Athabasca
MINERALS INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEAR ENDED NOVEMBER 30, 2009 and FOURTEEN MONTHS ENDED NOVEMBER 30, 2008

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GENERAL

This Management's Discussion and Analysis ("MD&A") of the financial condition and the results of operations of Athabasca Minerals Inc. ("Athabasca" or the "Company") should be read in conjunction with the audited financial statements and the notes thereto for the year ended November 30, 2009 and the fourteen months ended November 30, 2008 which have been prepared in accordance with Canadian generally accepted accounting principles. The following information was prepared by management as of March 29, 2010. All amounts have been expressed in Canadian dollars. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

COMPANY PROFILE

The Company is a management and exploration company developing and exploring industrial minerals in Alberta and providing aggregate management for the construction, oil sands and infrastructure industries of Alberta. The Company is the operator of one of the largest aggregate operations in Canada, and holds significant mineral permits in the Athabasca region of Alberta.

On November 20, 2008, The Company completed the non arm's length acquisition of Aggregates Management Inc. ("AMI"). The acquisition resulted in Athabasca holding management contracts with the Alberta government for the management of the Susan Lake and Poplar Creek aggregate operations, two public aggregate operations located north of Fort McMurray. As at November 30, 2009, the Susan Lake management contract has 96 months remaining of the ten year contract and the Poplar Creek management contract has 39 months remaining on the ten year contract. As a result of the AMI acquisition the Company currently generates its revenue from the management of public aggregate pits for the Alberta Government.

As manager of Susan Lake and Poplar Creek, the Company's mandate is to operate the sand and gravel resource for public use. For these services, the Company receives a fee for the volumes of sand and gravel removed from the pits for the duration of the contracts.

The business of the Company is seasonal with the majority of revenue earned in the 3rd and 4th quarters. This is due to construction projects being initiated in the spring and summer seasons. Although the Company generates the majority of its revenue during these periods, operations continue year round.

AGGREGATE OPERATIONS

FORT MCMURRAY AREA

As Pit Manager of two public aggregate operations, Susan Lake and Poplar Creek, in the Fort McMurray area the Company's mandate is to operate the aggregate resource for public use. It includes, but is not limited to, clearing the trees, removal and conservations of top soil, exploring for usable material, identifying types and qualities of aggregate to maximize the utilization of the resource, coordinating clients orders for specific aggregate with what is available, organizing and directing contractors in the pit, weighing and or surveying all aggregate extracted and reclaiming the site after the pit is depleted. For these services, the Company receives a fee for each cubic metre / tonne of sand and gravel removed from the pits for the duration of the contracts.

SUSAN LAKE AGGREGATE OPERATION

The aggregate operation is located approximately 85 Km north of Fort McMurray. It is approximately 9,260 acres (3,750 hectares) in size. Approximately, 52 million tonnes of sand and gravel has been removed from this pit since 1998. The majority of its sales were to neighbouring oil sands companies.

For the fiscal year ending November 30, 2010, the Company has received indications of demand of 6.5 million tonnes of sand and gravel from existing customers. This amount is based on recent meetings with customers in the Athabasca oil sands area.

POPLAR CREEK AGGREGATE OPERATION

The aggregate operation is located approximately 30 Km north of Fort McMurray. It is approximately 3,680 acres (1,490 hectares) in size. Approximately 1.5 million tonnes of sand and gravel has been removed from this pit since 2003. While most of the gravel has been extracted from the pit, the lease contains substantial sand deposits. A testing program has commenced to determine the quantity and quality that may be marketed to nearby oil sands operations and the City of Fort McMurray.

A 65-hectare area that is depleted of aggregates will be converted to a lay-down area where equipment used by oil sands companies may be stored and assembled. The Company has obtained a miscellaneous lease from the Alberta Government to operate a lay-down yard. The term of this lease is consistent with the term of the Poplar Creek management contract which has 39 months remaining as at November 30, 2009. A letter of credit for reclamation in relation to this miscellaneous lease has been issued to the benefit of the Alberta Government in the amount $248,760. As at March 29, 2010 preliminary work to develop the lay down yard has been completed.

