# ATEBA RESOURCES INC.

## Management's Discussion and Analysis
## of Financial Condition and Results of Operation

### December 31, 2010

*Management's discussion and analysis (MD&A) is current to April 27, 2011 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, 2010 and 2009, prepared in accordance with Canadian generally accepted accounting principles. 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 an interest in uranium and gold 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.

As at April 27, 2011, 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 Doran | Secretary |
| 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.

**Exploration Activities**

**Larder Lake, Ontario (Gold)**

In January and February of 2010, the Company signed 2 Option Agreements covering certain mining claims in Ossian and Katrine Townships, Ontario. In order to acquire 100% interests on these claims, the Company must, 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 $1,000,000 each for a period of four (4) years. During 1$^{st}$ quarter of 2011and 2010, the Company made payments totalling $83,333 and $50,000 (including or in addition to the deposits made at the end of 2009) respectively. The Company also issued 333,334 common share purchase units for these two optioned properties in 1$^{st}$ quarter of both 2011and 2010.

In addition, the Company, in December, 2010, signed a further Option Agreement covering numerous mining claims 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.

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 Ateba to 462 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 462claim units. The Property is situated within striking distance of multiple past producing gold mines near the Larder-Cadillac Break.

Mineralization of the deposit is associated with a syenitic intrusion with quartz-carbonate vein sets hosting mineralization that consists of pyrite, chalcopyrite, sphalerite, galena and native gold. This association of gold with sulphide mineralization and the geological setting is very similar to the deposit type observed in the Kirkland Lake Gold Mining Camp.

The Company has commenced an exploration program consisting of stripping, washing and assaying as well as a walk mag survey in the area of the historic shaft and underground workings. The company has reported up to 17.62 g/t Au from grab samples taken from the property. Ateba has had the opportunity to review the results of its initial exploration program and has completed further exploration consisting primarily of approximately 3,000 metres of diamond drilling which was designed to test the historic results in the mine area. The historic results are from the 1920's to the 1980's and show economic grades of gold over mineable widths. The drilling program confirmed the continuity of these known gold zones both along strike and down dip. Ateba's three township properties is contiguous to the northeast of Queenston Mining Inc.'s Upper Canada and Upper Beaver projects in Gauthier Township where significant gold resources are being developed.

In addition to drilling at the Walsh Mine area, two zones have been targeted for exploration in 2011. The first zone to be targeted is the Copper King area in the southwestern portion of the property where the extension of the Upper Canada Trend is interpreted to cross Ateba's ground. Drilling was targeted on magnetic highs which are coincident with the interpreted trend extension and on mineralization exposed in trenches near the historic Copper King Mine. A total of approximately 1,600 m were drilled at Copper King before the spring melt forced the drill rig out of the area in order to remove a temporary bridge. Future exploration on the target is possible with the construction of a more permanent bridge.

The second area of exploration drilling in 2011 thus far has been at the FP zone where an exploratory drill hole was completed approximately 600 m to the southeast of the Walsh Mine area in order to test sulphide mineralization exposed in trenches at the surface. The drill hole intersected a potassium feldspar dike which cuts mafic metavolcanics. An alteration zone coincident with the contact of the dike returned a mineralized interval grading 6.72 g/t Au over 4.85 m. The gold mineralization is present both within the metavolcanics and the porphyry. The exploratory hole totalled 300 m total depth and will be followed with additional drilling totalling at least 1000 m. Further meterage is available in the drilling budget if initial results deem continued drilling appropriate.

Along with drilling, Ateba is currently conducting geophysical surveys over various parts of the property. An airborne magnetic-EM survey is planned to cover the entire property to tie together the various geophysical anomalies that have been identified through geological work and previous geophysical surveys. It is hoped that the airborne survey will form the basis of a structural framework for various showings on the property.

