Athabasca MINERALS INC.

UNAUDITED FINANCIAL STATEMENTS

For the Six Months Ended

May 31, 2010 and 2009

ATHABASCA MINERALS INC.

Notice of No Auditor Review of Interim Financial Statements
Six months ended May 31, 2010

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

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

July 15, 2010

"Udomdej Kriangkum"
Udomdej Kriangkum
Chief Executive Officer
Acting Chief Financial Officer

ATHABASCA MINERALS INC.

Balance Sheets

	May 31, 2010 (unaudited)	November 30, 2009 (audited)
ASSETS		
CURRENT		
Cash	$ 175,599	$ 2,077,716
Accounts receivable	1,493,839	1,769,709
Prepaid expenses	205,939	121,861
Income taxes receivable	108,000	-
Prepaid stripping costs	848,628	339,602
Short- term investment	603,000	603,000
	3,435,005	4,911,888
LONG -TERM DEPOSITS (Note 4)	100,050	50,000
PROPERTY AND EQUIPMENT	748,523	828,881
RESOURCE PROPERTIES	3,211,004	2,999,617
INTANGIBLE ASSETS	6,670,228	7,139,013
GOODWILL	2,537,701	2,537,701
	$16,702,511	$18,467,100
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 559,654	$ 1,073,593
Demand loans (Note 5)	6,478,521	7,383,146
Income tax payable	-	41,757
Current portion of long-term debt	-	60,000
	7,038,175	8,558,496
ASSET RETIREMENT OBLIGATION	222,115	213,169
FUTURE INCOME TAX	2,620,843	2,505,772
	9,881,133	11,277,437
SHAREHOLDERS' EQUITY		
SHARE CAPITAL		
Common shares (Note 7b)	6,786,857	6,610,693
Warrants (Note 7d)	-	176,164
	6,786,857	6,786,857
CONTRIBUTED SURPLUS (Note 8)	678,463	598,763
DEFICIT	(643,942)	(195,957)
	6,821,378	7,189,663
	$16,702,511	$18,467,100

Approved by the Board of Directors

"Douglas M. Stuve", Director
Douglas M. Stuve

"Theodore Rousseau", Director
Theodore Rousseau

The accompanying notes are a part of these financial statements.

ATHABASCA MINERALS INC.

Statements of Net Income (Loss), Comprehensive Income (Loss) and Deficit

	For the Three Months Ended May 31,		For the Six Months Ended May 31,	
	2010	2009	2010	2009
	(Unaudited)		(Unaudited)	
AGGREGATE MANAGEMENT FEE REVENUE	$ 1,763,173	$ 1,605,768	$ 2,849,307	$ 2,622,590
ROYALTIES	537,391	542,789	805,205	868,901
	1,225,782	1,062,979	2,044,102	1,753,689
AGGREGATE MANAGEMENT OPERATING EXPENSES	503,827	289,474	758,754	707,404
	721,955	773,505	1,285,348	1,046,285
EXPENSES				
Accretion	4,519	-	8,946	-
Amortization of property and equipment	41,777	34,694	84,113	64,066
Amortization of intangible assets	234,392	234,393	468,785	468,785
Write down of resource properties	48,345	-	48,345	-
General and administrative	398,914	373,831	740,939	634,532
Interest on long-term debt	-	9,074	-	20,389
Interest on demand loans	70,453	84,236	144,059	190,890
Stock-based compensation (Note 8)	21,562	8,386	79,700	(5,208)
	819,962	744,614	1,574,887	1,373,454
INCOME (LOSS) BEFORE OTHER ITEMS	(98,007)	28,891	(289,539)	(327,169)
OTHER INCOME (LOSS)				
Interest income	6,846	10,631	13,398	25,326
Loss on disposal of property and equipment	-	-	-	(1,270)
	6,846	10,631	13,398	24,056
INCOME (LOSS) BEFORE INCOME TAXES	(91,161)	39,522	(276,141)	(303,113)
INCOME TAXES				
Current income tax expense (recovery)	97,162	-	56,773	20,837
Future income tax expense (recovery)	112,393	21,031	115,071	(73,153)
	209,555	21,031	171,844	(52,316)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	**(300,716)**	**18,491**	**(447,985)**	**(250,797)**
DEFICIT, BEGINNING OF PERIOD	(343,226)	(1,798,568)	(195,957)	(1,529,280)
DEFICIT, END OF PERIOD	**$ (643,942)**	**$ (1,780,077)**	**$ (643,942)**	**$(1,780,077)**
BASIC AND DILUTED NET INCOME (LOSS) PER COMMON SHARE (Note 7e)	**$ (0.01)**	**$ -**	**$ (0.02)**	**$ (0.01)**
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	**27,978,165**	**27,978,165**	**27,978,165**	**27,978,165**

