7,749,617	7,158,699
2012	10,603,447	8,019,886
2013	9,356,291	8,287,167

As is detailed in Section B- Outlook, Athabasca is currently in discussion with the Alberta Government related to a proposed boundary change.

Poplar Creek Aggregate Operation

Management of the Poplar Creek pit was completed during fiscal 2011, at which time the pit was depleted of aggregate resources. Athabasca was successful in obtaining a miscellaneous lease over the previously mined area which covers 166 acres, and has been able to maximize a portion of the previously mined area through a land carve-out that resulted in a work camp situated at Poplar Creek, as explained in the following section that discusses the Land Use Agreement. Resulting from that agreement, a total of 76 acres of land from the original 166 acre area has been allocated to the work camp provider. The remaining 90 acre lease held by the Corporation was recently renewed with an expiry date of December 31, 2016. The renewed lease has been approved for the purpose of commercial development, with potential intended uses to include a corporate office facility, a weigh scale of imported aggregate stockpiles, staff accommodations, refuel depot and a waste pond. Development of this site will continue to aid in the reduction of the overall operating cost per tonne of aggregate production and management in the Fort McMurray area.

Poplar Creek Land Use Agreement

In 2011 the Corporation signed a long-term land use agreement with a work camp provider enabling that company to operate a work camp at Poplar Creek on leased property that was previously held by Athabasca. The history of activity associated with this agreement is detailed in an associated note to the Corporation's financial statements.

Since inception of the land use agreement in 2011, Athabasca has significantly benefitted as a result of having received cash proceeds under the agreement totaling $1,377,835, including $76,352 received thus far during fiscal 2014.

In determining the carrying value of the land use agreement receivable, and any gain or loss on land use agreement, an estimate of total future cash receipts under the land use agreement is required. The total estimated proceeds receivable by the Corporation under the agreement include both a fixed monthly component and estimated proceeds for daily work camp accommodation.

At August 31, 2014 the land use agreement receivable combined current and long-term carrying value of $304,781 is the estimated future discounted cash to be received subsequent to August 31, 2014.

At August 31 2014 management valued the portion of the land use agreement receivable attributable to the second lodge at $239,984. The valuation was determined with reference to the monthly average accommodation rate experienced since inception at the second lodge, covering the period June 2012 through January 31, 2014. Since February 1, 2014 the work camp provider has largely closed the lodge due to a low occupancy rate. Management has estimated the lodge will reopen during December 2014. The future accommodation rate is projected to remain constant through October 19, 2015 at the monthly historic average experienced up to January 31, 2014, prior to its expected temporary closure.

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

F. OTHER AGGREGATE RESOURCES

Public Land

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

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

Kearl Pit

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

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

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

Over 137,000 tonnes of processed gravel and 406,000 tonnes of processed sand are available for immediate delivery at the Kearl pit. As a result of gravel sales delivered during Q3 2014, management successfully turned over the majority of Kearl pit gravel inventory that was on hand at Q2 2014. A large order for existing processed gravel was initiated during July 2014, and was completed during Q4 fiscal 2014.

In advance of temporary closure during winter 2014 at its Kearl pit crushing operation, a suitable quantity of processed gravel and sand is planned to be stockpiled for future sale until aggregate processing at Kearl pit resumes in 2015. The seasonal closure of crushing operations is planned to take effect in advance of winter conditions; crushing is expected to resume in approximately June 2015 once spring wet conditions and dewatering activities are addressed. Management anticipates strong fiscal 2015 sales at Kearl pit.

Logan Pit

The Logan pit is located approximately 160 km south of Fort McMurray. The Logan pit is a winter access only pit due to access limitations with a seasonal winter road. Athabasca renewed its winter road use agreement with the two municipalities and had discussions on a collaborative future plan to upgrade the winter-only haul road to an all-season road in the case that Athabasca's plan includes all season hauling. The development of an all-season road would enable Athabasca to operate the Logan pit on a year-round basis, should demand justify the activity.

The Corporation received SML approval from the Government of Alberta to develop an open pit aggregate operation on the leased land for a term of ten years in 2010. During February 2012 the Corporation announced the receipt of a National Instrument 43-101 for the Logan aggregate deposit. The indicated mineral resource aggregate included 1,357,000 tonnes of gravel. Also reported is an inferred mineral resource quantity of 662,600 tonnes of gravel, and that the quality of the aggregate materials is suitable for road construction and maintenance.

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

Approximately 121,000 tonnes currently remains available for sale at the Logan pit, and a further 68,000 tonnes is inventoried at Athabasca's Conklin stockpile site, where it is available for year round sales and delivery.

House River Pit

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

The House River pit is currently accessible only through a winter season road. Should the Corporation upgrade the winter-only haul road to an all-season road, its development would enable the Corporation to operate the House River pit on a year-round basis, should demand justify the activity.

Pelican Hill Pit

The Pelican Hill pit is located approximately 70 km southeast of the Hamlet of Wabasca, where heavy petroleum is produced. The Corporation received SML approval (10 year term) in June, 2011 on this 79.7 acre mixed sand and gravel pit. While the proposed development of this property has not been established to date, the Corporation expects to supply aggregate from this property primarily to the oil and gas industry, as well as to the government or its partners for use in infrastructure projects in the area. This pit will be available for year-round aggregates extraction and sales if an all-season road of less than two kilometers is developed.

Some recent tree clearing was initiated at the Pelican Hill pit, to enable future production. Management is exploring opportunities for pit sales from Pelican Hill prior to full development of the site.

Current indications for aggregate demand from this location appear to be encouraging and management is reviewing market potential at this time.

Acquisition and/or Joint Venture

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

- **Km248 and Cowper Aggregate Operations Opened Under Agreement with First Nations Company.**

  During January 2014, the Corporation initiated aggregate production from the Cowper aggregate operation located 95 km southeast of Fort McMurray, under an agreement between Athabasca and DeneCo Aggregates Ltd. ("DeneCo"), a First Nations company. Athabasca serves as the developer and operator for Cowper in return for a royalty paid to DeneCo. The Cowper pit has now been depleted of gravel, and pit reclamation commenced during Q2 2014. The Cowper pit is Athabasca's only depleted corporate-owned pit. Unsold gravel processed at Cowper was been hauled to a stockpile site near a major highway north of Conklin, where it is available for year round delivery. Stockpile sales commenced during Q3 2014 with more sales deliveries expected during Q4 2014.