A walk mag survey is being conducted over the FP Zone to compliment the continued drilling program in that area. Additionally, a deep IP survey is scheduled to be conducted over the Kinabik area, a large (900 m radius) circular resistivity anomaly which is thought to represent an intrusive body lying along the Upper Canada Trend. The intent of the deep IP survey is to better define the resistivity signature in three dimensions in order to plan drilling. A portion of the drilling planned for 2011 will be targeted on the Kinabik anomaly. To date, over 8,000 m of drilling remains to be completed of the 10,000 m of drilling budgeted for 2011.

**Elliot Lake, Ontario (Uranium)**

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 $U_3O_8$ prices dictate. The company also continues to look for additional mineral properties of merit.

The 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.

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.

Recently Pele Mountain Resource Inc. announced through its Advisory Board member, Dr. Mariano "Elliot Lake is the only mining camp in Canada to have achieved successful commercial production of REE and was once the most important source of heavy REE in North America. Rafinates from uraninite deposits generally, and especially those found at Elliot Lake, such as at Pele's Eco Ridge mine deposit, potentially represent a major source of REE in North America and include the highly valued heavy lanthanides. There is reason to expect that similar REE values could be found on Ateba’s contiguous property.

**Results of Operations**

**Three month period ended December 31, 2010**

The Company incurred a net loss of $149,663 or $0.00 per share on a basic and fully diluted basis for the three month period, compared with a net loss of $29,373 or $0.00 a share on a basic and fully diluted basis for same period in 2009.

For the three month period ended December 31, 2010, the Company earned $2,340 in interest income, compared to $1,129 in the same period in 2009.

The Company incurred stock-based compensation expense of $78,000 for the three month period ended December 30, 2010 compared to $nil in the same period in 2009. These costs resulted from the granting of 1.1 million options during the quarter.

For the three month periods ended December 31, 2010 and 2009, consulting fees amounted to $9,500 and $4,500 respectively. The increase was due to the private placement which closed in December 2010 and the implementation of new accounting reporting requirements.

Shareholder information costs in the three month period ended December 31, 2010 amounted to $4,139, compared to $1,635 for the same period in 2009. The increase resulted from higher press release costs in 2010.

Professional fees amounted to $21,080 during the three month period ended December 31, 2010, compared to $4,000 in the same period in 2009. The difference is due to an increase in legal fees.

Promotion and travel for the three month period ended December 31, 2010 was $701compared to $nil in the same period in 2009.

Directors' fees incurred amounted to $2,250 for the three month periods ended December 31, 2010 and 2009.

Total office and general costs amounted to $36,333 in the three month period ended December 31, 2010 compared to $18,066 in 2009. The increase is due to higher office and administrative costs.

Costs related to the consideration of other potential mine sites for the three month periods ended December 31, 2010 and 2009 amounted to $nil.

There were no write-downs of investments during the three month periods ended December 31, 2010 and 2009.

**Year ended December 31, 2010**

The Company incurred a net loss of $317,667 or $0.01 per share on a basic and fully diluted basis for the year ended December 31, 2010, compared with a net loss of $197,633 or $0.01 a share on a basic and fully diluted basis for 2009.

For the year ended December 31, 2010, the Company earned $5,006 in interest income, compared to $10,162 in 2009. There were less average funds on hand in 2010 compared to 2009.

The Company incurred stock-based compensation expense of $84,000 for the year ended December 31, 2010, compared to $45,000 for 2009. In 2010, 1.3 million stock options were granted, compared to 1.5 million in 2009. The cost of the 2010 grants was higher than those in 2009 due to an increase in the share price and the assumptions in the Black Scholes calculation.

For the year ended December 31, 2010, consulting fees decreased by $2,000 to $23,500 compared to $21,500 in 2009.

Shareholder information costs in the year ended December 31, 2010 amounted to $24,104, compared to $18,114 for the same period in 2009. The increase was due to higher Sedar filing and press release costs in 2010 offset by lower costs for Annual General Meeting. The 2010 Annual General Meeting will be held the April 2011.