PEACE RIVER AREA

In April 2007, the Company signed a gravel lease agreement with a private pit operator in the Grimshaw area (northwest of Peace River) to take over the pit operation (the Warrenville Gravel Pit) and marketing of gravel in northwest Alberta. In September 2007, the Company received a technical report from Don Peel, P. Geol, a qualified person under National Instrument 43-101 on this property. The following conclusions have been documented in the report:

- Based on published geological data and two drilling programs, the property has high potential for aggregate resource development
- Total measured resource quantity of the property exceeds 10 million tonnes
- Quality of the resource has been evaluated as "a good prospect for construction projects"

This region has potential for significant growth given the activities in the Peace River Oil Sands development, combined with conventional oil and gas activities, pipeline corridors, forestry and agriculture.

The Company also purchased two 160-acre parcels of land near the leased 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.

OTHER POTENTIAL AREAS

Efforts will continue to establish the Company as a major sand and gravel supplier in Alberta. In addition to securing additional sand and gravel sales and management contracts, the Company will continue to explore for and acquire other sand and gravel properties to operate and market. The Company has implemented testing programs on more than a dozen properties and is reviewing results to determine the quantity and quality of the prospects. The properties are situated in northern Alberta, and are all strategically located near areas undergoing significant development in anticipation of demand for the aggregates.

During the year the Company entered into a letter agreement to acquire 25 percent of the outstanding units of T-ROC, LLC ("T-ROC") that has a sand and gravel project in Washington State, United States. As announced on December 8, 2009, the parties jointly decided to terminate this letter agreement.

MINERAL PROPERTIES

As at November 30, 2009 Athabasca Minerals Inc. holds Alberta Metallic and Industrial Minerals Permits for over 504,280 hectares (1,246,100 acres) of land in the Fort McMurray area about 440 km northeast of Edmonton, Alberta. The Alberta Geological Survey had identified a rich variety of industrial minerals such as silica sand, limestone, gypsum, and salt in these areas that can be processed to meet the demands of the oil sands industries and existing communities. The Company's objectives are to explore for these industrial minerals and establish a secondary industry in the Fort McMurray region to support the oil sands development and Alberta economy.

The following is the land area covered by the Company's mineral permits:

	2009 (hectares)	2008 (hectares)
Balance at beginning of period	491,727	819,213
Mineral permits acquired during the period	121,743	-
Mineral permits relinquished during the period	(109,190)	(327,486)
Balance at end of period	504,280	491,727

During the fiscal year 2009 the company acquired an additional 121,743 hectares and relinquished 109,190 hectares of land under mineral permits. Subsequent to November 30, 2009, the Company relinquished 103,557 hectares leaving a balance of 400,723 hectares at March 29, 2010. The company is currently assessing its mineral exploration program. Future exploration activities will progress as potential resources are indentified and as financing becomes available.

SELECTED ANNUAL INFORMATION

	Year Ended	Fourteen Months Ended	Year Ended
	Nov 30/09	**Nov 30/08 (Restated)**	**Sep 30/07**
Revenue	$9,710,008	$447,457	$70,000
Interest Income	$37,680	$11,481	$65,632
Net Income (Loss) and Comprehensive Income (Loss)	$1,333,323	$(1,264,605)	$(245,482)
Earnings (Loss) Per Share	$0.05	$(0.06)	$(0.02)
Total Assets	$18,467,100	$21,093,626	$2,307,212
Resource Properties	$2,999,617	$2,511,401	$854,590
Demand loans	$7,383,146	$9,000,000	$nil
Long term debt	$60,000	$600,000	$nil
Dividends declared	$nil	$nil	$nil

SUMMARY OF QUARTERLY RESULTS

	Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended
	Nov 30/09	**August 31/09**	**May 31/09**	**Feb 28/09**
Revenue	$3,988,032	$3,099,387	$1,605,768	$1,016,822
Interest Income	$6,678	$5,676	$10,631	$14,695
Net Income (Loss) and Comprehensive Income (Loss)	$820,854	$763,266	$18,491	($269,288)
Earnings (Loss) Per Share	$0.03	$0.03	$0.00	($0.01)
Total Assets	$18,467,100	$17,309,621	$16,652,669	$17,681,925
Resource Properties	$2,999,617	$2,835,725	$2,713,244	$2,604,390

	Two Months Ended	Three Months Ended			
	Nov 30/08	**Sep 30/08**	**Jun 30/08**	**Mar 31/08**	**Dec 31/07**
Revenue	$446,388	$1,069	$Nil	$Nil	$Nil
Interest Income	$3,177	$Nil	$19	$Nil	$8,285
Net Income (Loss) and Comprehensive Income (Loss)	$418,130	($283,481)	($321,191)	($412,563)	($665,500)
Earnings (Loss) Per Share	$0.02	($0.01)	($0.02)	($0.02)	($0.04)
Total Assets	$20,897,281	$2,619,024	$2,559,399	$2,488,266	$2,814,558
Resource Properties	$2,511,401	$2,440,840	$2,376,506	$2,300,802	$2,215,254

OUTLOOK

Athabasca's strategy is concentrated on the long term growth of its business in a measured and effective manner. Athabasca continues to strengthen its balance sheet by improving the working capital position.