  During July 2014, Athabasca initiated production under a further agreement with DeneCo for a second nearby aggregate location, Km248, located 85km southwest of Fort McMurray. Athabasca serves as the developer and operator of this location under a similar arrangement. These agreements encourage and promote the participation of First Nations in employment and business opportunities. DeneCo also assists Athabasca with the marketing of aggregates produced from Cowper and Athabasca's other regional pits. The aggregates being mined have shown to be gravel rich with a low sand component. Management experienced its highest level of production efficiency at this pit since entering into its own crushing operations in 2012. Recent operations have benefitted from the key performance indicators and mandated cost controls implemented by the Corporation during fiscal 2014. Sales from this pit commenced during Q3 2014 with additional sales to be made during Q4 2014.

- **Joint Venture Agreement with Wood Buffalo Métis Corporation**

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

Private Land

Warrensville Pit

The Corporation holds a prepaid entitlement to 300,000 cubic yards (equal to 375,000 tonnes) of pit run aggregate, resulting from a previous lease agreement with a private pit operator in the Grimshaw, Alberta area northwest of Peace River, Alberta.

The Corporation also purchased two 160-acre parcels of land near the previously leased Warrensville pit property. These lands are located within and underlain by the "Grimshaw Gravels", a pre-glacial sand and gravel deposit. Pre-glacial deposits are known to contain high quality aggregates.

G. MINERAL PROPERTIES UPDATE

Mineral permits are maintained in good standing by making allowable exploration assessment expenditures. Minerals leases are maintained in good standing by incurring land rental and royalties on annual minerals sales production to the Alberta Government. The Corporation continuously evaluates its mineral permit holdings, relinquishing and/or acquiring permits as dictated by its exploration and strategic priorities, as well as financial considerations.

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

The following is the land area covered by the Corporation's mineral permits, located largely in the Fort McMurray area:

	October 17, 2014 (hectares)	August 31, 2014 (hectares)	May 31, 2014 (hectares)
Balance at beginning of period:	313,038	331,577	505,801
Mineral permits acquired during the period:	-	-	-
Mineral permits relinquished during the period:	(4,096)	(18,539)	(174,224)
Balance at end of period:	308,942	313,038	331,577

The following is the land area covered by the Corporation's mineral leases, located largely in the Fort McMurray area:

	October 17, 2014 (hectares)	August 31, 2014 (hectares)	May 31, 2014 (hectares)
Balance at beginning of period:	21,579.5	21,579.5	21,575.5
Mineral leases acquired during the period:	-	-	-
Mineral leases relinquished during the period:	-	-	-
Balance at end of period:	21,579.5	21,579.5	21,579.5

The Corporation's fifteen Alberta Metallic and Industrial Minerals Leases are maintained in good standing by the payment of annual lease payments. Estimated costs associated with maintaining these mineral permits and leases appear in section M (Liquidity and Capital Resources).

Salt

- **Boyle Project**

The Corporation has four mineral lease holdings covering 5,835.5 hectares (14,420 acres) of property overlying the Lotsberg salt formation in the area of Boyle, Alberta. Management is of the opinion the salt is of a high quality and is attractively situated nearby roadway, rail, power and water resources. The Corporation is of the opinion that this salt would provide a suitable feedstock for a Chlor-Alkali chemical plant. The Corporation maintains a 100% interest in these salt leases. During fiscal 2014 the Corporation has acquired three additional Industrial and Metallic Mineral permits adjacent to the Boyle leases (27,392 hectares).

- **Dover Project**

The Corporation holds one mineral lease covering 256 hectares in the Wood Buffalo region of Alberta in the Birch Mountain area approximately 150 kilometers north of Fort McMurray. On the property is a salt formation which the Corporation has identified and evaluated. The Corporation drilled a salt test well that terminated at a depth of 490 meters. Studies have indicated that this salt would provide a suitable feedstock for a Chlor-Alkali chemical plant to supply the oil sands. Management feels the property may be usable for housing industrial waste products or for storage of petroleum products, and is assessing its strategic options for this project. Athabasca also holds mineral permits totalling 31,616 hectares on property adjacent to this mineral lease. The Corporation holds a 100% interest in both the mineral lease and mineral permits with this project. During fiscal 2014 the Corporation has acquired one additional Industrial and Metallic Mineral permit adjacent to the Dover lease (7,664 hectares).

Silica Sand

- **Firebag Project**

The Corporation 100% owns its silica sand Firebag Project (located 139 km north of Fort McMurray and, is accessible via Highway 63). During August 2014 the Corporation received approval from the Alberta Government for its surface material lease application for an 80 acre SML for the development of a silica sand mining operation, which is the first phase of development of an overall 500 acre project. The planned operation is for the production of industrial proppant for use in the fracking industry. Further application was made for a miscellaneous lease to support project infrastructure.

The Corporation's second phase of development includes planning to develop a larger adjacent 420 acre SML for which applications have been submitted. This further development will require a voluntary EIA by the Corporation. Surrounding Athabasca's proposed silica sand development project on the two SML development applications, the Corporation holds 100% rights to seven Industrial and Metallic mineral leases covering 12,800 hectares (31,629 acres) in the Fort McMurray region of northeast Alberta.

During September 2014, Athabasca announced its National Instrument 43-101 report which confirmed the presence of a silica sand deposit on its Firebag property with an interred resource estimate of 45 million tonnes.

Next steps include receiving a preliminary economic assessment currently being performed by NorWest Corporation in order to confirm the economic potential of the Firebag deposit, which is expected to be received during fiscal 2014.

- **Birch Mountain Project**

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

Granite and Dolomite

- **Richardson Project**

In anticipation of the eventual depletion of higher quality material from Susan Lake as well as overall aggregate supply within the area the Corporation has located a long term aggregates source to supply the Fort McMurray region. The potential quarry is located approximately 70 km north of the Susan Lake Gravel pit and 130km north of Fort McMurray. It contains high quality dolomite and granite.

