ATEBA RESOURCES INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations

December 31, 2011

Management's discussion and analysis (MD&A) is current to March 14, 2012 and is management's assessment of the operations and the financial results together with future prospects of Ateba Resources Inc. ("Ateba", "Corporation", or the "Company"). This MD&A should be read in conjunction with our audited financial statements and related notes for the years ended December 31, 2011 and 2010, prepared in accordance with International Financial Reporting Standards. All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Ateba's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. Additional information relevant to the Company's activities, including the Company's audited financial statements, can be found on SEDAR at www.sedar.com.

Description of Business

The Company is a junior exploration company engaged in the acquisition and exploration of mineral properties with interests in both gold and uranium and seeking other opportunities. The Company was formed by articles of amalgamation under the *Business Corporations Act* (Ontario) on February 1, 1988, and is a reporting issuer in Alberta, British Columbia, Manitoba, Ontario, Quebec and Saskatchewan.

Exploration Highlights Larder Lake Group

During the previous year, Ateba Resources has been actively involved in ongoing exploration activities on the Larder Lake Group Property. The Larder Lake Group Property encompasses several gold +/- copper targets including the historic Walsh gold mine, the FP Zone, the Copper King mine, the Kinabik geophysical anomaly and the Kerr North gold-copper target.

Results to Date

- Walsh Mine Drilling Highlights:
    - First drilling campaign (2010): 13 holes for 3,000m2.9 m @ 4.49 g/t Au,2.15 m @ 1.95 g/t Au, and 1.5 m @ 12.53 g/t Au

  Current drilling campaign: 8 holes total for 1,050m
    - 7 holes completed for 750m
    - 1 hole planned for 300m to test the Kinabik Creek Lineament
    - Quartz veining intersected
    - Logging and sampling underway

- FP Zone Highlights:
    - First drilling campaign - 7 holes completed for 2,555m4.85 m @ 6.72 g/t Au Several K-feldspar dikes and alteration zones intersected

  Current drilling campaign: 9 holes completed for 900m
    - Strong silicification and pyritization intersected
    - Logging and sampling underway, first 4 holes submitted

- Copper King: 7 holes drilled for 1,550 m in previous campaign
    - No significant results

- Kinabik: 4 holes drilled for 2,000m in previous campaign, now complete
    - Intersection of lithologies indicative of a VMS system

Ateba Resources completed an initial round of drilling on the Kinabik target over the summer of 2011. Drilling intersected lithologies indicative of VMS style system. These lithologies include sequences of mafic metavolcanics, fragmental volcanics, semi-massive pyrite and chemical sediments which were intersected in close proximity to the Mulven-Kinabik Fault, a major regional lithologic break along strike from the Kirkland Lake area. Further exploration of this target is being planned with the goal of determining if the intersected lithologies are the distal portion of a larger VMS system.

FP Zone exploration was designed and implemented to test for previously identified, altered and mineralized zones within favorable host rock. Initial drilling on the FP Zone intersected strong alteration along intrusive contacts of potassium feldspar dikes with mafic metavolcanics which otherwise assayed low in gold content. Further mapping and channel sampling in the area revealed northeast trending alteration zones and a broad area of strongly silicified and pyritiferous mafic metavolcanics which assayed above background in gold content. A second round of drilling was planned and executed on the FP Zone in investigating the promising alteration zones and possible potassium-feldspar dikes within the more favorable, silicified, pyrite rich mafic metavolcanics. Nine, 100 m holes were drilled on the zone for a total of 900m. Logging and sampling of the core is being completed.

The Walsh Mine area has produced the best exploration results on the property and is now the target of a second campaign of drilling to follow up on initial results. The goal of this second drilling programme is to test the extents and continuity of previously identified mineralization between the Walsh Mine and the adjacent FP Zone to the southeast as well as to the northwest of the shaft area. The first round of drilling on the target was designed to confirm the continuity of gold mineralization which was the target of historic developmental work. The mineralization consists of zones of anastomosing quartz veins and alteration in mafic syenite. These zones are associated with gold mineralization that is often nuggety in distribution. This uneven distribution raises one of the biggest challenges in exploring the Walsh Mine mineralization. In an effort to overcome the nugget effect, the second campaign of drilling was designed as a series of shallow holes to intersect the mineralized zones at numerous pierce points, thus providing better statistical control on the gold mineralization. This outlay of drillholes is also well-suited to define the strike extent of the main northwest-southeast trending corridor of mineralization which is known from surface mapping and trenching to extend toward the FP-Zone. The Walsh Mine area and the FP Zone are separated by the Kinabik Creek Lineament which appears to dextrally offset the alteration corridor. The final drillhole of the current drilling campaign is designed to test this lineament. To date, all of the shallow drillholes at the Walsh Mine have been completed and the final drillhole is underway.