Athabasca views the recent focus on infrastructure in North America as extremely positive in achieving its corporate goals. These programs will result in road construction and maintenance in addition to major projects such as public infrastructure facilities. In combination with the public sector spending, the global economy appears to be improving, which should result in additional major projects undertaken by private sector companies. With a significant land position in the Wood Buffalo region of Alberta, Athabasca is poised to benefit from increased activity from oil sands companies.

Aggregate Management

This is the first complete fiscal year following the acquisition of AMI's business of aggregate management at Susan Lake and Poplar Creek. For the twelve months ended November 30, 2009, the Company extracted 6.8 million tonnes of aggregates at the Susan Lake and Popular Creek Aggregate operations located in the Fort McMurray area.

The volume of aggregate extracted from the Susan Lake operation is subject to the demands of oil sands and construction companies in the Wood Buffalo and surrounding regions, which are dependant upon a number of factors. These factors include oil price, labour costs, government infrastructure spending, major (greater than $5 million) and minor construction project requirements, weather and road quality. It is best practice for the Company to determine demands for the year by meeting and discussing expected aggregate demands with major customers. Based on these customer meetings the Company anticipates demand of 6.5 million tonnes of aggregate for fiscal year 2010. Although the anticipated demand is deemed accurate upon calculation, changes in demand may continue throughout the fiscal year which could be material.

Exploration

The Company is focused on the identification of potential aggregate deposits near construction and infrastructure projects. The identification process involves the application for Surface Material Exploration (SME) permits, which allows the Company to carry out exploration programs such as airborne magnetic and ground reconnaissance surveys, drill programs and test ditching programs. During the subsurface evaluation of the potential aggregate deposit there may be determination made to apply for a Surface Material Lease (SML). The SML allows for the extraction of aggregates. The Company currently controls a total of 22 SME permits all located in northern Alberta.

Aggregate exploration activities during the twelve months ended November 30, 2009 at SME permit locations has resulted in the identification of seven potential aggregate operations and four abandoned aggregate projects, with exploration ongoing at eighteen additional SME permit locations. Seven SML applications have been submitted for governmental approval on the locations identified as potential aggregate operations.

The Company conducted limited mineral exploration on its properties during the twelve months ended November 30, 2009. Future exploration activities will progress as potential resources are indentified and as financing becomes available. Financing may be by way of internally generated working capital or by debt or equity.

OPERATING RESULTS

	Three month period ending November 30, 2009	Two month period ending November 30, 2008
Aggregate Management Fee Revenue	$3,988,032	$446,388
Royalties	$1,276,536	$28,165
Aggregate Management Fee Revenue, net of Royalties	$2,711,496	$418,223
Aggregate Management Operating Expenses	$633,580	$383,517
Expenses		
Amortization and accretion	$335,477	$34,100
General and administrative	$427,474	$230,621
Interest on long term debt	$2,624	$1,356
Interest on credit facility	$75,154	$15,934
Stock based compensation	$63,439	$(33,443)
Interest income	$(6,678)	$(3,177)

	Twelve month period ending November 30, 2009	Fourteen month period ending November 30, 2008
Aggregate Management Fee Revenue	$9,710,008	$447,457
Royalties	$3,139,513	$28,165
Aggregate Management Fee Revenue, net of Royalties	$6,570,495	$419,292
Aggregate Management Operating Expenses	$1,764,450	$383,517
Expenses		
Amortization and accretion	$1,138,933	$49,931
General and administrative	$1,319,849	$1,099,877
Interest on long term debt	$28,959	$1,356
Interest on credit facility	$342,544	$18,934
Stock based compensation	$62,084	$347,578
Loss on disposal of equipment	$1,270	$nil
Interest income	$(37,680)	$(11,481)

During the year ended November 30, 2009, the Company recorded net income and comprehensive income of $1,333,323 ($0.05 per share). For the fourteen months ended November 30, 2008, the company had net loss and comprehensive loss of $1,264,605 (-$0.06 per share). For the three months ended November 30, 2009 net income and comprehensive income was $820,854 ($0.03 per share) as compared to net income and comprehensive income for the two months ended November 30, 2008 of $418,130 ($0.02 per share). The variation between the 2008 and 2009 amounts are due to the AMI acquisition which was completed on November 20, 2008. The business of Athabasca is cyclical with the majority of the revenues and related profit earned in the 3rd and 4th quarters. The quarterly results reflect this cyclicality.