During fiscal 2012 the Corporation identified a granite outcrop at the Richardson Project that is accessible by winter road. During Q1 2013 initial drilling in this area was performed and in-house testing of samples was conducted. The drilling program encountered granite and dolomite, confirming that granite extends beyond the granite outcrop.

In March 2014 the Corporation announced the completion of a winter drilling program at the Richardson Project. All holes successfully cored the dolomite and all but one intersected the granite basement rocks. Detailed core logging and sampling has been completed at Athabasca's Edmonton facility. Samples were then tested at a major independent testing lab in Calgary and were found suitable as aggregate for use in concrete, asphalt and road base.

The 2014 drill holes coupled with additional drilling from the same area in 2013 will provide necessary information in order to complete the resource report. Athabasca has retained Apex Geoscience Inc. to complete a National Instrument 43-101 report on the project, with anticipated completion during fiscal 2014. The Corporation will consider the findings of the report and, along with other projects, will consider Richardson for future development.

H. SUMMARY OF QUARTERLY RESULTS

The following selected information is derived from unaudited interim financial statements of the Corporation. The information has been prepared by management in accordance with IFRS. Revenue refers to aggregate management fees and net aggregate sales from corporate-owned aggregate operations.

	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Revenue	$9,326,884	$3,486,318	$3,417,845	$6,580,777
Aggregate operating expenses	$4,905,626	$3,213,808	$4,571,739	$3,774,203
(Loss) on land use agreement	$(114,820)	$-	$-	$(258,810)
Recovery of intangible assets	$35,480	$-	$-	$117,930
Write down of resource properties and exploration costs	$(261,131)	$-	$-	$(352,750)
Net income (loss) and comprehensive income (loss)	$1,605,744	$(538,704)	$(1,910,393)	$389,315
Basic income (loss) per common share	$0.049	$(0.017)	$(0.063)	$0.014
Diluted income (loss) per common share	$0.047	$(0.017)	$(0.063)	$0.013
Total assets	$41,260,053	$39,447,914	$38,965,296	$35,718,827
Resource properties	$6,916,978	$6,679,961	$6,415,505	$5,821,161

	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Revenue	$5,575,149	$6,278,678	$6,683,396	$4,301,229
Aggregate operating expenses	$3,190,078	$3,831,299	$5,810,597	$1,429,184
(Loss) gain on land use agreement	$49,454	$(104,827)	$(284,274)	$588,262
Recovery (write down) of intangible assets	$4,327	$(7,016)	$41,371	$37,337
Write down of resource properties and exploration costs	$-	$-	$-	$(670,389)
Net income (loss) and comprehensive income (loss)	$1,059,462	847,445	$(374,582)	$1,160,601
Basic income (loss) per common share	$0.038	$0.030	$(0.013)	$0.042
Diluted income (loss) per common share	$0.037	0.029	$(0.013)	$0.041
Total Assets	$35,718,827	$35,678,173	$36,851,458	$33,278,023
Resource Properties	$5,821,161	$6,229,445	$6,085,698	$5,895,745

The following selected information is derived from unaudited interim financial statements of the Corporation, and provides a non-IFRS presentation of the after-tax net income (loss) effect of the land use agreement, separate from the after-tax net income (loss) from aggregate operations, for each reported fiscal period:

	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Net (loss) income from land use agreement	$(79,412)	$-	$-	($143,127)
Net income (loss) from aggregate operations	$1,685,744	$(538,704)	$(1,910,393)	$532,442
Net income (loss) and comprehensive income (loss)	$1,605,744	$(538,704)	$(1,910,393)	$389,315
Basic net income (loss) per common share attributed to:				
Land use agreement	$(0.002)	$-	$-	$(0.005)
Aggregate operations	$0.051	$(0.017)	$(0.063)	$0.019
Combined	$0.049	$(0.017)	$(0.063)	$0.014

	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Net income (loss) from land use agreement	$35,904	$(71,627)	$(227,796)	$467,119
Net income (loss) from aggregate operations	$1,023,558	$919,072	$(146,786)	$693,482
Net income (loss) and comprehensive income (loss)	$1,059,462	$847,445	$(374,582)	$1,160,601
Basic loss (income) per common share attributed to:				
Land use agreement	$0.001	$(0.003)	$(0.008)	$0.017
Aggregate operations	$0.036	$0.033	$(0.005)	$0.025
Combined	$0.037	$0.030	$(0.013)	$0.042

As described in I- Operating Results, current reporting reflects a retroactive reclassification of various expenses that were previously treated as general and administrative in nature. These reclassified costs are now included within other aggregate operating expenses. The reclassification of expenses was made retroactive to fiscal 2011.

A non-IFRS performance measure provided by the Corporation is the measure of cash flow generated per common share net (loss) income adjusted for non-cash items per common share), calculated as follows:

	Q3 YTD 2014	Q3 YTD 2013
Net income adjusted for non-cash items (per Statements of Cash Flows)	$2,735,288	$4,273,890
Weighted average number of common shares outstanding	31,814,599	28,149,215
Net income adjusted for non-cash items per common share	$0.086	$0.152

I. OPERATING RESULTS

The Corporation derives revenues from managing the supply of, and from the production of, various types of aggregates in Northern Alberta. All operations are dependent on the ability to remove gravel from its gravel pits, which can often be hampered by the cold, by rain, or by melting weather conditions. Most construction projects and oil sands projects, to which the Corporation supplies aggregate, typically start up and focus on their busiest time of year later in the summer and fall when ground conditions improve and are typically drier. As a result, there is a seasonal nature to operations, with winter and spring traditionally being the slowest time for the Corporation.