Initial exploration occurred in the early 1900's with shaft sinking and development diamond drilling coming about in the 1920's. Historic gold grades were garnered from face samples in over 1000 metres of drifting on four development levels. Further exploration in the mid 1930's and diamond drilling in the 1970's led to a significant diamond drilling in the 1980's. The previous historic results, as well as the 8-10,000 tonne "ore pile" on surface, led the Company back to the project in 2010 and exploration continues today.

The Kerr North target is a geophysical target which is expressed as a strong, coincident magnetic high/low across the Mulven Kinabik Fault. The geophysical anomaly was examined on the ground and determined to be the result of a faulted mafic intrusive body. Previously identified copper-gold mineralization in the area is associated with quartz veining. Observations of the geology at the Kerr North Target indicate that it is not a VMS style system as suggested by its location with respect to the Kinabik area. No further exploration activities have been conducted at the Copper King area of the property.

Larder Lake Group, Ontario (Gold) Summary

In January and February of 2010, the Company signed 2 Option Agreements covering 110 mining claim units in Ossian and Katrine Townships, Ontario. In order to acquire 100% interests on these claims, the Company must from those dates, over four years, incur work expenditures on the properties totalling $2,500,000, issue 1,666,667 common share purchase units and pay an aggregate of $250,000. Each purchase unit consists of one common share of the Company and a share purchase warrant entitling the holder to purchase one common share for a period of two years from the date of the issuance of the unit. The properties are subject to a royalty of 2.0% of net smelter returns. The Company can purchase 1.0% of

both NSR's for $1,000,000 each for a period of four (4) years. During 1st quarter of 2011and 2010, the Company made payments totalling $83,333 and $50,000 (including or in addition to the deposits made at the end of 2009) respectively. The Company also issued 333,334 common share purchase units for these two optioned properties in 1st quarter of both 2011and 2010. The considerations for these agreements were extended for six months in January and February 2012 by issuing 166,667 shares and payments totalling $16,667.

In addition, the Company, in December, 2010, signed a further Option Agreement covering 249 mining claim units in McVittie, Katrine, and Ossian Townships. In order to acquire 100% interests on these claims, the Company must, over four years, incur work expenditures on the properties totalling $1,000,000, issue 666,667 common share purchase units and pay an aggregate of $100,000. Each purchase unit consists of one common share of the Company and a share purchase warrant entitling the holder to purchase one common share for a period of two years from the date of the issuance of the unit. The properties are subject to a royalty of 2.0% of net smelter returns. The Company can purchase 1.0% of this NSR for $1,000,000 for a period of four (4) years. In December 2010, the Company made a payment of $20,000 and issued 133,334 common share purchase units for this Optioned property. This option agreement gives the Company a 15 kilometre strike along the Matachewan-Kirkland Trend of the Larder Lake Cadillac break, a major geological structure hosting past production of 102 million ounces of gold. The considerations for this agreement were extended for six months in December 2011 by issuing 66,667 shares and payment of $6,667.

In January and February of 2011, the Company staked a further 110 claim units contiguous to the optioned claims from the above three option agreements to bring the total to claims optioned to and staked by Ateba to 469 units. The company is required to spend $nil on this property for the year ended the anniversary date of the agreement, February 7, 2012 and $44,000 per year thereafter.

The claims now, on which the historic Walsh Katrine Mine, the Copper King Mine Properties, the Kinabik and Kerr North Showings are located, are in Ossian, McVittie and Katrine Townships near the Quebec/Ontario border in the Larder Lake area (the "Property") of northeastern Ontario. The Property is situated about 20 km east of the world renowned Kirkland Lake Gold Mining Camp and approximately 6 km north of the Kerr-Addison Mine in Virginiatown. A map and further information regarding the Walsh Katrine Mine Property is available on the Company website: www.atebaresources.ca. The option and staked interest in this highly prospective area for gold is 100% ownership in 469 claim units. The Property is situated within driving distance of multiple past producing gold mines near the Larder-Cadillac Break as the property is readily accessible by road vehicle.

Ateba Resources is involved in an exploration program consisting of mapping, trenching, sampling, geophysics and drilling concentrated on two areas of the Larder Lake Group Property. To date, Ateba has completed approximately 10,200m of drilling between the Walsh Mine-FP Trend and the Copper King-Kinabik Trend. The history and status of the company's exploration activities on each of the areas is outlined below.

Walsh Mine-FP Trend

The Walsh Mine-FP trend is a north-westerly trending zone of alteration and mineralization in the eastern portion of the Larder Lake Group Property. It is associated with historic workings at the Walsh mine, near the northern extension of the trend. Subsequent work by Ateba identified further mineralization along the south-easterly extension of the trend. Exploration work is concentrated on defining the nature, degree and extent of mineralization along the trend. Anomalous alteration and/or geophysical signatures have been identified along a section of the trend over one kilometre in strike length.