The Company's revenues are fees earned through the management of the Susan Lake and Poplar Creek aggregate operations. For the twelve months ended November 30, 2009 the management fee is $6,570,495 net of royalties to the Alberta Government of $3,139,513. For the fourteen months ended November 30, 2008 the management fee is $419,292, net of royalties to the Alberta Government of $28,165.

The management fee for the three months ended November 30, 2009 is $2,711,496 net of royalties to the Alberta government of $1,276,536. For the two months ended November 30, 2008 management fee is $418,223 net of royalties to the Alberta government of $28,165.

The operating expenses related to management of these aggregate operations for the twelve and three months ended November 30, 2009 are $1,764,450 and $633,580, respectively. For the fourteen and two month periods ending November 30, 2008, operating expenses are $383,517 as the AMI acquisition was completed in the last month of fiscal 2008.

General and administrative expenses for the twelve and three month periods ended November 30, 2009 were $1,319,849 and $409,963, respectively. This compares to the fourteen and two month periods ended November 30, 2008 of $1,099,877 and $230,621, respectively. The increase in general and administrative expense from 2008 to 2009 is due to additional administrative activities as a result of the AMI acquisition.

Stock based compensation expense for the twelve and three months ended November 30, 2009 is $62,084 and $63,439, respectively. For the fourteen and two months ended November 30, 2008 the stock based compensation was $347,578 and $(33,443). The decrease in stock based compensation from 2008 to 2009 is due to less options being issued and vested during 2009.

Interest expenses were $371,503 and $77,778 for the twelve months and three ended November 30, 2009, respectively. For the fourteen and two months ended November 30, 2008 interest expense was $20,290 and $17,290, respectively. The majority of the interest expenses relates to the financing of the AMI acquisition. Interest expenses increased in 2009 primarily due to the AMI acquisition and related financing that was completed on November 20, 2008.

Interest income from cash on deposit and the short-term/long-term investment for the twelve and three months ended November 30, 2009 totalled $37,680 and $6,678, respectively which compares to $11,481 and $3,177 for the fourteen and two months ended November 30, 2008, respectively. Despite decreases in the rates of return from 2008 to 2009, the increase in interest income in 2009 results from the cash balances on deposit obtained in the AMI acquisition and the placement of the short-term/long-term investment.

Operating Activities

Cash flows provided by operating activities for the twelve and three months ended November 30, 2009 were $3,886,672 and $2,366,051, respectively. Cash flows provided by (used from) operating activities for the fourteen and two months ended November 30, 2008 were $(218,087) and $563,408, respectively. The variation between the 2008 and the 2009 amounts are due to the cash flows generated after the acquisition of AMI which was completed on November 20, 2008. The significant inflows from operating activities occurring in three months ended November 30, 2009 is due to seasonality of the business where activity is at the highest levels in Q3 and Q4.

Investing Activities

Investing activity for the twelve month period ending November 30, 2009 and the fourteen month period ending November 30, 2008 are as follows.

	Twelve months ended November 30, 2009	Fourteen months ended November 30, 2008
Long term deposits	$(50,000)	$ nil
Proceeds on disposal of equipment	$1,906	$ nil
Purchase of AMI (net of cash acquired)	$ nil	$(7,692,064)
Purchase of long-term investment	$ nil	$(603,000)
Purchase of property and equipment	$(92,003)	$(24,251)
Resource properties	$(488,216)	$(1,656,811)

Investing activity for the three month period ending November 30, 2009 and the two month period ending November 30, 2008 are as follows.

	Three months ended November 30, 2009	Two months ended November 30, 2008
Purchase of AMI (net of cash acquired)	$ nil	$(7,692,064)
Purchase of long-term investment	$ nil	$(603,000)
Purchase of property and equipment	$(4,094)	$ nil
Resource properties	$(163,891)	$(67,437)

During the twelve months ended November 30, 2009 the Company incurred resource property exploration expenditures of $488,216 as compared to the $1,656,811 for the fourteen months ended November 30, 2008.

