

ATEBA RESOURCES INC.
(AN EXPLORATION STAGE COMPANY)

Condensed Interim Financial Statements

For the three months ended March 31, 2018

(Unaudited, expressed in Canadian Dollars, unless otherwise noted)

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

May 15, 2018

"Lisa McCormack"
President

"Arvin Ramos"
Chief Financial Officer

ATEBA RESOURCES INC.

(an exploration stage company)
Statements of Financial Position
(Unaudited)

	Note	March 31, 2018	December 31, 2017
Assets			
Current assets:			
Accounts receivable	6	\$ 56,581	\$ 55,922
		\$ 56,581	\$ 55,922
Liabilities and Shareholders' Equity (Deficiency)			
Current liabilities:			
Accounts payable and accrued liabilities	8 & 10	\$ 31,786	\$ 602,377
Due to related parties	9	\$ 6,400	6,400
Loan payable	11	17,083	67,824
		55,269	676,601
Shareholders' deficiency:			
Share capital	12	25,555,163	24,893,301
Contributed surplus	13	903,452	903,452
Accumulated deficit		(26,457,303)	(26,417,432)
		1,312	(620,679)
		\$ 56,581	\$ 55,922

Going Concern – Note 1

Approved on behalf of the Board

"James Fairbairn"
Director (**Signed**)

"Kelly Malcolm"
Director (**Signed**)

ATEBA RESOURCES INC.

(an exploration stage company)

Statements of Operations and Comprehensive Loss

For the three months ended March 31,

(Unaudited)

	Note	2018	2017
Operating expenses:			
Office, general and investor relations	\$	7,371	\$ 7,522
Consulting fees		30,000	\$ 15,000
Professional fees		2,500	\$ -
Net loss and comprehensive loss	\$	39,871	\$ 22,522
Weighted average number of common shares	14	84,325,864	58,032,579
Income (loss) per share - basic and diluted	14	\$ 0.00	\$ 0.00

The accompanying notes are an integral part of these unaudited condensed interim financial statements

ATEBA RESOURCES INC.

(an exploration stage company)

Statements of Operations and Comprehensive Loss

For the three months ended March 31, 2018 and 2017

(Unaudited)

	Number of common shares	Share capital	Contributed Surplus	Warrants reserve	Accumulated Deficit	Total
Balance at January 1, 2018	58,032,579	\$ 24,893,301	\$ 903,452	\$ -	\$ (26,417,432)	\$ (620,679)
Shares issued on debt settlement	132,372,384	661,862	-	-	-	661,862
Comprehensive loss for the year	-	-	-	-	(39,871)	(39,871)
Balance at March 31, 2018	190,404,963	\$ 25,555,163	\$ 903,452	\$ -	\$ (26,457,303)	\$ 1,312

	Number of common shares	Share capital	Contributed Surplus	Warrants reserve	Accumulated Deficit	Total
Balance at January 1, 2017	58,032,579	\$ 24,893,301	\$ 903,452	\$ -	\$ (25,968,837)	\$ (172,084)
Expiry of warrants	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	(22,522)	(22,522)
Balance at March 1, 2017	58,032,579	\$ 24,893,301	\$ 903,452	\$ -	\$ (25,991,359)	\$ (194,606)

ATEBA RESOURCES INC.

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Statements of Cash Flows

For the three months ended March 31,

(Unaudited)

	Note	2018	2017
Cash flows from operating activities:			
Comprehensive loss for the period		\$ (39,871)	\$ (22,522)
Adjustments for			
Change in non-cash operating working capital			
Accounts receivables		(659)	(493)
Accounts payable and accrued liabilities	7	10,537	22,992
		(29,992)	(22)
Cash flows from financing activities:			
Proceeds from loan payable	10	29,992	-
		29,992	-
Decrease in cash and equivalents		-	(22)
Cash and cash equivalents, beginning of period		-	22
Cash and cash equivalents, end of period		\$ -	\$ -

ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Financial Statements

(Unaudited, expressed in Canadian Dollars)

For the three month period ended March 31, 2018

1. NATURE OF OPERATIONS AND GOING CONCERN

Ateba Resources Inc. (the "Company" or "Ateba") was formed under the laws of the Province of Ontario on February 1, 1988. The primary office is located at 400 – 365 Bay Street, Toronto, ON M5H 2V1.

