



Condensed Interim Financial Statements

For the three and six months ended June 30, 2020

(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.

August 25, 2020

"Jessica Whitton"  
President

"Arvin Ramos"  
Chief Financial Officer

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

# ATEBA RESOURCES INC.

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

	Note	June 30, 2020	December 31, 2019
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 2,566	\$ 20,451
Accounts receivable	5	265	108
		\$ 2,831	\$ 20,559
<b>Liabilities and Shareholders' Equity (Deficiency)</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7 & 8	\$ 234,092	\$ 173,653
Loan payable	9	6,400	6,400
		240,492	180,053
<b>Shareholders' deficiency</b>			
Share capital	10	25,598,091	25,598,091
Contributed surplus	11	903,452	903,452
Accumulated deficit		(26,739,204)	(26,661,037)
		(237,661)	(159,494)
		\$ 2,831	\$ 20,559

Nature of Operations and Going Concern – Note 1

Approved on behalf of the Board

"James Fairbairn"  
Director (Signed)

"Kelly Malcolm"  
Director (Signed)

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 and six months ended June 30, 2020 and 2019

(Unaudited)

	Note	Three Months Ended June 30,		Six Months Ended June 30,	
		2020	2019	2020	2019
<b>Operating expenses:</b>					
Office, general and investor relations		\$ 16,362	\$ 20,747	\$ 36,496	\$ 24,187
Consulting fees	8	15,000	15,000	30,000	30,000
Professional fees		7,500	40,420	11,671	43,565
		<b>38,862</b>	<b>76,167</b>	<b>78,167</b>	<b>97,752</b>
Other income		-	(100,000)	-	(100,000)
<b>Net income (loss) and comprehensive income (loss)</b>		<b>\$ (38,862)</b>	<b>\$ 23,833</b>	<b>\$ (78,167)</b>	<b>\$ 2,248</b>
Weighted average number of common shares*	12	4,666,655	4,666,655	4,666,655	4,666,655
Income (loss) per share - basic and diluted	12	\$ (0.01)	\$ 0.01	\$ (0.02)	\$ 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 Changes in Shareholders' Deficiency

For the six months ended June 30, 2020 and 2019

(Unaudited)

	Number of common shares		Share capital		Contributed Surplus		Accumulated Deficit		Total
Balance at January 1, 2020	4,666,655	\$	25,598,091	\$	903,452	\$	(26,661,037)	\$	(159,494)
Comprehensive loss for the period	-		-		-		(78,167)		(78,167)
<b>Balance at June 30, 2020</b>	<b>4,666,655</b>	<b>\$</b>	<b>25,598,091</b>	<b>\$</b>	<b>903,452</b>	<b>\$</b>	<b>(26,739,204)</b>	<b>\$</b>	<b>(237,661)</b>

	Number of common shares		Share capital		Contributed Surplus		Accumulated Deficit		Total
Balance at January 1, 2019	4,666,655	\$	25,598,091	\$	903,452	\$	(26,604,902)	\$	(103,359)
Comprehensive income for the period	-		-		-		2,248		2,248
<b>Balance at June 30, 2019</b>	<b>4,666,655</b>	<b>\$</b>	<b>25,598,091</b>	<b>\$</b>	<b>903,452</b>	<b>\$</b>	<b>(26,602,654)</b>	<b>\$</b>	<b>(101,111)</b>

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

# ATEBA RESOURCES INC.

(an exploration stage company)

Statements of Cash Flows

For the six months ended June 30, 2020 and 2019

(Unaudited)

	Note	2020	2019
<b>Cash flows from operating activities:</b>			
Comprehensive income (loss) for the period	\$	(78,167)	\$ 2,248
Adjustments for:			
Change in non-cash operating working capital			
Prepaid expenses		-	5,000
Accounts receivables		(157)	(2,099)
Accounts payable and accrued liabilities	7	60,438	12,781
		<b>(17,885)</b>	17,931
<b>(Decrease) increase in cash and equivalents</b>		<b>(17,885)</b>	17,931
Cash and cash equivalents, beginning of period		<b>20,451</b>	3,820
<b>Cash and cash equivalents, end of period</b>	<b>\$</b>	<b>2,566</b>	<b>\$ 21,751</b>

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

# ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in Canadian Dollars)

---

## 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 401 – 217 Queen Street West, Toronto, ON M5V 0R2.

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

As at June 30, 2020, the Company had a working capital deficiency of \$237,661 (December 31, 2019 – \$159,494), had not yet achieved profitable operations, has accumulated losses of \$26,739,204 (December 31, 2019 - \$26,661,037) 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 property. 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 COVID-19 pandemic has not resulted in any material impact on operations and the Company currently does not expect it will impact its 2020 operations. Preventative measures are in place to ensure the well-being of employees and contractors and no risks were noted at the end of the interim reporting period. Management continues to monitor the situation at the site and corporate office to identify any issues that may affect operational or financial reporting activities.

The Directors approved the Company's financial statements on August 25, 2020.

# ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in Canadian Dollars)

---

## 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, 2019, 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) 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.

### **(d) 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 Condensed Interim Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in Canadian Dollars)

---

## 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 June 30, 2020. The Company is not subject to externally imposed capital requirements.