Walsh Mine

The most significant historic work conducted on the Larder Lake Group Property was carried out at the Walsh Mine area. Historic exploration results from the 1920's to the 1980's show economic grades of gold over mineable widths. The 2010 drilling program confirmed the continuity of these known gold zones both along strike and down dip as well as a new structure, over 600 m to the southeast which is known as the FP Zone.

FP Zone

The 2010 drilling program produced an intercept of 6.72 g/t Au over 4.85 m in exploratory hole AR-10-30. The mineralized intersection is associated with alteration along a Potassium Feldspar dyke which intrudes

mafic metavolcanic rocks. The alteration and mineralization is associated with both lithologies. Numerous similar geological occurrences were identified and a drill program was designed to test these structures. The company's 2011 FP Zone drilling program consisted of six holes (AR-11-31 to AR-11-36) totalling 2,255.5 m. The initial drilling program tested several alteration zones adjacent to porphyry dikes.

In addition to drilling, a walk mag survey was conducted over the FP Zone. The magnetic survey revealed several east-west and north-westerly trending magnetic anomalies, both of which were targeted by the drilling program. Another general area of high magnetic susceptibility was identified by the survey. These targets were followed up on surface with mapping, grab sampling and trenching. They are the focus of the second drilling campaign.

Kinabik-Copper King Trend

The Kinabik-Copper King Trend is the interpreted extension of the Upper Canada Break which extends past historic producing mines at the Upper Canada and Upper Beaver deposits to the southwest of the Larder Lake Group Property. These deposits are a focus of current exploration and development work by Queenston Mining. Evidence of the extension of this trend onto Ateba's property is indicated by mineralization and strong deformation at Copper King, alteration at Kinabik and geophysical anomalies in both areas. Geophysical anomalies at the Kinabik area are significant and the area is associated with promising structural intersections and surface alteration. This trend and the coincident deformational corridor are considered the most highly prospective zone for intrusive related mineralization.

Copper King

The Copper King Area lies in the south-western portion of the Larder Lake Group Property adjacent to the Upper Beaver deposit area. The Copper King area hosts historic workings identified by pits, trenches and a shaft at surface. It was identified as the potential extension of the Upper Canada Break which passes through the Upper Canada and Upper Beaver deposit areas. Ateba's 2011 drilling in the Copper King area consisted of seven holes totalling 1,550 m and confirmed the continuity of significant structural deformation associated with the trend. The identified trend is significant in that it is coincident with north-easterly trending linear magnetic anomalies that lead toward the Kinabik Area.

Kinabik

The Kinabik Area of the Larder Lake Group Property was identified by surface alteration and confirmed with ground magnetics, an IP survey and most recently, a deep IP survey. The area lies at the intersection of the interpreted Upper Canada Break and the regionally significant, east-westerly trending Mulven-Kinabik Fault. At surface, it is comprised of mafic pillow basalts with strong prophyllitic alteration consisting of silicification, disseminated pyrite and abundant quartz-calcite veining. Channel sampling across the area did not reveal elevated gold values.

Ateba also contracted the completion of a deep IP survey to follow-up on earlier geophysical work that identified a circular resistivity high anomaly associated with the area. The deep IP survey indicates that the resistivity anomaly is actually elongate and cigar shaped in form and plunges shallowly to the east, parallel to the Mulven Kinabik Fault. The survey also identified a strong chargeability anomaly which lies beneath the resistivity anomaly. An apophases of this chargeability anomaly can be correlated with the altered rocks that outcrop at the area that was sampled by Ateba.

A total of 2,000 m of diamond drilling was conducted by Ateba on the Kinabik target to test the anomalies identified by geophysical and surface work. The initial drill program on the Kinabik target entailed four holes ranging from 300 to 702m in depth. Assays did not reveal significant mineralization, however, the drilling did intersect VMS style lithologies.

Other Targets

Although separate from the two main targets on the Larder Lake Group Property, the Kerr North lies along the Mulven-Kinabik fault which is a major structural feature associated with the Kinabik Target. Currently, the Kerr North Target has been explored by geophysics, a historic trench and a historic drill hole. The drilling yielded 4.8 g/t Au over 0.74 m and the trenching returned significant values in both gold and copper. Grab samples returned up to 4% Cu. The geophysical survey conducted over the target consisted of magnetics and reveals a strong, adjacent magnetic high/low across the Mulven-Kinabik Fault.

Elliot Lake, Ontario (Uranium/REO) Summary

The Company intends to hold its uranium property in good standing which is located in the Elliot Lake area, Ontario. The Company will further explore and develop this property as U_3O_8 and REO prices dictate. The company also continues to look for additional mineral properties of merit.

The Elliot Lake Property is located in the Sault Ste. Marie Mining Division in Joubin and Gunterman townships. The property comprises 25 contiguous leased mining claims, where all patented mining rights are registered 100% in the name of Ateba.