The Company is primarily engaged in the acquisition and exploration of mineral properties in Canada.

As at March 31, 2018, the Company had a working capital deficiency of \$111,850 (December 31, 2017 – \$620,679), had not yet achieved profitable operations, has accumulated losses of \$26,457,303 (December 31, 2017 - \$26,417,432) and expects to incur future losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on the basis that the Company will continue as a going concern and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of interest in mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs to the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, and non-compliance with regulatory and environmental requirements.

When stock market conditions become favourable for mineral exploration companies to raise capital, management plans to secure the necessary financing through a combination of the issue of new equity or debt instruments and the entering into joint venture arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

The Company will require substantial additional funds to further explore and, if warranted, develop its exploration properties. The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and property development. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

The Directors approved the Company's financial statements on May 15, 2018.

ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Financial Statements

(Unaudited, expressed in Canadian Dollars)

For the three month period ended March 31, 2018

2. BASIS OF PRESENTATION

(a) Statement of Compliance with International Financial Reporting Standards

The Company's condensed interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". These condensed interim financial statements do not include all notes of the type normally included within the annual financial report and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2017, which has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

(b) Basis of Presentation

These financial statements have been prepared on a historical cost basis.

The financial statements are presented in Canadian dollars, which is also the Company's functional currency, unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

(c) Standards issued but not yet effective

IFRS 16 – Leases – The standard was issued by the IASB on January 13, 2016, and will replace IAS 17, "Leases". IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The new standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15 has also been applied. The Company is assessing the impact of this standard on the Company's financial statements.

(d) Functional currency

The Company and its subsidiary's functional currency, as determined by management is Canadian dollars. These financial statements are presented in Canadian dollars.

(e) Use of estimates

The preparation of these financial statements and related disclosures 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 these financial statements, and the reported amounts of revenue and expenses during the periods reported.

Estimates include estimated useful life of intangible assets and measurement of stock-based compensation, and reflect management's best estimates. By their nature, these estimates are subject to uncertainty and the effect on the financial statements of changes in estimates in future periods could be significant.

Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the period that they are determined to be necessary.

ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Financial Statements

(Unaudited, expressed in Canadian Dollars)

For the three month period ended March 31, 2018

3. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management as this form of measure is irrelevant to the effective management of capital for an exploration stage company. Instead, the Board relies on the expertise of the Company's managements to sustain future development of the business.

All of the properties in which the Company currently has an interest are in the exploration stage with no operating revenues; as such the Company is solely dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended March 31, 2018. The Company is not subject to externally imposed capital requirements.

4. FINANCIAL INSTRUMENTS

Fair value

The Company has designated its cash fair value through profit and loss ("FVTPL"), which are measured at fair value. Trade and other payables and loan payable are classified for accounting purposes as other financial liabilities, which are measured at amortized cost, which also equals fair value. Fair values of trade and other payables are determined from transaction values which were derived from observable market inputs.

As at March 31, 2018, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

i) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the balance sheet.

• Cash

Cash and cash equivalents are held with major Canadian banks and therefore the risk of loss is minimal.

ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Financial Statements

(Unaudited, expressed in Canadian Dollars)

For the three month period ended March 31, 2018

4. FINANCIAL INSTRUMENTS (continued)

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at March 31, 2018, the Company had a working capital deficiency of \$111,850 (December 31, 2017 - \$620,679). In order to meet its longer-term working capital and property exploration expenditures, the Company intends on securing further financing to ensure that those obligations are properly discharged. As such, management believes that the Company will then have sufficient working capital to discharge its current and anticipated obligations for a minimum of one year. There can be no assurance that Ateba will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of Ateba may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain adequate additional financing on a timely basis could cause the Company to forfeit some or all of its interests and reduce or terminate its operations therein.

iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

- **Interest rate risk**

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

In terms of interest rate risk on the related party loans outstanding as of March 31, 2018. Management believes there is minimal risk that the interest rate on the loan would change significantly prior to being repaid.

5. ACCOUNTS RECEIVABLES

As at March 31, 2018, the Company has HST recoverable of \$56,581 (December 31, 2017 - \$55,922).