Financing Activities

Financing activities for the twelve month period ending November 30, 2009 relate to the receipt of demand loan proceeds of $37,000 to finance a specific piece of equipment and the repayment of financing commitments of $2,443,854 for net total cash outflows of $2,406,854. For the fourteen month period ended November 30, 2008 finance activities resulted in total cash inflow of $10,060,199 of which $9,000,000 relates to the receipt of proceeds from the credit facility, $250,000 in advances from related party, $473,534 in proceeds from private placement issue of shares and $336,665 in proceeds from options exercised. No equity financing occurred in 2009. The Company has been focused on paying down its debt.

Financing activities for the three months ended November 30, 2009 relate to repayment of financing commitments of $632,313. For the two month period ended November 30, 2008 financing activities resulted in cash inflows of $9,000,000 related to proceeds of the credit facility used to finance the purchase of AMI.

LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2009, the Company had a reported working capital deficit of $3,646,608. Despite the repayment terms extending over five and four years, the demand loans have been classified as a current liability due to the demand feature of the loans. As at November 30, 2009 the Company is in compliance with the lender's financial covenants. The credit facility lender removes the credit facility and demand loan liabilities when calculating working capital for loan covenant purposes. If these liabilities are removed from the working capital calculation, there would be working capital of $3,736,538.

Management expects to repay the demand loans over the scheduled repayment period. As the Company is in compliance with the lender's covenants, management is unaware of any condition that would indicate the lender will demand immediate repayment of the loan. Working capital as calculated without the credit facility and demand loan liabilities is sufficient for the Company to meet its obligations as they come due. Should the bank demand immediate repayment, the Company believes it has sufficient capital through internally generated cash flows or alternative sources of financing to satisfy the demand.

The Company 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

The Company holds mineral permits covering 504,280 hectares with expiries ranging from 2020 to 2024. Mineral permits covering 121,743 hectares are in the first, two year assessment period which has a spending commitment of approximately $608,000 due in fiscal 2011. Further mineral permits covering 382,537 hectares are in their second, two year assessment period which have spending commitments of approximately $3,457,000 due in fiscal 2010 and approximately $369,000 due in fiscal 2011. In total, the Company has spending commitments of $3,457,000 in fiscal 2010 and $977,000 in fiscal 2011 to retain the Company's mineral permits held at November 30, 2009. In managing the exploration permits, the Company regularly relinquishes mineral permits in areas that the exploration activities indicate have a low potential of discovering mineral reserves. As the permits are relinquished, the spending commitment is reduced.

As of March 29, 2010 the Company relinquished mineral permits comprised of 103,557 hectares. Based on the reduction of mineral permit lands, the spending requirement is $2,421,160 due in 2010 and $977,355 in 2011.

The Company 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 Company 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.

CONTRACTUAL OBILIGATIONS

As at November 30, 2009, the Company's contractual obligations are as follows:

		Payments Due by Period			
	Total	Less than one year	2-3 years	4-5 years	After 5 years
Demand loans	$7,383,146	$1,809,250	$3,618,500	$1,955,396	$nil
Long term debt	$60,000	$60,000	$nil	$nil	$nil

In December 2009, the long term debt was repaid in full.

OUTSTANDING SHARE DATA

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 March 29, 2010.

Number of Common Shares Outstanding	27,978,165
Number of Stock Options Outstanding	2,337,435

The Company had 2,337,435 outstanding options with the following exercise prices and expiry dates:

Number	Exercise Price	Expiry Date
1,022,435	$0.40	January 8, 2012
100,000	$0.43	April 4, 2013
75,000	$0.40	May 13, 2013
240,000	$0.40	July 28, 2013
800,000	$0.25	September 21, 2014
100,000	$0.40	November 2, 2014
2,337,435		

A total of 1,487,435 options were exercisable at a weighted average exercise price of $0.40.

RELATED PARTY TRANSACTIONS

During the year ended November 30, 2009 the Company incurred expenses of $681,089 (2008 - $308,655) in consulting, director fees, letter of credit fees, interest expense, and rental fees from certain directors and officers and certain companies controlled by certain officers and directors of the Company.

These fees are recorded in the financial statements as follows:

	2009	**2008**
Directors and officers:		
Consulting fees	$ 27,966	$ 74,832
Director fees and expenses	83,282	5,238
Interest	1,952	-
	113,200	80,070
Companies controlled by directors and officers:		
Consulting fees	466,247	177,239
Interest	33,642	7,346
Letter of credit fees	20,000	-
Rent	48,000	44,000
	567,889	228,585
	$ 681,089	$ 308,655

There is $48,289 related to these expenses recorded in accounts payable and accrued liabilities at November 30, 2009 (2008 - $13,956).