The accompanying notes are a part of these financial statements.

ATHABASCA MINERALS INC.

Statements of Cash Flows

	For the Three Months Ended May 31, 2010	For the Three Months Ended May 31, 2009	For the Six Months Ended May 31, 2010	For the Six Months Ended May 31, 2009
	(Unaudited)		(Unaudited)	
OPERATING ACTIVITIES				
Net income (loss)	$ (300,716)	$ 18,491	$ (447,985)	$ (250,797)
Adjustments for non-cash items				
Amortization and accretion	280,689	269,087	561,844	532,851
Write down of resource properties	48,345		48,345	
Future income tax expense (recovery)	112,393	21,032	115,071	(73,153)
Stock-based compensation (Note 8)	21,562	8,386	79,700	(5,208)
Loss on disposal of equipment	-	-	-	1,270
	162,273	316,996	356,975	204,963
Net changes in non-cash working capital balances				
Accounts payable and accrued liabilities	(51,041)	(427,164)	(513,939)	(2,865,454)
Accounts receivable	(555,825)	(555,321)	275,870	3,607,297
Income tax payable	(1,368)	-	(41,757)	-
Income taxes receivable	(108,000)	-	(108,000)	-
Prepaid expenses	(36,876)	(32,593)	(84,078)	(37,244)
Prepaid stripping costs	(234,305)	-	(509,026)	-
	(825,142)	(698,082)	(623,955)	909,562
INVESTING ACTIVITIES				
Long-term investments	-	-	(50,050)	-
Proceeds on disposal of equipment	-	-	-	1,906
Purchase of property and equipment	-	(73,970)	(3,754)	(76,970)
Resource properties	(119,278)	(108,854)	(259,733)	(201,843)
	(119,278)	(182,824)	(313,537)	(276,907)
FINANCING ACTIVITIES				
Repayment of advances from related parties	-	-	-	(250,000)
Repayment of demand loans	(452,313)	(450,000)	(904,625)	(600,000)
Repayment of long term debt	-	(200,000)	(60,000)	(200,000)
	(452,313)	(650,000)	(964,625)	(1,050,000)
NET DECREASE IN CASH FOR THE PERIOD	(1,396,733)	(1,530,906)	(1,902,117)	(417,345)
CASH, BEGINNING OF PERIOD	1,572,332	2,339,772	2,077,716	1,226,211
CASH, END OF PERIOD	$ 175,599	$ 808,866	$ 175,599	$ 808,866

Supplemental cash flow information (Note 10)

The accompanying notes are a part of these financial statements.

ATHABASCA MINERALS INC.

Notes to Financial Statements
For the Six Months Ended May 31, 2010 and 2009

Note 1 – Significant Accounting Policies

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

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

Note 2 – Seasonality of Operations

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

Note 3 - Future Changes in Accounting Policies

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

International Financial Reporting Standards

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

Business Combinations, Consolidated Financial Statements and Non-controlling Interests

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

Note 4 - Long-Term Deposits

	May 31, 2010 (unaudited)	November 30, 2009 (audited)
Prepaid gravel	$ 75,000	$ 50,000
Security deposit – Poplar Creek storage yard miscellaneous lease	25,050	-
Balance at end of period	$ 100,050	$ 50,000

Pursuant to an option and lease agreement with a private land owner, the Corporation paid $75,000 to the owner as a prepayment on the purchase of 125,000 cubic yards of gravel. Management does not expect to obtain the gravel in the next 12 months. Accordingly, the prepayment has been treated as a long term deposit.