	Q3 Ended 31-Aug-14	Q3 Ended 31-Aug-13	% change	Q3 YTD 31-Aug-14	Q3 YTD 31-Aug-13	% change
Aggregate management fees	$ 3,344,688	$ 3,620,506	-7.6%	$ 5,425,813	$ 7,536,545	-28.0%
Net aggregate sales	$ 5,982,196	$ 1,954,643	206.1%	$ 10,805,234	$ 11,000,678	-1.8%
Total revenue	**$ 9,326,884**	**$ 5,575,149**	67.3%	**$ 16,231,047**	**$ 18,537,223**	-12.4%
Stripping, clearing and crushing expenses	$ 165,294	$ 418,589	-60.5%	$ 977,184	$ 2,514,397	-61.1%
Amortization, depreciation and depletion	$ 419,592	$ 338,938	23.8%	$ 1,217,550	$ 1,021,968	19.1%
Other aggregate operating expenses	$ 4,320,740	$ 2,432,551	77.6%	$ 10,496,439	$ 9,295,608	12.9%
Aggregate operating expenses	**$ 4,905,626**	**$ 3,190,078**	53.8%	**$ 12,691,173**	**$ 12,831,973**	-1.1%
Gross profit	**$ 4,421,258**	**$ 2,385,071**	85.4%	**$ 3,539,874**	**$ 5,705,250**	-38.0%
Depreciation of property and equipment	$ 118,422	$ 132,421	-10.6%	$ 415,745	$ 391,777	6.1%
Amortization of intangible assets	$ 216,667	$ 216,667	0.0%	$ 650,000	$ 650,000	0.0%
General and administrative	$ 839,308	$ 429,555	95.4%	$ 2,062,755	$ 1,384,125	49.0%
Finance costs	$ 79,201	$ 93,581	-15.4%	$ 249,857	$ 299,065	-16.5%
Share-based compensation	$ 508,276	$ 128,352	296.0%	$ 780,987	$ 523,751	49.1%
Other expenses	**$ 1,761,874**	**$ 1,000,576**	76.1%	**$ 4,159,344**	**$ 3,248,718**	28.0%
Loss before other items	$ 2,659,384	$ 1,384,495	92.1%	$ (619,470)	$ 2,456,532	-125.2%
Interest	$ 824	$ 4,045	-79.6%	$ 9,270	$ 22,241	-58.3%
Loss on land use agreement	$ (114,820)	$ 49,454	-332.2%	$ (114,820)	$ (339,647)	-66.2%
Write down of resource properties and exploration costs	$ (261,131)	$ -		$ (261,131)	$ -	
Recovery of intangible assets	$ 35,480	$ 4,327	720.0%	$ 35,480	$ 38,682	-8.3%
All other income	$ 1,976	$ 16,980	-88.4%	$ 57,734	$ 54,846	5.3%
Other income (loss)	**$ (337,671)**	**$ 74,806**	-551.4%	**$ (273,467)**	**$ (223,878)**	22.2%
Income (loss) income before income taxes	$ 2,321,713	$ 1,459,301	59.1%	$ (892,937)	$ 2,232,654	-140.0%
Income taxes (expense) benefit	$ (715,969)	$ (399,839)	79.1%	$ 49,584	$ (700,329)	-107.1%
Net income (loss) and comprehensive income (loss)	**$ 1,605,744**	**$ 1,059,462**	51.6%	**$ (843,353)**	**$ 1,532,325**	-155.0%
Basic income (loss) per common share	**$ 0.049**	**$ 0.038**	28.9%	**$ (0.027)**	**$ 0.054**	-150.0%
Diluted income (loss) per common share	**$ 0.047**	**$ 0.037**	27.0%	**$ (0.027)**	**$ 0.053**	-150.9%

The management contract with the Government of Alberta allows for an annual increase in the management fee based on the Alberta consumer price index increase of the preceding year. Additional fees are charged when the Susan Lake scales are operated beyond normal business hours.

Total revenue for the three months ended August 31, 2014 was $9,326,884, comprised of aggregate management fees of $3,344,688 and net aggregate sales of $5,962,196. This compared to total revenue for the three months ended August 31, 2013 of $5,575,149 comprised of aggregate management fees of $3,620,506 and net aggregate sales of $1,954,643. During the three months ended August 31, 2014 revenue increased by $3,751,735 or 67.3%, including a decrease in aggregate management fees of $275,818 or 7.6% and an increase in net aggregate sales of $4,027,553 or 206.1%. In the three months ended August 31, 2014, there was a decrease in requests for over-time scale operations versus the comparative period, included in aggregate management fees.

Total tonneage sales of aggregate on which aggregate management fees are earned by the Corporation had decreased by 11.9%, with 2,871,110 tonnes sold in the three months ended August 31, 2014 compared with 3,259,127 sold in the three months ended August 31, 2013. During the three months ended August 31, 2014 there were 203,984 tonnes sold from corporate-owned pits, versus 73,951 in the comparative period, an increase of 130,033 or 175.8%.

Total revenue for the nine months ended August 31, 2014 was $16,231,047, comprised of aggregate management fees of $5,425,813 and net aggregate sales of $10,805,234. This compared to total revenue for the nine months ended August 31, 2013 of $18,537,223 comprised of aggregate management fees of $7,536,545 and net aggregate sales of $11,000,678. During the nine months ended August 31, 2014 revenue decreased by $2,306,176 or 12.4%, including a decrease in aggregate management fees of $2,110,732 or 28.0% and a decrease in net aggregate sales of $195,444 or 1.8%. In the nine months ended August 31, 2014, there was a decrease in requests for over-time scale operations versus the comparative period, contributing to decreased aggregate management fees.

Total tonneage sales of aggregate on which aggregate management fees are earned by the Corporation had decreased by 30.5%, with 4,718,366 tonnes sold in the nine months ended August 31, 2014 compared with 6,788,983 sold in the nine months ended August 31, 2013. During the nine months ended August 31, 2014 there were 353,296 tonnes sold from corporate-owned pits, versus 418,097 in the comparative period, a decrease of 64,801 or 15.5%.

Current reporting reflects a retroactive reclassification of various expenses that were previously treated as general and administrative in nature. These reclassified costs are now included within other aggregate operating expenses, and represent equipment repair and maintenance, and utilities and related services associated with aggregate operations. Q3 2014 and Q3 2014 YTD as currently reported includes $91,962 and $260,320 respectively in other aggregate operating expenses that were previously included in G&A expenses. Management has reclassified these expenses in order to more accurately reflect their nature.