During the twelve months ended November 30, 2009, the Company incurred costs of $12,010 (2008 - $nil) in exploration from directors and officers.

During the twelve months ended November 30, 2009, exploration costs of $54,741 (2008- $19,138) were charges to the Company by companies controlled by directors and officers.

During the twelve months ended November 30, 2009, there was a $36,000 (2008 - $nil) promissory note repayment to directors and officers and a $396,000 (2008 - $nil) promissory note repayment to companies controlled by directors and officers. As at

November 30, 2009 $4,000 (2008 - $40,000) in promissory notes are due to directors and officers and $44,000 (2008 - $440,000) in promissory notes are due to companies controlled by directors and officers.

During the twelve months ended November 30, 2009 in advances received, the Company received a $100,000 (2008 - $250,000) advance and repaid $350,000 (2008 - $nil) in advances from a company controlled by a director. The advances were unsecured, bearing interest at 7.5% and payable upon demand.

Companies controlled by directors of the Company have provided a $500,000 letter of credit to the benefit of the Alberta Government on behalf of the Company. In exchange, the Company pays letter of credit fees to these related companies in the amount of 4% of the letter of credit amount.

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

ACCOUNTING POLICIES

Significant accounting policies

The audited financial statements for the year ended November 30, 2009 followed the same accounting policies and methods of computation as the audited financial statements for the fourteen months ended November 30, 2008 except as noted below.

New Accounting Policies

Effective October 1, 2007 the Company adopted the Canadian Institute of Chartered Accountants ('CICA") standards; Section 3862 Financial Instruments - Disclosures; and Section 3863 Financial Instruments - Presentation, which replaced Section 3861 Financial Instruments - Disclosure and Presentation. The new disclosure standards increases the emphasis on risks associated with both recognized and unrecognized financial instruments and how those risks are managed. The new presentation standard carries forward the former presentation requirements.

The CICA amended Section 3862, "Financial Instruments - Disclosures", to include additional disclosures about fair value measurements of financial instruments and to enhance liquidity risk disclosure. The Company has adopted the amendments to this standard beginning December 1, 2008.

Effective October 1, 2007, the Company adopted the CICA Section 1535 - Capital Disclosures which requires the disclosure of the Company's objectives, policies and processes for managing capital. In addition, disclosures will include whether companies have complied with externally imposed capital requirements.

The CICA amended Section 1400 "General Standards of Financial Presentation" to include requirements to assess and disclose an entity's ability to continue as a going concern. The Company has adopted the amendments to this standard beginning December 1, 2008.

The CICA issued EIC-174, replacing CICA Emerging Issues Committee Abstract No. 126, "Accounting by Mining Exploration Enterprises for Exploration Costs", to provide additional guidance for mining exploration enterprises on when an impairment test is required. The company adopted the new standard beginning December 1, 2008.

The CICA issued a new accounting standard, Section 3064 "Goodwill and Intangible Assets" which establishes standards for the recognition, measurement, and disclosure of goodwill and intangible assets. Section 1000 "Financial Statement Concepts" was also amended to provide consistency with this new standard. The Company has adopted the new standards beginning December 1, 2008.

The adoption of these standards had no material impact on the Company's financial statements.

Future Accounting Policies

Convergence with International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board ("AcSB") confirmed that all Canadian publicly accountable enterprises will be required to adopt IFRS for interim and annual reporting purposes for fiscal years beginning on or after January 1, 2011. The transition to IFRS will be applied retroactively and, accordingly, will require the restatement of the amounts reported by the company for the year ended November 30, 2011.

The transition to IFRS will consist of three phases: initial assessment, design and implementation. The Company has commenced the initial assessment phase by identifying key areas of difference between current Canadian generally accepted accounting principles and IFRS. At this time the impact on the Company's financial position and results of operations is not reasonably determinable for the IFRS conversion. The Company will continue to monitor any changes to IFRS, assess the impact of adopting IFRS and will update its Management Discussion and Analysis disclosures quarterly to report on the progress of its IFRS implementation.

Business Combinations

In January, 2009 the CICA issued Section 1582 "Business Combinations". This section applies prospectively to business combinations for which the acquisition date is on or at the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier application is permitted. This section will become effective for the Company in fiscal 2012. This section replaces Section 1581 "Business Combinations" and harmonizes the Canadian standards with IFRS. The Company does not expect that the adoption of this new section will have an impact on its financial statements.