This Property is located on the southern limb of the Quirk Lake Syncline. In the Elliot Lake area, uranium ore is found within pyritiferous quartz-pebble conglomerates in the Matinenda Formation of the Elliot Lake Group. The ore-bearing conglomerates consist of well-rounded, well-sorted quartz pebbles or cobles set in a matrix of quartz, feldspar, and sericite, and have a pyrite content of 6-10%. The Elliot Lake Uranium Camp has produced more than 270 million pounds of U_3O_8 from vast, strata-bound deposits. Importantly, Elliot Lake is also the only Canadian mining camp to ever achieve commercial REO production and is a historically important source of Heavy REO.

Diamond drilling in the mid 1950's (1953-44) by Abeta Mining Corp., a predecessor company, and again in 1977 by Lac Minerals outlined a deposit with reported historic reserves of 12,992,000 tons with an average diluted grade of 0.75 lbs. U_3O_8 per ton (Robertson, 1977). These ore reserve calculations are historical in nature and because they do not conform to the current NI 43-101 standards should not be relied upon.

Ateba's Elliot Lake Property is contiguous to Pele Mountain's Echo Ridge Property. On July 5, 2011, Pele Mountain announced the findings of an independent Preliminary Economic Assessment (PEA) on Eco Ridge. The Report assessed the property as having an NPV of $662 million (using a 7.5% discount rate) and an IRR of 47%. As this is a preliminary assessment of the project, Pele Mountain also indicated in their press release that they expect the economics of the project to improve. The Ateba property hosts the same structure as found at Eco Ridge, the Pardee Reef, in which both the mineralized deposits occur. Given its proximity and comparable geology, Ateba management believes there is reason to expect similar uranium and REO values on its property as those found at Eco Ridge.

Company Directors

As at March 14, 2012, the directors and officers of the Company were:

William P. Dickie	President and Director
Robert J. B. H. Holmes	Director
Peter J. Evans	Director
Scott Jobin-Bevans	Director
John Kennedy	Chief Financial Officer

Dr. Scott Jobin-Bevans, Ph.D., P. Geo. is also a "Qualified Person" for the Company under the definition of National Instrument 43-101.

Risks

There are certain risk factors that could have material affects that are un-quantifiable at present due to the nature of the Company's industry segment and other considerations.

Exploration Development and Operating Risk

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration and development, any of which could result in work stoppages, damage to property, and possible environmental damage. None of the properties in which the Company has an interest have a known body of commercial ore. Development of the Company's mineral properties will follow upon obtaining satisfactory exploration results. Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in discoveries of commercially viable bodies or ore. The long-term

profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes to extract the metal from the resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

Commodity Prices
The price of the common shares in the capital the Company ("Common Shares"), its financial results, exploration and development activities have been, or may in the future be, adversely affected by declines in the price of uranium, gold and/or other metals. These prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from mining and sale of precious, base and energy metals or interests related thereto. The effect of these factors on the price of these metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Additional Capital
The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favourable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Environmental, Aboriginal and, Permitting
All phases of the Company's operations are subject to environmental regulation and aboriginal consultation in the jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and/or disposal of hazardous or mine waste. Environmental legislation and aboriginal consultation are evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, in any, will not adversely affect the Company's operations.

Acquisition
The Company uses its best judgment to acquire mining properties for exploration and development in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and develop them, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Company.

Competition
The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Land Title
The Company has not sought formal title opinions on its mineral property interests in Canada. Any of the Company's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. The Company has no present knowledge of any material defect in the title of any of the properties in which the Company has or may acquire an interest.

New Accounting Standards

BASIS OF PRESENTATION

(a) Statement of Compliance
These financial statements have been prepared using accounting policies consistent with the International Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Prior to 2011, the Company prepared its annual and interim financial statements in accordance with Canadian Generally Accepted Accounting Principles ("GAAP").

The Company's disclosures exceed the minimum requirements. The Company has elected to exceed the minimum requirements in order to present the Company's accounting policies in accordance with IFRS and the additional disclosures required under IFRS, which also highlight the changes from the Company's 2010 annual financial statements prepared in accordance with Canadian GAAP.

(b) Basis of Presentation
The financial statements have been prepared on the historical cost basis. Current assets are recorded at fair value. The comparative figures presented in these financial statements are in accordance with IFRS and have been audited.

These financial statements have been prepared on the basis that the Company is a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. The ability of the Company to continue operations is dependent upon obtaining the necessary financing to complete the development of its property. These financial statements do not include any adjustments related to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

The Company incurred a loss of $77,645 for the three months ended December 31, 2011 (2010 – $149,663) and a loss of $243,400 for the year ended December 31, 2011 (2010 - $317,667) and has working capital of $980,317 as at December 31, 2011 (2010 – $1,788,215). The ability of the Company to carry out its business plan rests with its ability to secure additional equity and other financing.