The Q3 2014 increased revenue totaling $3,751,735 attracted an increase in aggregate operating expenses during the same period of $1,715,548. For the three months ended August 31, 2014 aggregate operating expenses were $4,905,626 or 53.8% above $3,190,078 for the three months ended August 31, 2013. Stripping, clearing and crushing expenses of $165,294 were incurred during Q3 2014, which primarily consisted of crushing and stripping related payroll costs at the Kearl pit and Km248 pit and stripping expense at Susan Lake. During Q3 2013 $418,589 was spent on stripping, clearing and crushing expenses, which primarily consisted of crushing expense at the Kearl pit, as well as clearing and stripping expense at Susan Lake. Amortization, depreciation and depletion expense was $419,592 during Q3 2014 compared with $338,938 during Q3 2013. The increase was primarily due to greater depletion expense of aggregate reserves resulting from increased production at the corporate-owned pits. All other aggregate operating expenses increased by 77.6% during Q3 2014, up $1,888,189 to $4,320,740 compared to $2,432,551 during Q3 2013. The net increase in cost was primarily attributable to the 175.8% increase in tonneage sales from corporate-owned pits.

All Other Aggregate Operating Expenses	**Change in expense Q3 2014 vs. Q3 2013**
Increased hauling costs on increased tonneage sales from corporate-owned pits	$876,349
Increased cost of inventory sales from corporate-owned pits	817,291
Increase in production costs added into inventory	716,583
Increased equipment repairs and rentals	114,301
Decreased workers accommodation	(502,617)
Decreased fuel costs	(106,285)
Decreased aggregate payroll	(86,857)
All other expense- net increase	59,424
All other aggregate operating expenses- net increase	**$1,888,189**

Of the $1,761,874 increase in total aggregate operating expenses over the comparative quarter, $876,349 of that amount is due specifically to increased hauling costs for the 175.8% greater tonneage volume sold from corporate pits. The next largest expense increase resulted from higher cost of sales associated with the higher volume of aggregates removed from inventory for sales made during Q3 2014.

Aggregate operating expenses for the nine months ended August 31, 2014 were $12,691,173 representing a decrease of $140,800 or 1.1% from $12,831,973 for the nine months ended August 31, 2013. Stripping, clearing and crushing expenses of $977,184 were incurred during Q3 YTD 2014, which primarily consisted of clearing and stripping expense at Susan Lake, and to a lesser extent, crushing and stripping related payroll costs at the corporate pits. During Q3 YTD 2013 $2,514,397 was spent on stripping, clearing and crushing expenses, which primarily consisted of sub-contractor crushing expense at the Logan pit, as well as crushing at the Kearl pit, and as well, some clearing and stripping expense at Susan Lake. Amortization, depreciation and depletion expense was $1,217,550 during Q3 YTD 2014 compared with $1,021,968 during Q3 YTD 2013. The increase was primarily due to greater depletion expense of aggregate reserves, representing amortization of setup costs at the corporate-owned pits based on current production levels. All other aggregate operating expenses increased by 12.9% during Q3 YTD 2014, up $1,200,831 to $10,496,439 compared to $9,295,608 during Q3 YTD 2013. The net increase in costs involved:

All Other Aggregate Operating Expenses	**Change in expense Q3 YTD 2014 vs. Q3 YTD 2013**
Decrease in production costs added into inventory	$2,795,920
Increased equipment repairs and rentals	762,045
Increased aggregate payroll	67,444
Decreased hauling costs on reduced tonneage sales from corporate-owned pits	(1,853,446)
Decreased workers accommodation	(514,413)
Decreased cost of inventory sales from corporate-owned pits	(284,915)
Decreased fuel costs	(173,383)
All other expense- net increase	401,579
All other aggregate operating expenses- net increase	**$1,200,831**

Depreciation of property and equipment decreased by $13,999 to $118,422 during Q3 2014 due to a decrease in carrying value in property and equipment located at Susan Lake versus the comparative period. Amortization of the Susan Lake management contract during Q3 2014 remained consistent with the comparative period at $216,667.

Depreciation of property and equipment increased by $23,968 to $415,745 during Q3 YTD 2014 due to an increase in carrying value in property and equipment located at Susan Lake versus the comparative period. Amortization of the Susan Lake management contract during Q3 YTD 2014 remained constant with the comparative period at $650,000.

General and administrative expenses for the three months ended August 31, 2014 increased by $409,753 or 95.4% to $839,308. This represents a rise from $429,555 in Q3 2013, and is primarily attributable to a bad debt expense provision on accounts receivable of $250,000. An increase in G&A payroll costs in the amount of $64,530 resulted from new positions created during the past year, in support of the Corporation's growth initiatives. Increased professional and consulting fees, and miscellaneous other G&A expenses accounted for the remaining increase during Q3 YTD 2014.

General and administrative expenses for the nine months ended August 31, 2014 increased by $678,630 or 49.0% to $2,062,755. This represents a rise from $1,384,125 in Q3 YTD 2013, and is primarily attributable to $338,209 in increased payroll costs in support of the Corporation's growth objectives, and a bad debt expense provision on accounts receivable of $250,000. Increased professional fees, and miscellaneous other G&A expenses accounted for the remaining cost increase during Q3 YTD 2014.

Finance costs were $79,201 for the three months ended August 31, 2014, down $14,380 from $93,581 for the three months ended August 31, 2013. The decrease primarily results from $11,686 in decreased interest expense on long-term debt due to a declining principal balance outstanding. Finance costs also include $5,526 accretion expense, up $1,355 from $4,171 for the three months ended August 31, 2013. Decreased interest of $4,049 on lease obligations accounts for the balance of decline in finance costs.

Finance costs were $249,857 for the nine months ended August 31, 2014, down $49,208 from $299,065 for the nine months ended August 31, 2013. The decrease primarily results from $38,498 in decreased interest expense on long-term debt due to a declining principal balance outstanding. Finance costs also include $10,479 accretion expense, down $1,248 from $11,727 for the nine months ended August 31, 2013. Decreased interest of $10,652 on lease obligations and $1,190 increased amortization of long-term debt transaction costs account for the further reduction in finance costs.

Share-based compensation increased by $379,924 during the three months ended August 31, 2014, to $508,276 from $128,352 due to increased vesting expense during Q3 2014 over the comparative quarter.

Share-based compensation increased by $257,236 during the nine months ended August 31, 2014, to $780,987 from $523,751 due to increased vesting expense during Q3 YTD 2014 over the comparative period.

Loss on land use agreement during the three months ended August 31, 2014 was $114,820 versus a $49,454 gain in the comparative period, a difference of $164,274. The current period loss is a result of a prolonged closure of the work camp lodge, resulting in a reduction of estimated discounted cash proceeds to be received under the agreement.