Consolidated Financial Statements and Non-controlling Interests

In January, 2009 the CICA issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests". These sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier application is permitted at the beginning of a fiscal year. Sections 1601 and 1602 together replace Section 1600 "Consolidated Financial Statements". These sections are to be implemented concurrently with Section 1582. The Company does not expect that the adoption of this new section will have an impact on its financial statements.

FINANCIAL INSTRUMENTS

At November 30, 2009 the Company's financial instruments consist of cash, accounts receivable, short-term investment/long-term investment, accounts payable and accrued liabilities, demand loans, advances from related parties and long term debt.

The Company's risk exposures and impact on the Company's financial instruments are as follows:

Fair Value

Due to the short-term nature of cash, accounts receivable, accounts payable and accrued liabilities and advances from related parties the carrying value of these financial instruments approximate their fair value. The fair value of demand loans, long term debt and short-term/long-term investment approximates its carrying value as they are at a market rate of interest.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of accounts receivable. In the normal course of business the Company evaluates the financial condition of its customers on a continuing basis and reviews the credit worthiness of all new customers. Management assesses the need for allowances for potential credit losses by considering the credit risk of specific customers, historical trends and other information. The maximum credit risk exposure as at November 30, 2009 is $1,769,709 representing the Company's accounts receivable. At November 30, 2009, 66% of the Company's accounts receivable was owed by three customers.

The Company's aged accounts receivable are comprised of 70.3% current, 20% past due up to 60 days and 9.7% past due over 60 days. While certain amounts are past due, there is no impairment of the accounts receivable.

Liquidity Risk

The Company manages liquidity risk by ensuring sufficient funds are available to meet liabilities when they come due. Under its long term credit facilities, the Company must maintain certain ratios. The Company has complied with all ratios as at November 30, 2009 however the credit facilities are due on demand. The demand feature of the credit facilities increases the Company's liquidity risk as the bank could demand repayment. Management has assessed this risk and believes that it has sufficient capital through internally generated cash flows or alternate sources of financing to mitigate this risk.

As at November 30, 2009 the Company has sufficient working capital to fund ongoing operations and meet its liabilities when they come due. Accordingly, the Company is not exposed to significant liquidity risk. The Company has identified its financial liabilities as demand loans and current portion of long-term debt. In aggregate the contractual maturities and amount due at maturity for these financial liabilities should no demand occur are as follows:

2010	$ 1,869,250
2011	1,809,250
2012	1,809,250
2013	1,805,396
2014	150,000

The Company'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 Company's financial liabilities for 2010. The expectation could be adversely affected by a material negative change in the demand for aggregates or the Company's management contracts.

Foreign Currency Risk

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

Interest Rate Risk

The Company has an interest bearing term deposit and carries fixed and variable rate debt financing. Given the interest rate is fixed on the term deposits and the long term debt, the company is not exposed to any interest rate risk on these financial instruments. However, the Company is exposed to interest rate risk on the variable rate demand loans. A 100 basis point increase in interest rate on the demand loans would decrease net income and comprehensive income by approximately $53,000.

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

RISKS AND UNCERTAINTIES

The success of Athabasca 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, and lack of operating cash flow. The Company's on-going ability to finance exploration budgeted to date will depend on, among other things, the viability of the equity market.

The operations of the Company 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 Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Alberta Government Management Contracts

The company is party to management contracts with the Province of Alberta relating to the management of aggregate pits at Susan Lake, Alberta and Poplar Creek, Alberta. The terms of the contracts give the Province of Alberta the right to terminate the contracts without cause upon three months written notice. The contracts provide that the Province of Alberta may at any time during the term of the agreement require the company to operate the tender locations in cooperation with oilsand lease development. The Province of Alberta also has the right to withdraw any portion of the lands from the contracts and those lands withdrawn shall cease to be the responsibility of the company with respect to reclamation. As at November 30, 2009 the contracts are in effect, and no portions of the lands have been withdrawn for oilsand lease development.

Calculation of Mineralization, Resources and Reserves

There is a degree of uncertainty attributable to the calculation of mineralization, resources and reserves and corresponding grades being mined or dedicated to future production. Until reserves or mineralization are actually mined and processed, the quantity of mineralization and reserve grades must be considered estimates only. In addition, the quantity of reserves and mineralization may vary depending on commodity prices. Any material change in quantity of reserves, mineralization, grade or stripping ratio may affect the economic viability of a project. In addition, there can be no assurance that recoveries from laboratory tests will be duplicated in tests under on-site conditions or during production.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges and power and water supply are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's activities and profitability.

