



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

**September 30, 2019**

*Management's discussion and analysis (MD&A) is current to November 4, 2019 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, 2018 and 2017 prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are in Canadian dollars unless stated otherwise.*

### **Forward Looking Information**

This MD&A contains certain forward-looking statements and information relating to the Company that is based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "may", "will", "anticipate", "plan", "intend", "estimate", "project", "continue", "believe", "expect" and similar forward-looking terminology, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital and the estimated cost and availability of funding for the continued operation of the Company. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, all forward-looking statements address matters that involve known and unknown risks, uncertainties and other factors and should not be read as guarantees of future performance or results. Accordingly, there are or will be a number of significant factors which could cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual future results, performance or achievements to differ materially include, but are not limited to, our limited operating history, our reliance on key personnel, future capital needs, dependence on proprietary technology and limited protection thereof and general economic trends and international risk. The Company is subject to significant risks and any past performance is no guarantee of future performance. The Company cannot predict all of the risk factors, nor can it assess the impact, if any, of such risk factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. This MD&A offers a brief overview of some of the risk factors to be considered in relation to the Company's business. This list may not be exhaustive and new risk factors may emerge from time to time. Please see the section "Risks and Uncertainties" for further information. We disclaim any intention or obligation to publicly update or revise any forward-looking statements after distribution of this MD&A, whether as a result of new information, future events or other circumstances, except as may be required pursuant to applicable securities laws.

### **BUSINESS OVERVIEW AND CORPORATE UPDATE**

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.

## MINING INTERESTS

### Elliot Lake

Prior to 2016, the Company had written down its interest in its mineral property in Elliot Lake, Ontario. The Company has not abandoned the property.

In February 2017, the Company signed a loan agreement whereby the Elliott Lake property is used as collateral.

## BASIS OF PRESENTATION

### Selected Annual Financial Information

The following table reflects the summary of annual results for the periods set out.

|                                          | Nine months ended<br>September 30,<br>2019 | Year ended<br>December 31,<br>2018 | Year ended<br>December 31,<br>2017 |
|------------------------------------------|--------------------------------------------|------------------------------------|------------------------------------|
|                                          | \$                                         | \$                                 | \$                                 |
| Total Assets                             | 20,469                                     | 13,320                             | 55,922                             |
| Total Revenue                            | Nil                                        | Nil                                | Nil                                |
| Net Loss                                 | (33,134)                                   | (187,470)                          | (448,595)                          |
| Loss per share – basic and fully diluted | (0.01)                                     | (0.05)                             | (0.39)                             |

### Summary of Quarterly Results

Results for the past eight quarters for selected financial statement amounts are presented below. The Company's quarterly operating results have varied in the past and may vary substantially in the future. Accordingly, the information below is not necessarily indicative of results for any future quarter.

|                                                      | September 30,<br>2019 | June 30,<br>2019 | March 31,<br>2019 | December 31,<br>2018 |
|------------------------------------------------------|-----------------------|------------------|-------------------|----------------------|
|                                                      | \$                    | \$               | \$                | \$                   |
| Total Revenue                                        | nil                   | nil              | nil               | nil                  |
| Net income (loss)                                    | (35,382)              | 23,833           | (21,585)          | (40,658)             |
| Income (loss) Per Share –<br>basic and fully diluted | (0.01)                | 0.00             | (0.00)            | (0.01)               |

  

|                                             | September 30,<br>2018 | June 30,<br>2018 | March 31,<br>2018 | December 31,<br>2017 |
|---------------------------------------------|-----------------------|------------------|-------------------|----------------------|
|                                             | \$                    | \$               | \$                | \$                   |
| Total Revenue                               | nil                   | nil              | nil               | nil                  |
| Net loss                                    | (50,739)              | (56,202)         | (39,871)          | (363,006)            |
| Loss Per Share – basic and<br>fully diluted | (0.01)                | (0.02)           | (0.01)            | (0.31)               |

### Overall Performance

#### Nine Months ended September 30, 2019 and 2018

The Company incurred net loss of \$33,134 or \$0.01 per share for the nine month period ended September 30, 2019 compared with a net loss of \$146,812 or \$0.04 a share for the comparable period in 2018.

In April 2019, the Company received \$100,000 as termination fee for the previously announced business combination agreement with Molecular Science Corp, entered on August 15, 2018.

Total office, general and investor relations costs amounted to \$40,069 in the nine month period ended September 30, 2019 compared to \$68,339 in 2018. The Company expects to maintain the same level of current expenses in the future.

For the period ended September 30, 2019 and 2018, consulting fees amounted to a \$45,000.

Professional fees amounted to \$48,065 during the nine month period ended September 30, 2019 compared to \$33,473 in 2018. The increase can be attributable to the legal costs relating to the proposed transaction.