Loss on land use agreement during the nine months ended August 31, 2014 was $114,820 versus a $339,647 loss in the comparative period, an improvement of $224,827.

Cash received from the land use agreement was $76,352 during Q3 YTD 2014 compared to $429,432 during Q3 YTD 2013. At August 31, 2014, the land use agreement receivable was valued at $304,781 and represents estimated future discounted cashflow remaining to be received under the agreement through October 2015.

Recovery of intangible assets was $35,480 during the three months ended August 31, 2014, compared to $4,327 during the comparative period, and is due to a decrease in the estimated decommissioning and restoration costs attributable to the renewed miscellaneous lease of land at the Poplar Creek pit which expires December 31, 2016.

Recovery of intangible assets was $35,480 during the nine months ended August 31, 2014, compared to $38,682 during the comparative period, and is due to a decrease in the estimated decommissioning and restoration costs attributable to the renewed miscellaneous lease of land at the Poplar Creek pit which expires December 31, 2016.

During the three months ended August 31, 2014, the Corporation had a net income and comprehensive income of $1,605,744 or $0.049 basic income per common share. This reflects a $546,282 or 51.6% increase in net income, up from $1,059,462 net income and comprehensive income and $0.038 basic income per share during Q3 2013.

During the nine months ended August 31, 2014, the Corporation had a net loss and comprehensive loss of $843,353 or $(0.027) basic loss per common share. This reflects a $2,375,678 or 155.0% decrease in net income from $1,532,325 net income and comprehensive income and $0.054 basic income per share during Q3 YTD 2013.

Composition of Changes in Net Income (Loss) and Comprehensive Net Income (Loss)	**Change Q3 2014 vs. Q3 2013**	**Change Q3 YTD 2014 vs. Q3 YTD 2013**
Increase (decrease) in revenue	$3,751,735	$(2,306,176)
(Increase) decrease in aggregate operating expenses	(1,715,548)	140,800
Increase in other expenses	(761,298)	(910,626)
Decrease in other income	(412,477)	(49,589)
(Increase) decrease in income taxes	(316,130)	749,913
Change in net income during the periods ended	**$(546,282)**	**$(2,375,678)**

J. OPERATING ACTIVITIES

Cash flow from operating activities during Q3 YTD 2014 was $(554,790) as compared to $490,280 for Q3 YTD 2013, a decrease of $1,045,070. Various factors accounted for the decreased cash flow from operating activities:

Composition of Changes in Cash Flow From Operating Activities	**Change Q3 YTD 2014 vs. Q3 YTD 2013**
Decrease in net earnings	$(2,375,678)
Increase in adjustments for non-cash items	837,076
Trade and other payables change, increased use of cash	(507,886)
Accounts receivable change, increased source of cash	235,270
Inventory change, increased source of cash	1,636,668
Income tax recoverable change, increased use of cash	(184,844)
Income tax payable change, increased use of cash	(527,329)
Prepaid expenses and deposits change, increased use of cash	(158,347)
Cash flow from operating activities change, increased use of cash	**$(1,045,070**)

K. INVESTING ACTIVITIES

	Nine months Ended August 31, 2014	Nine months Ended August 31, 2013
Purchase of property and equipment	$(960,197)	$(1,079,295)
Restricted cash	(7,838)	(103,054)
Long-term deposits	(308,230)	-
Proceeds from land use agreement	76,352	429,432
Resource properties	(1,703,371)	(740,247)
Fund decommissioning and restoration provision	(29,107)	-
Insurance proceeds on write-off of property and equipment	-	27,950
Total	**$(2,932,391)**	**$(1,465,214)**

During the nine months ended August 31, 2014 the Corporation obtained property and equipment in the amount of $960,197. The purchases primarily pertained to the acquisition of a 49-worker camp to be used at Athabasca's Conklin stockpile site. The site will serve as a hub for the Corporation's regional operations. The camp is intended to reduce reliance on third party accommodation for Athabasca's workers in order to reduce related costs. During the period, the Corporation also acquired a scale house and scale for use at corporate-owned pits, and other miscellaneous equipment.
During the nine months ended August 31, 2014, the Corporation invested $7,838 in a restricted cash account, pursuant to its land use agreement with a work camp provider, compared to $103,054 in the comparative period. These funds are invested for the purpose of funding Poplar Creek pit reclamation costs.

During the nine months ended August 31, 2014 the Corporation invested $308,230 as security deposits in support of required future reclamation of its surface material leases as follows: Cowper pit $56,340; Km248 pit $70,350; House River West pit $80,000; the frac sand Firebag Project $79,970; and $21,570 on its renewed miscellaneous lease on land at the Poplar Creek pit.

During the nine months ended August 31, 2014 the Corporation received proceeds of $76,352 under its land use agreement with a work camp provider, consisting of receipts for monthly land access, work camp daily accommodation, and future reclamation funding. Proceeds of $429,432 had been received during the comparative period.

During the nine months ended August 31, 2014 the Corporation invested $1,703,371 toward its mineral resource properties. Of this total, $1,082,453 was invested in exploration, most notably with the winter drilling program and follow-up at its Richardson Project containing granite and dolomite. $504,804 was invested during the period on the Corporation's production properties, principally toward set-up costs of the corporate-owned Cowper pit and Km248 pit, both having commenced production during the period. $41,761 was invested during the period on the Corporation's miscellaneous leases, of which $30,108 was in support of the lease that will provide infrastructure for the frac sand Firebag Project. $75,528 was spent during the period on annual rental on its mineral leases, and $1,175 in mineral permits was refunded.

L. FINANCING ACTIVITIES

		Nine Months Ended August 31, 2014		Nine Months Ended August 31, 2013
Issue of share capital	$	6,710,425	$	89,550
Share issuance costs		(483,437)		-
Repayment of long-term debt		(750,000)		(750,000)
Repayment of lease obligations		(975,381)		(830,686)
Total	$	4,501,607	$	(1,491,136)

During Q3 YTD 2014 the Corporation issued 3,965,517 units at $1.45 for gross proceeds of $5,750,000 under a private placement. Each unit consists of one common share and one-half of one common purchase warrant. Each whole purchase warrant entitles the holder to acquire one common share at a price of $1.75 per share for a period of two years from January 14, 2014. Net of $483,437 in share issuance costs, proceeds of $5,266,563 were received from the private placement. Also during Q3 YTD 2014, further $960,425 was received from the issue of share capital: $247,300 on the exercise of stock options and $713,125 on the exercise of warrants. During the comparative period, $89,550 had been received from the exercise of stock options.