FIRST TIME ADOPTION OF IFRS

The Company has adopted IFRS on January 1, 2011 with a transition date of January 1, 2010. Under IFRS 1 '*First-time Adoption of International Reporting Standards'*, the IFRS are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under GAAP taken to deficit unless certain exemptions are applied. The Company has used IFRS 1 exemption with respect to accounting for business combinations that occurred prior to transition date of January 1, 2010 using same accounting policies that were previously used under Canadian GAAP.

Below is the Company's Balance Sheet as at the transition date of January 1, 2010 under IFRS:

	January 1 2010 Unaudited
CURRENT	
Cash and cash equivalents	$ 405,807
Lawyer's trust account	50,000
Accounts receivable	5,619
Marketable securities	1,470
Deposits	16,667
	479,563
INTEREST IN MINING PROPERTIES	48,965
INVESTMENTS	5
	$ 528,533
LIABILITIES	
CURRENT	
Accounts payable and accrued liabilities	$ 55,905
SHAREHOLDERS' EQUITY	
CAPITAL STOCK	22,663,825
CONTRIBUTED SURPLUS	45,000
ACCUMULATED OTHER COMPREHENSIVE LOSS	(2,675)
DEFICIT	(2,233,522)
	472,628
	$ 528,533

IFRS employs a conceptual framework that is similar to Canadian GAAP. The adoption of IFRS has not changed the actual cash flows of the Company, the adoption resulted in significant changes to the liabilities and equity reported on the balance sheet. The adoption has not resulted in any changes to the assets on the balance sheet, the results of operations nor the cash flows of the Company. Presented below are the reconciliations prepared by the Company to reconcile the IFRS liabilities, equity and cash flows of the Company from those reported under Canadian GAAP:

	December 31, 2010	January 1, 2010
(a) Total Liabilities		
Total liabilities under Canadian GAAP	$175,224	$55,905
Adjustment for deferred revenue (see note below)	166,000	-
Total liabilities under IFRS	$341,224	$55,905

(b) Total Equity

Total equity under Canadian GAAP	$2,417,186	$472,628
Adjustment for deferred revenue (see note below)	(166,000)	-
Total equity under IFRS	$2,251,186	$472,628

Note to the IFRS reconciliation above

In the December 2010 private placement, the company issued 4,150,000 flow through units at $0.17. The price of $0.17 represents an increment of $0.04 over the $0.13 common share unit price. As such, this increment has been set up retrospectively to December 2010 as deferred revenue and the related share capital has been reduced by the same amount pursuant to the IFRS policies adopted in these financial statements. This increment will be recognized as a gain on sale of tax benefit associated with renounced exploration expenditures.

The amounts stated on the balance sheet as at January 1, 2010 approximate the fair value of financial assets and liabilities.

These financial statements have been approved by the Board of Directors of the Company on March 14, 2012.

The company has elected to early adopt the recommendations of IFRS 9 Financial Instruments as of the transition date to IFRS of January 1, 2010.

SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") retroactively applied to January 1, 2010.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of the recoverability of mineral property costs, and the valuation allowance of future tax assets. Actual results could differ from those estimates.

The significant accounting policies are as follows:

(a) Financial Instruments

Financial Instruments are initially recognized at their fair value on a settlement basis when the Company becomes a party to the contractual provisions of the financial instrument or non-financial derivative contract. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy establishes three levels to classify valuation techniques used to measure fair value. Level 1 items are quoted prices in active markets for identical assets or liabilities. Level 2 items are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets or quoted prices that are derived principally from or corroborated by observable market data and other means. Level 3 inputs are unobservable and supported by little or no market activity. The fair value hierarchy gives the highest priority to Level 1 items and the lowest priority to Level 3 items.

Subsequent measurement of financial instruments is based on the classification of the financial instrument as follows:

(i) Fair Value Basis – Profit or Loss

Cash and cash equivalents and lawyer's trust account are recorded on a fair value basis with any changes in fair value being recorded in profit or loss in other income. Cash and cash equivalents and lawyer's trust account are managed based on their fair value to the entity in accordance with the company's investment strategy and reported internally at fair value. Transaction costs associated with these items are expensed as incurred. The fair value of cash and cash equivalents are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets. The fair value of lawyer's

trust account approximates its cost due to its inherent nature and is classified within Level 3 of the fair value hierarchy given that it has no observable market.

(ii) Fair Value Basis – Other Comprehensive Income
Marketable securities are recorded on a fair value basis with any changes in fair value being recorded in other comprehensive loss. Marketable securities are managed based on their fair value to the entity in accordance with the company's investment strategy and reported internally at fair value. The fair value of marketable securities is based upon quoted market prices. Marketable securities are written down only if there is a permanent decline in the anticipated recoverable amount below their cost. The cost of financial assets designated as available for sale is disclosed.

(iii) Amortized Cost
Accounts receivable are recorded on the balance sheet at amortized cost, with interest being recorded in profit or loss using the effective interest method. The fair value of accounts receivable approximates their recorded amounts due to their short-term maturities.