***Three Months ended September 30, 2019 and 2018***

The Company incurred net loss of \$35,382 or \$0.01 per share for the three month period ended September 30, 2019 compared with a net loss of \$50,739 or \$0.01 a share for the comparable period in 2018.

Total office, general and investor relations costs amounted to \$15,882 in the three month period ended September 30, 2019 compared to \$28,239 in 2018. The Company expects to maintain the same level of current expenses in the future.

For the period ended September 30, 2019 and 2018, consulting fees amounted to \$15,000.

Professional fees amounted to \$4,500 during the three month period ended September 30, 2019 compared to \$7,500 in 2018. The increase can be attributable to the legal costs relating to the proposed transaction.

***Additional Disclosure for we are not a venture company Companies without Significant Revenue***

|                                                | <b>September 30, 2019</b> | September 30, 2018 |
|------------------------------------------------|---------------------------|--------------------|
| Corporate expenses                             | <b>133,134</b>            | 146,812            |
| Other income                                   | <b>100,000</b>            | -                  |
| Total assets                                   | <b>20,469</b>             | 13,320             |
| <b>Corporate Expenses</b>                      |                           |                    |
| Office and general                             | <b>40,069</b>             | 68,339             |
| Consulting                                     | <b>45,000</b>             | 45,000             |
| Professional fees                              | <b>48,065</b>             | 33,473             |
| <b>Outstanding share data</b>                  |                           |                    |
| Issued and outstanding common shares           | <b>4,666,655</b>          | 4,666,655          |
| Outstanding options to purchase common shares  | <b>Nil</b>                | Nil                |
| Outstanding warrants to purchase common shares | <b>Nil</b>                | Nil                |

Effective July 12, 2018, the Company consolidated its common shares on the basis of one new common share for every fifty old common shares issued and outstanding at that time. All references to share and per share amounts in these financial statements have been retroactively restated to reflect the share consolidation.

***Company Directors***

As at the date of this report, the directors and officers of the Company were:

|                 |                                      |
|-----------------|--------------------------------------|
| Lisa McCormack  | President and Director               |
| Arvin Ramos     | Chief Financial Officer and Director |
| Kelly Malcolm   | Director                             |
| James Fairbairn | Director                             |

**LIQUIDITY AND CAPITAL RESOURCES**

During the period ended September 30, 2019, no funds were raised. \$16,146 in cash was generated from expenses, and other operations and financing activities during the period ended September 30, 2019 (2018 - \$5,204). The funds were provided the receipt of cash from accounts receivables, prepaid expenses, and accounts payable and loans.

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.

## **COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no commitments for capital expenditures, no contingencies and no off-balance sheet arrangements.

## **TRANSACTIONS WITH RELATED PARTIES**

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:

| <b>For the period ended September 30,</b> | <b>2019</b> | <b>2018</b> |
|-------------------------------------------|-------------|-------------|
| Consulting                                | \$ 45,000   | \$ 45,000   |

As at September 30, 2018, included in accounts payable and accrued liabilities is \$28,804 (December 31, 2018 – \$15,000) 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.

## **PROPOSED TRANSACTION**

On March 11, 2019, the company entered into a binding letter of intent (the “LOI”) with Glow Life Tech Ltd. (“Glow”) whereby Ateba will acquire all of the securities of Glow by way of three-cornered amalgamation, subject to the terms and conditions of the LOI (“Proposed Transaction”) pursuant to the terms of the Proposed Transaction, Glow will amalgamate with a wholly-owned subsidiary of Ateba, and Ateba will change its name to “Glow Life Tech Corp.”. As a result of the Proposed Transaction, Ateba will continue with the business of Glow. Glow is responsible for a termination fee of \$100,000 in the event Glow breaches the terms of the LOI.

## **ADOPTION OF NEW ACCOUNTING STANDARD**

Effective January 1, 2019, the Company adopted 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 Company assessed that the new standard does not have any impact on the Company’s financial statements.

## **FINANCIAL INSTRUMENTS**

All financial instruments are initially recorded on the balance sheet at fair value.

All financial assets and financial liabilities are subsequently classified based on the business purpose for which the asset or liability was incurred and the contractual cash flow characteristics of the financial asset or liability.

The Company's financial assets and liabilities are classified and measured as follows:

| Asset/Liability                          | Classification | Measurement    |
|------------------------------------------|----------------|----------------|
| Cash and cash equivalents                | Amortized cost | Amortized cost |
| Accounts receivable                      | Amortized cost | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost | Amortized cost |
| Loans payable                            | Amortized cost | Amortized cost |

## RISKS AND UNCERTAINTIES

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. The additional capital required to advance these properties is difficult to raise due to market conditions in the junior mining exploration sector.

#### *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.