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

Note 5 - Demand Loans

	May 31, 2010 (unaudited)	November 30, 2009 (audited)
Bank loan, repayable in monthly installments of $150,000 plus interest at the bank's prime lending rate plus 1.875%, due December 31, 2013.	$6,450,000	$7,350,000
Bank loan, repayable in monthly installments of $771 plus interest at the bank's prime lending rate plus 2%, due June 30, 2013.	28,521	33,146
	$ 6,478,521	$ 7,383,146

Note 5 - Demand Loans (continued)

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

2011	$ 1,809,250
2012	1,809,250
2013	1,809,250
2014	1,050,771
	$ 6,478,521

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

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

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

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

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

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

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

Note 6 - Related Party Transactions

During the six months ended May 31, 2010 the Corporation incurred expenses of $296,366 (six months ended May 31, 2009 - $259,940) in consulting, 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 Corporation.

During the three months ended May 31, 2010 the Corporation incurred expenses of $138,811 (three months ended May 31, 2009 - $119,847) in consulting, 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 Corporation.

There is $NIL related to these expenses recorded in accounts payable and accrued liabilities at May 31, 2010 (May 31, 2009 - $20,053).

During the six months ended May 31, 2010, the Corporation had exploration costs of $11,170 (six months ended May 31, 2009 - $ Nil) charged by companies controlled by directors and officers.

During the three months ended May 31, 2010, the Corporation had exploration costs of $5,000 (three months ended May 31, 2009 - $ Nil) charged by companies controlled by directors and officers.

During the six months ended May 31, 2010 there was a $4,000 (six months ended May 31, 2009 - $Nil) long term debt repayment to directors and officers and a $44,000 (six months ended May 31, 2009 - $ Nil) long term debt repayment to companies controlled by directors and officers. As at May 31, 2010, the long term debt has been fully repaid.

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

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

Note 7 - Share Capital

a) Authorized:
An unlimited number of common shares
An unlimited number of preferred shares (issuable in series)

Notes to Financial Statements
For the Six Months Ended May 31, 2010 and 2009

Note 7 - Share Capital (Continued)

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

	Six Months Ended May 31, 2010		Year ended November 30, 2009	
	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning of period	27,978,165	$ 6,610,693	27,978,165	$ 6,331,823
Warrants expired (Note 7d)	-	176,164	-	278,870
Balance at end of period	27,978,165	$ 6,786,857	27,978,165	$ 6,610,693

c) Stock options:

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

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

	Six Months Ended May 31, 2010		Year ended November 30, 2009	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of period	2,537,435	$ 0.35	1,937,435	$ 0.40
Issued	-	-	900,000	$ 0.27
Expired	(200,000)	$ 0.40	-	-
Cancelled	(116,667)	$ 0.25	(300,000)	$ 0.40
Options outstanding, end of period	2,220,768	$ 0.36	2,537,435	$ 0.35

1,779,100 options were exercisable at May 31, 2010 at a weighted average exercise price of $0.38.

Notes to Financial Statements
For the Six Months Ended May 31, 2010 and 2009

Note 7 - Share Capital (continued)

c) Stock options (continued)

The weighted average remaining contractual life of the options is 2.9 years.

The Corporation's stock option plan provides that the Board of Directors may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase common shares. The stock option plan provides for a floating maximum limit of 10% of the outstanding common shares, as permitted by the policies of the TSX Venture Exchange. Options may be exercisable for up to ten years from the date of grant, but the Board of Directors has the discretion to grant options that are exercisable for a shorter period. Options under the stock option plan are not transferable or assignable. Pursuant to the stock option plan, options must be exercised within a reasonable period following termination of employment or cessation of the optionee's position with the Corporation, or such other period established by the Board of Directors, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death or disability, the option may be exercised within one year, subject to the expiry date.