M. LIQUIDITY AND CAPITAL RESOURCES

At August 31, 2014 the Corporation reported working capital of $10,412,235 which management feels is sufficient to fund ongoing operations and to meet its liabilities when they come due. The Corporation has access to a $3,000,000 demand operating loan with a sub-limit of $2,000,000 available for letters of commercial credit. No amount was outstanding on the operating loan. A further $675,880 of the operating loan is committed, although not funded, in order to secure letters of credit totalling $1,351,760. Accordingly, the Corporation is not exposed to significant liquidity risk.

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

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

As at October 17, 2014 the Corporation holds mineral permits covering 308,942 hectares (763,411 acres). The Corporation has spending commitments totaling approximately $1,430,000 in fiscal 2014, $209,000 in fiscal 2015, and $2,672,000 in fiscal 2016 to retain these mineral permits held by the Corporation.

As at October 17, 2014 the Corporation holds mineral leases covering 21,579.5 hectares. In order to keep the land under mineral leases in good standing, the Corporation is required to pay annual rental of $3.50 per hectare on the mineral leases. In addition, applicable royalties will be payable to the Alberta Government once sales production on the mineral leases commences. Currently, the Corporation has an annual rental commitment of $65,224 over the 15 year life of the mineral leases which expire in 2026, and an annual rental commitment of $10,304 over the 15 year life of the mineral leases which expire in 2028.

In managing the exploration permits, the Corporation adds mineral permits in areas of interest and relinquishes mineral permits in areas that the exploration activities indicate have a low potential of discovering mineral reserves. As permits are relinquished, the number of hectares is decreased thereby reducing the spending commitment. The Corporation is in the process of exploring aggregate and mineral properties and has not yet determined whether these properties contain deposits that are economically recoverable. The continuing operations of the Corporation to meet its commitments, including the development of the properties, securing and maintaining title and financing exploration and development of the properties is dependent upon the internal generation of cash flow and obtaining necessary financing through debt and public and private share offerings.

N. OUTSTANDING SHARE DATA

Private Placement Financing

On January 14, 2014 the Corporation issued 3,965,517 common shares in a private placement for cash consideration of $5,750,000. Legal and filing fees of $138,437 and commissions of $345,000 associated with the private placement were incurred for net proceeds of $5,266,563. Each common share issued in the private placement is accompanied by one common share purchase warrant entitling the holder to acquire one-half additional common share at a price of $1.75 for a period of two years from January 14, 2014. As at October 17, 2014 a total of 422,300 of the 1,982,758 warrants have been exercised at a price of $1.75.

The underwriter was paid a cash commission equal to 6% of the aggregate gross proceeds of the offering and was granted 237,931 options, with each such option entitling the holder to acquire one common share at a price of $1.45 per share for a period of two years from January 14, 2014. Pursuant to applicable securities laws, all securities issued pursuant to the offering will be subject to a statutory hold period which expires on May 15, 2014.

Athabasca is authorized to issue an unlimited number of common shares. The following details the common shares outstanding and securities that are convertible into common shares as at October 17, 2014:

Number of Common Shares Outstanding	33,068,850
Number of Stock Options Outstanding	3,192,931
Number of Stock Warrants Outstanding	1,560,458

The Corporation had 3,192,931 outstanding stock options with the following exercise prices and expiry dates:

Number	Exercise Price	Expiry Date
160,000	$0.26	October 15, 2015
768,333	$0.63	March 29, 2017
50,000	$1.04	August 24, 2017
360,000	$1.64	December 11, 2017
466,667	$1.02	September 6, 2018
150,000	$1.63	January 14, 2019
1,000,000	$2.90	June 26, 2019
237,931	$1.45	January 14, 2016
3,192,931		

A total of 1,809,596 stock options were exercisable at a weighted average price of $0.99 per share.

A total of 1,575,258 stock warrants with a January 14, 2016 expiry date were outstanding and exercisable at a weighted average price of $1.75.

O. RELATED PARTY TRANSACTIONS

During the three months ended August 31, 2014, the Corporation incurred expenses of $46,231 (2013 - $25,912) for services provided by certain directors and officers and certain companies controlled by certain directors and officers of the Corporation as further described below.

During the nine months ended August 31, 2014, the Corporation incurred expenses of $93,229 (2013 - $79,041) for services provided by certain directors and officers and certain companies controlled by certain directors and officers of the Corporation as further described below.

These fees are recorded in the financial statements as follows:

	For the three months ended August 31,		For the nine months ended August 31,	
	2014	2013	2014	2013
Directors and Officers:				
Directors fees and expenses	$ 10,701	$ 521	$ 12,303	$ 521
Travel and miscellaneous	14,530	2,942	17,926	4,321
	25,231	3,463	30,229	4,842
Companies controlled by directors and officers:				
Travel and miscellaneous	-	-	-	750
Property and equipment	-	1,449	-	10,449
Rent	21,000	21,000	63,000	63,000
	21,000	22,449	63,000	74,199
	$ 46,231	$ 25,912	$ 93,229	$ 79,041

There is $55 related to these expenses recorded in accounts payable and accrued liabilities at August 31, 2014 (2013 - $nil).

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.

P. COMPENSATION OF KEY MANAGEMENT

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

	For the three months ended August 31,		For the nine months ended August 31,	
	2014	2013	2014	2013
Salaries and other benefits	$ 185,470	$ 155,480	$ 625,061	$ 540,986
Share-based benefits	377,447	83,629	531,237	438,342
	$ 562,917	$ 239,109	$ 1,156,298	$ 979,328

Q. CHANGE IN ACCOUNTING POLICIES INCLUDING EARLY ADOPTION

Accounting Changes

Effective December 1, 2013 the Corporation adopted the following new standards and interpretations issued by the IASB or International Financial Reporting Interpretation Committee ("IFRIC").