Professional fees amounted to $71,084during the year ended December 31, 2010, compared to $11,000 in 2009. The difference is due to an increase in legal fees.

Promotion and travel for the year ended December 31, 2010 amounted to $2,029 compared to $16,141 in the same period in 2009. There was less general travel and entertainment in 2010.

Directors' fees incurred amounted to $9,000 for the years ended December 31, 2010 and 2009.

Total office and general costs for the year ended December 31, 2010 were $108,951 compared to $71,384 in 2009. The increase is due to higher office and administrative costs.

Costs related to the consideration of other potential mine sites for the year ended December 31, 2010 amounted to $nil compared to $15,656 for 2009.

Ateba wrote off its 2 investments totalling $5 in the year ended December 31, 2010. There were no write-downs in the same period in 2009.

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

| | **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 | 31,125 |
| Loss Per Share – basic and fully diluted | 0.00 | 0.00 | 0.00 | 0.00 |

| | **December 31, 2009** | **September 30, 2009** | **June 30, 2009** | **March 31, 2009** |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Total Revenue | 1,129 | 2,800 | 3,145 | 3,088 |
| Loss | 29,323 | 36,177 | 66,515 | 65,618 |
| 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, 2010, $1,807,950 of cash was raised pursuant to a private placement and $20,000 was raised from the exercising of stock options. $481,251 of cash was used on expenses, private placement costs and exploration costs during the period. 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 and 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. The Company did not raise any funds in the year ended December 31, 2009 from the issuance of shares.

**Related-party Transactions**
A company, Cognate Engineering Services Inc., controlled by a director, William P. Dickie, charged fees in the amount of $108,000 (2009 - $72,000), 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

During the year, consulting fees of $23,500 (2009- $21,500) were charged by the Chief Financial Officer for financial management services.

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.

**Changes in Accounting Policies including Initial Adoption**
There were no changes in Accounting Policies for the year ended December 31, 2010.

**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 31, 2010** | **December 31, 2009** |
|---|---|---|
| Mineral Properties | | |
| Capitalized mineral properties and deferred expenditures | **454,339** | **1,987** |
| Acquisition of property options | **125,667** | **-** |
| Expensed development and exploration | | |
| Corporate expenses | **322,673** | **207,795** |
| Total assets | **2,592,410** | **528,533** |

| | **December 31, 2010** | **December 31, 2009** |
|---|---|---|
| **Mineral properties and deferred costs** | **Capitalized** | **Capitalized** |
| Acquisition costs | **125,667** | |
| Geological | **442,609** | |
| Drilling | | |
| Assaying | **10,725** | |
| Consulting | | |
| Travel | | |
| Surveying | | |
| Labour | | |
| Other | **1,005** | **1,987** |

| Corporate Expenses | December 31, 2010 | December 31, 2009 |
|---|---|---|
| Stock-based compensation | **84,000** | **45,000** |
| Office and general | **108,951** | **71,384** |
| Consulting | **23,500** | **21,500** |
| Professional fees | **71,084** | **11,000** |
| Promotion and travel | **2,029** | **16,141** |
| Shareholder information | **24,104** | **18,114** |
| Write-down of investments | **5** | |
| Directors' fees | **9,000** | **9,000** |
| Other | | **15,656** |
| Interest income | **5,006** | **10,162** |

| Outstanding share data | December 31, 2010 | December 31, 2009 |
|---|---|---|
| Issued and outstanding common shares | **48,549,245** | **29,526,692** |
| Outstanding options to purchase common shares | **2,600,000** | **1,500,000** |
| Outstanding warrants to purchase common shares | **12,747,891** | **-** |

**Disclosure of Outstanding Share Data, December 31, 2010**

| | Authorized | Outstanding |
|---|---|---|
| Voting or equity securities issued and outstanding | Unlimited Common Shares | 48,549,245 |
| Securities convertible or exercisable into voting or equity shares | Outstanding Options<br>Outstanding Warrants | 2,600,000<br>12,747,891 |

**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.

**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.

**Overall Performance**
For the year ended December 31, 2010, the Company’s cash and cash equivalent position (including lawyer’s trust account) increased by $1,447,870 to $1,853,677 from $455,807 at December 31, 2009.