Accounts payable and accrued liabilities are recorded on the balance sheet at amortized cost, with interest being recorded in net income using the effective interest method. The fair value of accounts payable and accrued liabilities approximated their recorded amounts due to their short-term maturities.

(b) Revenue recognition
Interest income is recognized on an accrual basis; and, profits on the sale of marketable securities are recognized at the time of settlement.

(c) Mining properties
The Company's interests in mining properties are carried at cost on a property-by-property basis. Costs include capitalized expenditures for acquisition, geological surveys, exploration and development. When shares of the Company are issued from treasury as consideration for the acquisition of mining properties, the market value of the shares is considered a cost of acquisition. Costs for each property are written off to the statement of income (loss) if future recovery is determined to be unlikely.

If the economically recoverable mineral reserves are developed, capitalized costs of the related property will be reclassified as mining assets and amortized using the unit of production method. When a mineral property is abandoned, all related costs are written off to operations.

Mining properties are assessed for impairment when facts and circumstances suggest that the carrying value of the mining property may exceed its recoverable amount. When facts and circumstances suggest that the carrying value of the mining property may exceed its recoverable amount, the mining property is written down to its recoverable amount through recognition of an impairment loss.

(d) Income taxes
Future income tax assets and liabilities are determined based on temporary differences between the accounting and tax base of the assets and liabilities, and are measured using substantially enacted tax rates expected to be in effect when these temporary differences are likely to reverse. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized, and a valuation allowance is applied against any future tax asset if it is more likely than not that the asset will not be realized.

(e) Loss per common share
Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year, including contingently issuable shares which are included when the conditions necessary for issuance have been met. Diluted earnings per share is calculated in a manner similar to basic loss per share, except that the weighted average shares outstanding are increased to include the potentially issuable common shares from the assumed exercise of options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options.

(f) Stock option plan
The Company has a stock option plan, which is described in note 8 (b). The Company accounts for stock-based compensation using the fair-value method. Under the fair value method, stock-based payments are

measured at the fair value of equity instruments and are amortized over the vesting period. The offset to the recorded cost is contributed surplus in shareholders' equity.

If the stock options are exercised, the proceeds are credited to share capital and the fair value at the date of grant is reclassified from contributed surplus to share capital.

(g) Impairment of long-lived assets
Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(h) Asset retirement obligations
The fair value of the liability for an asset retirement obligation is recorded when it is incurred or can be reasonably estimated, and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at March 31, the Company has not incurred or committed any asset retirement obligations related to the development of its exploration property.

Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

(i) Share issue costs
Costs incurred in connection with share issuances are charged to capital stock.

(j) Cash and cash equivalents
Cash and cash equivalents on the balance sheet comprise cash at banks and short term deposits with an original maturity of one year or less, which are readily convertible into a known amount of cash.

(k) **Flow Through Shares**
The increment between the prices of a flow through share issued in a private placement over that of a common share is set up as deferred revenue and the related share capital reduced by the same amount pursuant to the IFRS policies adopted in these financial statements. This increment will be recognized as a gain on sale of tax benefit associated with renounced exploration expenditures.

(l) **Warrants**
The fair value of warrants issued is estimated on the date of issue using the Black-Scholes calculation based on assumptions for risk free interest rate, expected life of the warrant, price volatility and dividend yield. Warrants related to mining option agreements are capitalized into Interest in Mining Properties. Warrants related to issuance of shares are shown as a reduction in share capital.

RESULTS OF OPERATIONS

Overall Performance
For the year ended December 31, 2011, the Company's cash and cash equivalent position decreased by $806,205 to $1,047,472 from $1,853,677 at December 31, 2010.

Three month period ended December 31, 2011
The Company incurred a loss of $77,645 or $0.00 per share for the three month period in 2011, compared with a net loss of $149,663 or $0.00 a share for same period in 2010.

For the three month period ended December 31, 2011, the Company earned $2,307 in interest income, compared to $2,340 in the same period in 2010.

Total office and general costs amounted to $31,102 in the three month period ended December 31, 2011 compared to $36,333 in 2010.

Shareholder information costs in the three month period ended December 31, 2011 amounted to $18,146, compared to $4,139 for the three month period ending December 31, 2010. The increase is due to higher investor relations activity in 2011.

Promotion and travel for the three month period ended December 31, 2011 amounted to $4,254 compared to $701 for the same period in 2010. The increase is due to higher management travel and entertainment in 2011.

Directors' fees incurred amounted to $4,500 for the three month period ended December 31, 2011 compared to $2,250 in the same period in 2010.

For the three month period ended December 31, 2011, consulting fees amounted to $15,750 compared to $9,500 in the same period in 2010.

Professional fees decreased by $14,880 to $6,200 during the three month period ended December 31, 2011, compared to $21,080 in the same period in 2010. This decrease was due to lower legal and audit fees.

The Company incurred no stock-based compensation expense for the three month period ended December 31, 2011, compared to $78,000 in the same period in 2010.