Title Matters

Although the Company has taken steps to verify the title to aggregate and mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects. Title to aggregate and mineral properties involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently unreliable conveyance history characteristic of many aggregate and mineral properties. Although the Company has taken steps to verify the title to aggregate and mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other exploration and mining companies, many of which have greater financial resources than the Company, for the acquisition of aggregate and mineral claims, leases and other interests as well as for the recruitment and retention of qualified employees and other personnel.

Aggregate and Mineral Prices

Factors such as inflation, interest rates, supply and demand and industrial disruption have an adverse impact on operating costs, commodity prices and stock market prices and on the Company's ability to fund its activities. The Company's revenues, costs and share price can be affected by these and other factors which are beyond the control of the Company. The market price of aggregates and minerals is volatile and cannot be controlled. There is no assurance that, even if commercial quantities of reserves are discovered, a profitable market will continue to exist for the sale of products from that reserve. Factors beyond the control of the Company may affect the marketability of any aggregates and minerals discovered. Aggregate and mineral prices have fluctuated widely. The marketability of aggregates and minerals is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of aggregates and minerals, the effect of which cannot be accurately predicted.

Funding Requirements

Mining exploration and development involves financial risk and capital investment. The continuance of the Company's development and exploration activities and its growth through the acquisition of exploration, development or production assets depend upon the Company's ability to generate positive cash flows, private and public equity financing, debt and/or other means. There is no assurance that the Company will be successful in obtaining additional financing on a timely basis or continue to generate positive cash flows.

Uninsured Risks

The mining business is subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geologic formations or other geological or grade problems, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, periodic interruptions due to inclement or hazardous weather conditions and other acts of God. Such risks could result in damage to, or destruction of, aggregate and mineral properties or facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

The Company maintains insurance against certain risks associated with its business in amounts that it believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting claim.

Exploration and Development Risks

The successful exploration and development of aggregate and mineral properties is speculative and subject to a number of uncertainties which even a combination of careful evaluation, experience and knowledge may not eliminate. There is no certainty that the expenditures made or to be made by the Company in the exploration and development of its aggregate and mineral properties or properties in which it has an interest will result in the discovery of mineralized materials in commercial quantities. Many exploration projects do not result in the discovery of commercially mineable deposits. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that exploration programs carried out by the Company will result in profitable commercial mining operations.

The Company's operations are subject to all of the hazards and risks normally incident to aggregate and mineral exploration, mine development and operation, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The Company's activities may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which the Company has interests. Hazards such as unusual or unexpected formations, pressures or other conditions may also be encountered.

Environmental and Other Regulatory Requirements

The current or future operations of the Company, including development activities and, if warranted, commencement of production on properties in which it has an interest, require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. The Company believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. However, there can be no assurance that all permits which the Company may require for the conduct of aggregate and mineral exploration and development can be obtained or maintained on reasonable terms or that such laws and regulations would not have an adverse effect on any such aggregate and mineral exploration or development which the Company might undertake.

Amendments to current laws, regulations and permits governing operations and activities of aggregate and mineral exploration companies, or more stringent interpretation, implementation or enforcement thereof, could have a material adverse impact on the Company.

Mining and Investment Policies

Changes in mining or investment policies or shifts in political attitude may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and safety regulations. The effect of these factors cannot be accurately predicted.

The Company is Dependent on its Key Personnel

The Company is dependent upon certain of its executive management team. The loss of the services of its executive officers could have a material adverse effect on the Company. The Company's ability to manage its development and operating activities, and hence its success, will depend in large part on the efforts of its executive officers and other members of management of the Company. The Company faces intense competition for qualified personnel, and there can be no assurance that it will be able to attract and retain such personnel. The Company does not yet have in place formal programs for succession or training of management.

Company's Growth Requires New Personnel

The Company's ability to attract and assimilate new personnel will be critical to its performance. The Company will be required to recruit additional personnel and to train, motivate and manage its employees. There can be no assurance that the Company will be able to recruit or retain personnel required to execute its programs or to manage these changes successfully.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors, officers and/or significant shareholders of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict.

No Dividend History or Policy

No dividends on the Common Shares have been paid by the Company to date. Payment of any future dividends will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

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", "Critical Accounting Estimates", "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 Company to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Although the Company 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 "Risk Factors", 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 Company assumes no obligation to update or revise them to reflect new events or circumstances.