The Company is engaged in the business of preliminary or early stage mineral exploration and mine development. The Company holds no interests in producing or commercial ore deposits. The Company has no production or other revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of ore containing economic concentrations of gold, copper, uranium or other mineral resources are discovered. If in the future further discoveries are made, substantial financial resources will be required to establish ore reserves. Additional substantial financial resources will be required to develop mining and processing for any ore reserves that may be discovered. If the Company is unable to finance the establishment of ore reserves or the development of mining and processing facilities it will be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.

**New Accounting Standards**

**Credit risk and the fair value of financial assets and financial liabilities**
In January 2009, the CICA approved EIC 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 20, 2009. The application of this new standard had no impact on the Company's operating results or financial position.

**Mining exploration costs**
On March 27, 2009, the CICA approved EIC 174, “Mining Exploration Costs”. This provides guidance on capitalization of exploration costs related to mining properties in particular and on impairment of long lived assets in general. The Company has applied this new abstract for the year ended December 31, 2009 resulting in no impact on the Company’s financial statements.

**Goodwill and intangible assets**
Effective November 1, 2008, the Company adopted Section 3064 – Goodwill and Intangible Assets which replaced CICA Handbook sections 3062 and 3450, EIC 27 and part of Accounting Guideline 11. Under previous Canadian standards, more items were recognized as assets than under International Financial Reporting Standards (“IFRS”). The objectives of CICA 3064 are to reinforce the principle based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition and to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing asset items that do not meet the definition and recognition criteria is eliminated. The portions in the new standard with respect to Goodwill remain unchanged. The provisions relating to the definition and initial recognition of intangible assets intends to reduce the differences with IFRS in the accounting for intangible assets. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The adoption of this standard had no impact on the Company’s presentation of its financial position or results of operations as at and for the year ended December 31, 2009**Amendments to section 1400 – general standards of financial statement presentation**
In June 2007, the CICA amended Handbook Section 1400, Going Concern, to include additional requirements to assess and disclose an entity’s ability to continue as a going concern. Section 1400 is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The adoption of this standard had no impact on the Company’s presentation of its financial position or results of operations as at December 31, 2009.

**Fair value hierarchy and liquidity risk disclosure**
In June 2009, the CICA issued an amendment to Handbook Section 3862 to provide improvements to fair value and liquidity risk disclosures. The amendment applies to the Company's fiscal year ending December 31, 2009. This adoption resulted in additional disclosure as provided below.

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash and cash equivalents, lawyer's trust account, receivables and accounts payable and accrued liabilities. Equity investments classified as available for sale that do not have an active trading market are recorded at cost. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in GAAP. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data.

## IFRS IMPLEMENTATION

The Canadian Accounting Standards Board has confirmed that International Financial Reporting Standards ("IFRS") will replace current Canadian GAAP for publicly accountable enterprises, including Ateba, effective for fiscal years beginning on or after January 1, 2011.

Accordingly, Ateba will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended March 31, 2011. Ateba's 2011 interim and annual financial statements will include comparative 2010 financial statements, adjusted to comply with IFRS.

### *IFRS Transition Plan*

Ateba has established a comprehensive IFRS transition plan to assist with the planning and implementation of its transition to IFRS. The following summarizes the critical transition components identified by Ateba. All of these have been completed by the date of this report:

- Initial scoping and analysis of key areas for which accounting policies may be impacted by the transition to IFRS.
- Detailed evaluation of potential changes required to accounting policies, information systems and business processes, including the application of IFRS 1 First-time Adoption of International Financial Reporting Standards.
- Determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives.
- Resolution of the accounting policy change implications on information technology, business processes and contractual arrangements.
- Design and implement new processes to maintain effective Disclosure Control & Procedures (DC&P) and internal control over financial reporting throughout the IFRS transition plan.
- Management education and training.