## 4. FINANCIAL INSTRUMENTS

### Fair value

As at June 30, 2020, 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 Condensed Interim Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in Canadian Dollars)

---

## 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 June 30, 2020, the Company had a working capital deficiency of \$237,661 (December 31, 2019 - \$159,494). 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 June 30, 2020. 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 June 30, 2020, the Company has HST recoverable of \$265 (December 31, 2019 - \$108).

## 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 June 30, 2020 of \$nil (2019 - \$1,355) in order to maintain the property interest in good standing.

### Measurement Uncertainty

The carrying values of the Company's mining properties at June 30, 2020 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.

# ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in Canadian Dollars)

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	June 30, 2020	December 31, 2019
Accounts payable	\$ 38,716	\$ 41,277
Accrued liabilities	195,376	132,376
	<u>\$ 234,092</u>	<u>\$ 173,653</u>

## 8. 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:

For the period ended June 30,	2020	2019
Consulting	\$ 30,000	\$ 30,000

As at June 30, 2020, included in accounts payable and accrued liabilities is \$66,604 (December 31, 2019–\$36,304) 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 party payables are due on demand, non-interest bearing and are unsecured.

## 9. 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 June 30, 2020, the Company has not borrowed any amount (December 31, 2019 - \$nil).

The balance of the loan payable in the amount of \$6,400 (December 31, 2019 - \$6,400) is due to previous directors of the Company.

## 10. 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, June 30, 2020 and December 31, 2019 and 2018	4,666,655	\$ 25,598,091

### Diluted weighted average number of shares outstanding

	June 30, 2020	2019
Basic weighted average shares outstanding	4,666,655	4,666,655
Diluted weighted average shares outstanding	4,666,655	4,666,655

# ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in Canadian Dollars)

---

## 11. 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 right to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

There are no outstanding stock options as at June 30, 2020 (December 31, 2019 – nil).

## 12. LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended June 30, 2020 was based on the loss attributable to common shareholders of \$78,167 (2019 – income of \$2,248) and the weighted average number of common shares outstanding of 4,666,655 (2019 – 4,666,655). Diluted loss per share did not include the effect of nil stock options (2019 – nil) and nil warrants (2019 – nil) as they are anti-dilutive.

## 13. PROPOSED TRANSACTION

On June 25, 2020, the Company entered into a definitive agreement (the "**Definitive Agreement**") with Glow LifeTech Ltd. ("**Glow**") to complete their previously announced business combination (the "**Proposed Transaction**") whereby the Company will acquire all of the issued and outstanding shares of Glow pursuant to a three-cornered amalgamation in accordance with Section 174 of the *Business Corporations Act* (Ontario). Upon completion of the Proposed Transaction, the securityholders of Glow will hold approximately 74% of the outstanding securities of the Company (the "Resulting Issuer"), and the Resulting Issuer will carry on the business of Glow. The Definitive Agreement supersedes the previously announced letter of intent entered into by the Company and Glow.

### *Details of the Proposed Transaction*

Pursuant to the Definitive Agreement entered into between the Company and Glow, and upon the satisfaction or waiver of the conditions set out therein, the following, among other things, are required to be prior to consummation of the Proposed Transaction:

- the Company will consolidate its issued and outstanding common shares (the "**Consolidation**") on the basis of one (1) post-Consolidation common share for every 1.5 outstanding common shares in the capital of the Company;
- issue 8,750,000 pre-Consolidation common shares to settle \$175,000 of indebtedness outstanding (the "**Debt Conversion**");
- change its name to "Glow LifeTech Corp." or such other similar name as the parties may agree (the "**Name Change**");

# ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in Canadian Dollars)

---

## 13. PROPOSED TRANSACTION (continued)

### *Details of the Proposed Transaction (continued)*

- Glow will use its best efforts to complete a non-brokered private placement financing (the "**Glow Financing**") of a minimum of 8,333,333 units of Glow (the "**Units**") at a price per Unit of \$0.30 to raise minimum gross proceeds of \$2,500,000. Each Unit will consist of one common share in the capital of Glow and one-half common share purchase warrant exercisable at a price of \$0.40 per common share for a period of two years from the date of issuance;
- 2760626 Ontario Inc., a newly incorporated, wholly-owned subsidiary of the Company formed solely for the purpose of facilitating the Proposed Transaction, will merge with and into Glow, pursuant to which, among other things, all outstanding common shares of Glow (the "**Glow Shares**") and all securities convertible into Glow Shares shall be exchanged for replacement securities of the Resulting Issuer, one-for-one on a post-Consolidation basis, exercisable in accordance with their terms; and
- the board of directors and management of the Resulting Issuer will be replaced with nominees of Glow as detailed below.

The Proposed Transaction is subject to the conditions set out in the Definitive Agreement, including but not limited to obtaining the requisite approval of the Company's and Glow's securityholders, completion of the Glow Financing, and completion by the Company of the Debt Conversion, the Consolidation and the Name Change.

### *Resulting Capitalization*

After completion of the Proposed Transaction, and assuming no further common shares are issued, an aggregate of 43,543,719 common shares in the capital of Ateba (the "**Ateba Shares**") will be issued and outstanding, with former securityholders of Glow holding 34,599,283 Ateba Shares, representing approximately 79% of the total outstanding Ateba Shares and the original shareholders of Ateba holding 8,944,436 Ateba Shares, representing approximately 21% of the outstanding Ateba Shares, on a partially diluted basis and not including any Ateba Shares issuable to Glow shareholders pursuant to the Glow Financing.