6. INTEREST IN MINING PROPERTIES

Elliot Lake

Prior to 2000, the Company had written down its interest in its mineral property in Elliot Lake, Ontario. The Company has not abandoned the property and it incurred deferred costs during the period ended March 31, 2018 of \$nil (2017 - \$nil) in order to maintain the property interest in good standing.

Measurement Uncertainty

The carrying values of the Company's mining properties at March 31, 2018 was \$nil. Management's conclusion is dependent on assumptions about several factors including future operating costs, mineral production levels, future mineral prices and capital equipment needs and costs.

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Notes to the Financial Statements

(Unaudited, expressed in Canadian Dollars)

For the three month period ended March 31, 2018

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	March 31, 2018	December 31, 2017
Accounts payable	\$ 4,286	\$ 450,377
Accrued liabilities	27,500	152,000
	\$ 31,786	\$ 602,377

8. DUE TO RELATED PARTIES

As at March 31, 2018, certain shareholders loaned the Company \$6,400 (December 31, 2017 - \$6,400) to cover some of the payables that became due. The loan is non-interest bearing, with no fixed terms of repayment, due on demand and is unsecured.

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

The financial statements include balances and transactions with directors and/or officers of the Company. The company defines its key management as its CEO, CFO, and its board of directors. These expenditures are summarized as follows:

March 31,	2018	2017
Office, general and investor relations	\$ -	\$ 7,500
Consulting	\$ 15,000	\$ 15,000

As at March 31, 2018, included in accounts payable and accrued liabilities is \$10,000 (December 31, 2017–\$30,500) due to related parties.

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. All related parties payables are due on demand, non-interest bearing and are unsecured.

10. LOAN PAYABLE

On February 1, 2017, the Company signed an agreement whereby it can borrow up to \$25,000 from Generic Capital Corporation (the “Lender”), bearing interest at a rate of 10% per annum, unsecured, and payable upon demand by the Lender. However, Generic continued to advance financing. As at March 31, 2018, the loan balance was \$17,083 (December 31, 2017 - \$67,824). During the period ended March 31, 2018, the Company settled \$79,140 of the loan by issuing common shares (Note 11).

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Notes to the Financial Statements

(Unaudited, expressed in Canadian Dollars)

For the three month period ended March 31, 2018

11. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares. The following is a summary of changes in common share capital:

	Number of Shares	Amount
Balance, December 31, 2017 and 2016	58,032,579	\$ 24,893,301
Shares issued on debt settlements	132,372,384	661,862
Balance, March 31, 2018	190,404,963	\$ 25,555,163

Diluted weighted average number of shares outstanding

	March 31, 2018	2017
Basic weighted average shares outstanding	84,325,864	58,032,579
Diluted weighted average shares outstanding	84,325,864	58,032,579

12. SHARE-BASED RESERVE

Share Option Plan

The Board of Directors of the Company adopted a stock option plan (the "Plan") whereby the aggregate number of common shares reserved for issuance under the Plan, including common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time, may not exceed 10% of the Company's issued and outstanding common shares. The Plan is administered by the Board of Directors and grants made pursuant to the Plan must at all times comply with the policies of the Canadian Stock Exchange and the Plan.

The terms of any options granted under the Plan are fixed by the Board of Directors and may not exceed a term of five years. The exercise price of the options granted under the Plan is set at the last closing price of the Company's common shares before the date of grant.

Each employee share option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

A summary of the change in the Company's stock options is as follows:

	Weighted average exercise price	Number of options
Balance at December 31, 2015	\$ 0.07	2,150,000
Expired	\$ 0.07	(2,150,000)
Balance at March 31, 2018 and December 31, 2017 and 2016	\$ 0.00	-

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Notes to the Financial Statements

(Unaudited, expressed in Canadian Dollars)

For the three month period ended March 31, 2018

13. LOSS PER SHARE

The calculation of basic and diluted income (loss) per share for the period ended March 31, 2018 was based on the loss attributable to common shareholders of \$39,871 (2017 – \$22,522) and the weighted average number of common shares outstanding of 84,325,864 (2017 – 58,032,579). Diluted income (loss) per share did not include the effect of nil stock options (2017 – nil) and nil warrants (2017 – nil) as they are anti-dilutive.