Ateba incurred a loss on disposal of marketable securities of $nil during the three month periods ended December 31, 2011 and 2010.

Ateba recorded no gain on sale of flow through rights in the three month periods ended December 31, 2011 and 2010.

Six month period ended September 30, 2011

The Company incurred a loss of $243,400 or $0.00 per share for the year ended December 31, 2011, compared with a loss of $317,667 or $0.00 a share for the year ended December 31, 2010.

For the year period ended December 31, 2011, the Company earned $6,220 in interest income, compared to $5,006 in 2010. There was a higher amount of funds available for investment, but lower interest rates in 2011 compared to 2010.

Total office and general costs for the year ended December 31, 2011 were $143,418 compared to $108,951 in 2010. The increase is due to higher administrative and bookkeeping services.

Shareholder information costs in the year ended December 31, 2011 amounted to $110,849, compared to $24,104 for 2010. The increase is to due higher investor relations activity and stock exchange fees.

Promotion and travel for the year ended December 31, 2011 amounted to $17,460 compared to $2,029 in 2010. The increase is due to higher management travel and entertainment in 2011.

Directors' fees incurred amounted to $18,500 for the year ended December 31, 2011 compared to $9,000 in 2010.

For the year ended December 31, 2011, consulting fees increased by $39,500 to $63,000 compared to $23,500 in 2010. The increase was due to higher activity in operations.

Professional fees amounted to $60,200 during the year ended December 31, 2011, compared to $71,084 in 2010. This decrease was due to lower legal and audit fees.

The Company incurred stock-based compensation expense of $nil for the year ended December 31, 2011, compared to $84,000 in 2010.

Ateba incurred a loss on disposal of marketable securities of $2,193 during the year ended December 31, 2011 compared to $nil in 2010.

Ateba recorded a gain on sale of flow through rights as a result of the renunciation of exploration expenditures in the year ended December 31, 2011. This transaction was related to the December 2010 private placement (reference is made to note 8 to the audited financial statements for the year ended December 31, 2011). There was no similar gain in the same period in 2010.

Ateba wrote off its 2 investments totalling $5 in the year ended December 31, 2010. There were no similar write-offs in 2011.

Summary of Quarterly Results
Selected financial information for the eight quarters as follows:

	December 31, 2011	**September 30, 2011**	**June 30, 2011**	**March 31, 2011**
	$	$	$	$
Total Revenue	2,307	1,932	481	1,500
Net income (loss)	(77,645)	68,001	(113,179)	(120,577)
Net income (loss) Per Share – basic and fully diluted	0.00	0.00	0.00	0.00

	December 31, 2010	**September 30, 2010**	**June 30, 2010**	**March 31, 2010**
	$	$	$	$
Total Revenue	2,340	1,614	476	576
Loss	(149,663)	(98,041)	(38,638)	(31,325)
Loss Per Share – basic and fully diluted	0.00	0.00	0.00	0.00

Liquidity and Capital Resources

In the three month period ended December 31, 2011, no funds were raised and $186,464 in cash was used on expenses, exploration costs and other operations. The company also issued 66,667 shares ($2,000) in December 2011 relating to an Option Agreement as amended for mining rights in McVittie, Katrine and Ossian Townships, Ontario.

In the year ended December 31, 2011, $930,000 in cash was raised pursuant to a private placement and $1,736,205 in cash was used on expenses, exploration costs, private placement costs and other operations. The Company issued 7,750,000 shares ($930,000) during the year pursuant to the private placement. The company also issued 400,001 shares ($50,000) in January, February and December 2011 relating to three Option Agreements as amended for mining rights in McVittie, Katrine and Ossian Townships, Ontario.

In the year ended December 31, 2010, $2,247,950 of cash was raised pursuant to two private placements and the exercising of stock options and $800,080 in cash was used on expenses, exploration costs, private placement costs and other operations. The Company issued 12,630,385 shares ($1,807,950) in December 2010 and 5,725,500 shares ($420,000) in July 2010 pursuant to two private placements. The company also issued 466,668 shares ($40,667) in January, February and December 2010 relating to three Option Agreements for mining rights in McVittie, Katrine and Ossian Townships, Ontario and 200,000 shares ($20,000) from the exercise of stock options.

Related-party Transactions
A company controlled by a director, William P. Dickie, charged fees in the amount of $144,000 during the year ended December 31, 2011 (2010 - $108,000), for administrative and bookkeeping services, which are included in office, general and investor relations expense. The contract between Ateba and this company expires in June 2012.

Consulting fees of $60,000 (2010 - $23,500) were charged by the Chief Financial Officer for financial management services for the year ended December 31, 2011.

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

Off-Balance Sheet Arrangements
The Company has no off-balance sheet arrangements.