Scope of the reporting entity

IFRS 10, "Consolidated Financial Statements" and IFRS 12, "Disclosure of Interests in Other Entities", were issued and replace IAS 27, "Consolidated and Separate Financial Statements" and Standing Interpretations Committee ("SIC") 12, "Consolidation - Special Purpose Entities" for guidance on the consolidation model which identifies the elements of control and provides a comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. As no equity interests are currently held in, or joint arrangements held with other entities, adoption of this standard had no current impact on the Corporation's interim financial statements.

Stripping costs in the production phase of a surface mine

IFRIC 20, "Stripping Costs in the Production Phase of a Surface Mine" considers when and how to account separately for benefits arising from stripping activity, as well as how to measure these benefits both initially and subsequently. In surface mining operations, entities may find it necessary to remove mine waste materials (overburden) to gain access to mineral ore deposits. This waste removal activity is known as 'stripping.' IFRIC 20 only deals with waste removal costs that are incurred in surface mining activity during the production phase of the mine ('production stripping costs'). Adoption of this standard had no current impact on the Corporation's interim financial statements.

Joint arrangements

IFRS 11, "Joint Arrangements" was issued and supersedes IAS 31, "Interests in Joint Ventures" and SIC 13, "Jointly Controlled Entities-Non-monetary Contributions by Venturers", to establish principles for financial reporting by parties to a joint arrangement. As no joint venture interests are currently held in or between other entities, adoption of this standard had no current impact on the Corporation's interim financial statements.

Fair value measurement

IFRS 13, "Fair Value Measurement" was issued to set out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. Adoption of this standard had no current impact on the Corporation's interim financial statements.

New standards not yet adopted

i. Financial instruments classification and measurement

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

In November 2013, the IASB issued an amendment to IFRS 9 which includes a new hedge model that aligns accounting more closely with risk management, as well as enhancements to the disclosures about hedge accounting and risk management. Additionally as the impairment guidance in IFRS 9, as well as certain limited amendments to the classification and measurement requirements of IFRS 9 are not yet complete, the previously mandated effective date of IFRS 9 of January 1, 2015, has been removed. Entities may apply IFRS 9 before the IASB completes the amendments, but are not required to. The Corporation will evaluate the impact of the change to its financial statements based on the characteristics of its financial instruments at the time of adoption.

ii. Levies

IAS 37 "Provisions for contingent liabilities and contingent assets" is effective for annual periods beginning on or after January 1, 2014. IAS sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. Management is assessing the impact of adopting the standard and its impact on the Corporation's financial statements.

R. FINANCIAL INSTRUMENTS

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

a) Fair Value

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

b) Credit Risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist primarily of cash, restricted cash, accounts receivable, long-term deposits and land use agreement receivable. The Corporation's maximum credit risk at August 31, 2014 is the carrying value of these financial assets.

In the normal course of business the Corporation evaluates the financial condition of its customers on a continuing basis and reviews the credit worthiness of all new customers. Management assesses the need for allowances for potential credit losses by considering the credit risk of specific customers, historical trends and other information. At August 31, 2014, 66.5% of the Corporation's accounts receivable was due from four customers.

The Corporation's aged accounts receivable are comprised of 55.6% current, 44.3% past due up to 60 days and 0.1% past due over 60 days. While certain amounts are past due, management considers there is no impairment of the accounts receivable except as provided in the following paragraph.

Included in accounts receivable past due over 60 days is $628,716 owed to the Corporation which is under dispute. The Corporation has provided $628,716 as an allowance for doubtful accounts, of which $250,000 was expensed to bad debts during fiscal 2013, $259,509 during fiscal 2013 and $119,207 during fiscal 2012.

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

c) Liquidity Risk

The Corporation manages liquidity risk by ensuring sufficient funds are available to meet liabilities when they come due. Under its long-term credit facilities, the Corporation must maintain certain ratios. Prior to August 31, 2014 the Corporation received approval from its lender to temporarily revise two of its debt covenant ratios, by reducing the minimum debt service coverage, and by increasing the maximum funded debt to EBITDA ratio, for the periods covering the second and third fiscal quarters of 2014. The Corporation has complied with all ratios as at August 31, 2014.

As at August 31, 2014 the Corporation has sufficient working capital to fund ongoing operations and meet its liabilities when they come due. Accordingly, the Corporation is not exposed to significant liquidity risk. The Corporation has identified its financial liabilities as trade and other payables, term debt, including interest (excluding deferred transaction costs) and lease obligation, including interest.

	0 -1 year	2- 3 years	4 - 5 years	Total
	$	$	$	$
Trade and other payables	5,811,286	-	-	5,811,286
Long-term debt, including interest	1,061,354	848,177	-	1,909,531
Lease obligation, including interest	1,507,544	2,898,737	202,001	4,608,282
Total	8,380,184	3,746,914	202,001	12,329,099

The Corporation's existing credit facilities and cash flow from operating activities is expected to be greater than anticipated capital expenditures and the contractual maturities of the Corporation's financial liabilities as at August 31, 2014. The expectation could be adversely affected by a material negative change in the demand for aggregate or the Corporation's management contracts.

c) Foreign Currency Risk

The Corporation maintains a USD currency bank account with a nominal balance for the infrequent need to fund supplier purchases denominated in USD currency. As at August 31, 2014 the Corporation had USD cash on hand in the amount of $42 (CAD $47), and no USD denominated trade and other payables or receivables. As the amounts involved are unsubstantial management feels risk is minimal.

d) Interest Rate Risk

The Corporation is exposed to interest rate risk on the variable rate term loan and letters of credit facility. A 100 basis point increase in the interest rate on the term loan and letters of credit facility would decrease net income and comprehensive income by approximately $24,000.

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

S. RISKS AND UNCERTAINTIES

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

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

The operations of the Corporation are speculative due to the high risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. These risk factors could materially affect the Corporation's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Corporation (see T. Forward Looking Information).

T. FORWARD LOOKING INFORMATION

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

Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements in the section entitled "Risks and Uncertainties", there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements. These forward looking statements are made as of the date of this document and, other than as required by applicable securities laws, the Corporation assumes no obligation to update or revise them to reflect new events or circumstances.

U. APPROVAL

The Board of Directors has approved the disclosure in this MD&A.

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