### *Impact of Adopting IFRS on Ateba's Business*

As part of its analysis of potential changes to significant accounting policies, Ateba has assessed what changes would be required to its accounting systems and business processes. Ateba believes that the changes identified are minimal and the systems and processes can accommodate the necessary changes.

Ateba has not identified any contractual arrangements that may be affected by potential changes to significant accounting policies.

Ateba's staff involved in the preparation of financial statements is trained on the relevant aspects of IFRS and the anticipated changes to accounting policies and will also be trained as necessary.

The Board of Directors and Audit Committee have been regularly updated on the progress of the IFRS conversion plan, and made aware of the evaluation to date of the key aspects of IFRS affecting Ateba.

### *First-time adoption of IFRS*

The adoption of IFRS requires the application of IFRS 1 *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of Ateba's opening IFRS statement of financial position as at the Transition Date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

***Impact of Adopting IFRS on Ateba's Financial Statements***

The adoption of IFRS will result in some changes to Ateba's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements.

The following provides a summary of Ateba's evaluation of changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas Ateba has identified as having the most significant change.

*1) Exploration and Evaluation Expenditures*

IFRS currently allows an entity to elect to retain its existing accounting policies related to the exploration for and evaluation of mineral properties, subject to some restrictions.

Ateba plans to retain its current policy of deferring exploration and evaluation expenditures until such time as the properties are either put into commercial production, sold, determined not to be economically viable, or abandoned. Therefore Ateba believes that the adoption of IFRS will not result in any significant change to the related line items within its financial statements.

*2) Impairment of (Non-financial) Assets*

IFRS, like Canadian GAAP, requires an assessment at each reporting date as to whether there are indicators of impairment of deferred exploration and evaluation costs. The factors considered under IFRS are quite similar to Canadian GAAP, but there are some differences.

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

Ateba's accounting policies related to impairment of deferred exploration costs will be changed to reflect these differences, however Ateba does not expect this change will have an immediate impact to the carrying value of its assets. Ateba will perform impairment assessments as at the Transition Date in accordance with IFRS.

*3) Share-based Payments*

In certain circumstances, IFRS requires a different measurement of stock-based compensation related to stock options than current Canadian GAAP.

Ateba has determined that changes to its accounting policies related to share-based payments would not result in a significant change to line items within its financial statements.

*4) Asset Retirement Obligations (Decommissioning Liabilities)*

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

Ateba's accounting policies related to decommissioning liabilities will be changed to reflect these differences, however Ateba does not expect this change will have an immediate impact to the carrying value of its assets.

5) *Income Taxes*

In certain circumstances, IFRS contains different requirements related to recognition and measurement of future (deferred) income taxes based on a “probable” versus a”more likely than not” criteria.

Ateba does not expect any significant changes to its accounting policies related to income taxes that would result in a significant change to line items within its financial statements.

The Company has identified resource requirements to implement appropriate IFRS financial reporting expertise at all levels of the business. Training of key finance and operational staff has been completed.

***Subsequent Disclosures***

Ateba's first financial statements prepared in accordance with IFRS will be the interim financial statements for the three months ending March 31, 2011, which will include notes disclosing transitional information and disclosure of new accounting policies under IFRS. The interim financial statements for the three months ending March 31, 2011 will also include 2010 financial statements for the comparative period, adjusted to comply with IFRS, and Ateba’s transition date IFRS statement of financial position (as at January 1, 2010).

**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 Canadian generally accepted accounting principles 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.

External auditors, appointed by the shareholders, have independently examined the financial statements for the year ended December 31, 2010.

The Audit Committee has reviewed the audited financial statements for the year ended December 31, 2010 and with Management. The Board of Directors has approved the audited financial statements on the recommendation of the Audit Committee.

April 27, 2011
John Kennedy - Chief Financial Officer