Financial Instruments and Other Instruments

a) Fair value
The carrying values of the Company's cash and cash equivalents, lawyer's trust account, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity or sale of the instruments.

b) Interest rate risk
The Company is not exposed to significant interest rate price risk due to the short-term maturity of its monetary assets and liabilities.

c) Credit risk
The Company is exposed to credit risk with respect to its goods and services tax recoverable; however, the risk is minimized because the amount due is from a subdivision of the Canadian federal government.

d) Derivatives – mineral properties
The Company retains and/or has obligations related to certain carried interest rights and net smelter royalties ("NSR"), the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the mineral property interests to which they relate are not sufficiently developed to reasonably determine value.

e) Currency risk
The Company is not exposed to significant currency rate price risk due to most of their operations being run in Canadian dollars.

Other Information

Additional Disclosure for Venture Companies without Significant Revenue

	December, 2011	**December, 2010**
Mineral Properties		
Capitalized mineral properties and deferred expenditures	**1,193,535**	**454,339**
Acquisition of property options	**166,500**	**125,667**
Expensed development and exploration		
Corporate expenses	**415,620**	**322,673**
Total assets	**3,068,438**	**2,592,410**

Mineral properties and deferred costs	**December, 2011 Capitalized**	**December, 2010 Capitalized**
Acquisition costs	**166,500**	**125,667**
Geological	**243,344**	**98,352**
Drilling	**742,648**	**316,040**
Assaying	**68,314**	**11,863**
Consulting	**99,124**	**9,354**
Travel	**15,444**	
Surveying		
Labour		
Other	**24,661**	**18,730**

Corporate Expenses	December, 2011	December, 2010
Office and general	**143,418**	**108,951**
Shareholder information	**110,849**	**24,104**
Promotion and travel	**17,460**	**2,029**
Directors' fees	**18,500**	**9,000**
Consulting	**63,000**	**23,500**
Professional fees	**60,200**	**71,084**
Stock-based compensation		**84,000**
Loss on disposal of marketable securities	**2,193**	
Write down of investments		**5**
Gain on sale of flow through rights	**(166,000)**	
Other		
Interest income	**6,220**	**5,006**

Outstanding share data	December, 2011	December, 2010
Issued and outstanding common shares	**56,699,246**	**48,549,245**
Outstanding options to purchase common shares	**2,750,000**	**2,600,000**
Outstanding warrants to purchase common shares	**17,421,225**	**12,747,891**

Disclosure of Outstanding Share Data, December 31, 2011

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	56,699,246
Securities convertible or exercisable into voting or equity shares	Outstanding Options Outstanding Warrants	2,750,000 17,421,225

Dividends

The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Environmental Liability

Ateba has not made a provision for any environmental liabilities. The Company is currently in compliance with all enacted environmental legislation and regulations in the countries where it is actively engaged in its primary operations.

Asset Retirement Obligations

Future costs to retire mining assets including dismantling, remediation and ongoing treatment, and monitoring of the site are reconciled and recorded as a liability at fair value. The liability is accreted, over time through periodic charges to earnings. In addition, asset retirement costs are capitalized as part of the asset's carrying value and amortized over the asset's useful life. As the mining plant which the Company has an interest in is not yet in production, the Company currently has made no provision for any retirement obligations.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Corporation's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the year covered by this management's discussion and analysis, management of the Corporation, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered

by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Corporation's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Corporation, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Proposed Transactions

In the normal course of business, as and ongoing part of the exploration process, the Company investigates mineral properties which are submitted to the Board of Directors for consideration. As well there are transactions listed in the “Subsequent to the end of the period” section of this MD&A. However, the Company continues to evaluate, review and negotiate other prospective mineral projects.

Management’s Responsibility

Management is responsible for all information contained in this report. The audited financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on Management’s informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the audited financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the financial statements for the year ended December 31, 2011 with Management. The Board of Directors has approved the financial statements on the recommendation of the Audit Committee on March 14, 2012.

Cautionary Note Regarding Forward Looking Statements

This Management’s Discussion and Analysis include "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. These forward looking statements are based on current expectations and involve risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in the forward looking statements. Examples of such forward looking statements include statements regarding financial results and expectations for 2010, including, but not limited to, forecast levels of exploration, demand for metals, currency exchange rates or may be based on assumptions and/or estimates related to future economic, market and other conditions. Factors that could cause actual results, developments or events to differ materially from those anticipated include, among others, the factors described or referred to elsewhere herein and include unanticipated and/or unusual events. Many of such factors are beyond Ateba’s ability to control or predict. Actual results may differ materially from those anticipated. Readers of this MD&A are cautioned not to put undue reliance on forward looking statements due to their inherent uncertainty. Ateba disclaims any intent or obligation to update publicly any forward looking statements, whether as a result of new information, future events or results or otherwise, except as may be required by applicable securities legislation or regulators. These forward looking statements should not be relied upon as representing management’s views as of any date subsequent to the date of this MD&A.

March 14, 2012
John Kennedy - Chief Financial Officer