The following is a summary of the outstanding options:

Expiry Date	Exercise Price	Number of Options Outstanding May 31, 2010	Number of Options Outstanding November 30, 2009
January 1, 2010	$ 0.40	-	200,000
January 8, 2012	$ 0.40	1,022,435	1,022,435
April 4, 2013	$ 0.43	100,000	100,000
May 13, 2013	$ 0.40	75,000	75,000
July 28, 2013	$ 0.40	240,000	240,000
September 21, 2014	$ 0.25	683,333	800,000
November 30, 2014	$ 0.40	100,000	100,000
		2,220,768	2,537,435

Notes to Financial Statements
For the Six Months Ended May 31, 2010 and 2009

Note 7 - Share Capital (continued)

d) Warrants:

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

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

e) Diluted net income (loss) per common share

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

Note 8 - Contributed Surplus

	Six Months Ended May 31, 2010 (unaudited)	Year Ended November 30, 2009 (audited)
Balance beginning of period	$ 598,763	$ 536,679
Stock based compensation expense	79,700	62,084
Balance, end of period	$ 678,463	$ 598,763

Notes to Financial Statements
For the Six Months Ended May 31, 2010 and 2009

Note 9 - Financial Instruments

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

a) Fair Value

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

b) Credit Risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist primarily of accounts receivable. In the normal course of business the Corporation evaluates the financial condition of its customers on a continuing basis and reviews the credit worthiness of all new customers. Management assesses the need for allowances for potential credit losses by considering the credit risk of specific customers, historical trends and other information. The maximum credit risk exposure at May 31, 2010 is $1,493,839 representing the Corporation's accounts receivable. At May 31, 2010, 83% of the Corporation's accounts receivable were from four customers.

The Corporation’s aged accounts receivable are comprised of 48% current, 31% past due up to 60 days and 21% past due over 60 days. While certain amounts are past due, there is no impairment of the accounts receivable.

c) Liquidity Risk

The Corporation manages liquidity risk by ensuring sufficient funds are available to meet liabilities when they come due. Under its long term credit facilities, the Corporation must maintain certain ratios. The Corporation has complied with all financial covenants as at May 31, 2010 however the credit facilities are due on demand. The demand feature of the credit facilities increases the Corporation’s liquidity risk as the bank could demand repayment at any time. Management has assessed this risk and believes that it has sufficient capital through internally generated cash flows or alternate sources of financing to mitigate this risk.

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

Year 1	$ 7,038,175

The Corporation expects the demand loans will be repaid in monthly payments, however, the balance of $6,450,000 has been reported in year 1 above as the lender has the right to demand at any time.

Notes to Financial Statements
For the Six Months Ended May 31, 2010 and 2009

Note 9 - Financial Instruments (continued)

The Corporation's existing credit facilities and cash flow from operating activities is expected to be greater than anticipated capital expenditures and the contractual maturities of the Corporation's financial liabilities for 2010. The expectation could be adversely affected by a material negative change in the demand for aggregate or the Corporation's management contracts.

d) Foreign Currency Risk

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

e) Interest Rate Risk

The Corporation has an interest bearing term deposit and carries variable rate debt financing. Given the interest rate is fixed on the term deposit, the Corporation is not exposed to any interest rate risk on this financial instrument. However, the Corporation is exposed to interest rate risk on the variable rate demand loans. A 100 basis point increase in interest rate on the demand loans would decrease net income and comprehensive income by approximately $47,000.

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

Note 10- Supplemental Cash Flow Information

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

	Six Months Ended May 31, 2010	**Six Months Ended May 31, 2009**
Interest paid	$ 144,059	$ 223,066
Income taxes paid	$ 206,531	$ 20,837
Interest received	$ 710	$ 19,246

Note 11- Comparative Figures

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

Notes to Financial Statements
For the Six Months Ended May 31, 2010 and 2009

Note 12- Subsequent Event

On June 29, 2010 the Corporation obtained regulatory approval to proceed with a normal course issuer bid whereby the Corporation may purchase up to a total of 1,398,908 common shares representing approximately 5% of the common shares currently issued and outstanding. It is expected that the normal course issuer bid will commence on July 5, 2010 and terminate on July 5, 2011. All acquisitions of common shares pursuant to the normal course issuer bid will be at market price.