



Financial Statements

Years ended December 31, 2020 and 2019

Independent Auditor's Report

To the Shareholders of Ateba Resources Inc.

Opinion

We have audited the financial statements of **Ateba Resources Inc.** ("the Company"), which comprise the statements of financial position as at December 31, 2020 and December 31, 2019 and the statements of operations and comprehensive loss, statements of changes in shareholders' deficiency and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Ateba Resources Inc.** as at December 31, 2020 and December 31, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has a working capital deficiency of \$312,973 (2019 - \$159,494), has not yet achieved profitable operations, has accumulated losses of \$26,814,516 (2019 - \$26,661,037) and expects to incur future losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

To the Shareholders of Ateba Resources Inc. (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as a fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude of the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Wayne O'Connell.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants

St. Catharines, Ontario
February 25, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Ateba Resources Inc. (the "Company") are the responsibility of management and the Board of Directors of the Company.

The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Jessica Whitton" (signed)
Jessica Whitton, CEO

"Arvin Ramos" (signed)
Arvin Ramos, CFO

ATEBA RESOURCES INC.

(an exploration stage company)
Statements of Financial Position
As at December 31,

	Note	2020	2019
Assets			
Current assets			
Cash and cash equivalents		\$ 1,800	\$ 20,451
Accounts receivable	6	799	108
		\$ 2,599	\$ 20,559
Liabilities and Shareholders' Deficiency			
Current liabilities			
Accounts payable and accrued liabilities	8 & 9	\$ 309,172	\$ 173,653
Loan payable	10	6,400	6,400
		315,572	180,053
Shareholders' deficiency			
Share capital	11	25,598,091	25,598,091
Contributed surplus	12	903,452	903,452
Accumulated deficit		(26,814,516)	(26,661,037)
		(312,973)	(159,494)
		\$ 2,599	\$ 20,559

Nature of Operations and Going Concern – *Note 1*
Subsequent Event – *Note 17*

Approved on behalf of the Board:

"Jessica Whitton"
Director (Signed)

"Kelly Malcolm"
Director (Signed)

The accompanying notes are an integral part of these financial statements

ATEBA RESOURCES INC.

(an exploration stage company)

Statements of Operations and Comprehensive Loss

Year ended December 31,

	Note	2020	2019
Operating expenses:			
Office, general and investor relations		\$ 73,300	\$ 69,703
Consulting fees	9	60,000	60,000
Professional fees		20,179	53,070
		153,479	182,773
Other income	15	-	(126,638)
Net loss and comprehensive loss		\$ (153,479)	\$ (56,135)
Weighted average number of common shares	13	4,666,655	4,666,655
Income (loss) per share - basic and diluted	13	(0.03)	(0.01)

The accompanying notes are an integral part of these financial statements

ATEBA RESOURCES INC.

(an exploration stage company)

Statements of Changes in Shareholders' Deficiency

Year ended December 31, 2020 and 2019

	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	-		-		-		(153,479)	(153,479)
Balance at December 31, 2020	4,666,655	\$	25,598,091	\$	903,452	\$	(26,814,516)	\$ (312,973)

	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 loss for the period	-		-		-		(56,135)	(56,135)
Balance at December 31, 2019	4,666,655	\$	25,598,091	\$	903,452	\$	(26,661,037)	\$ (159,494)

The accompanying notes are an integral part of these financial statements

ATEBA RESOURCES INC.

(an exploration stage company)

Statements of Cash Flows

Year ended December 31,

	Note	2020	2019
Cash flows from operating activities:			
Comprehensive loss for the period		\$ (153,479)	\$ (56,135)
Adjustments for:			
Change in non-cash operating working capital			
Prepaid expenses		-	5,000
Accounts receivables		(691)	4,392
Accounts payable and accrued liabilities	8	135,518	63,373
		(18,651)	16,631
 (Decrease) increase in cash and equivalents		 (18,651)	16,631
Cash and cash equivalents, beginning of year		20,451	3,820
Cash and cash equivalents, end of year		\$ 1,800	\$ 20,451

The accompanying notes are an integral part of these financial statements

ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Financial Statements

Year ended December 31, 2020 and 2019

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of Operations

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 December 31, 2020, the Company had a working capital deficiency of \$312,973 (2019 – \$159,494), had not yet achieved profitable operations, has accumulated losses of \$26,814,516 (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 issuance 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.

ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Financial Statements

Year ended December 31, 2020 and 2019

2. BASIS OF PRESENTATION

a) Statement of Compliance with International Financial Reporting Standards

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the Interpretations of the IFRS Interpretations Committee ("IFRIC").

These financial statements were authorized by the Board of Directors of the Company on February 25, 2021.

b) Basis of presentation

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

c) Functional currency

The Company's functional and reporting currency as determined by management, is the Canadian dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Mining properties

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

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

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

b) Use of estimates and judgments

The preparation of these financial statements requires management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities, revenue and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to, impairment of assets and the useful life of capital and intangible assets.

ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Financial Statements

Year ended December 31, 2020 and 2019

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers and employees. The Board of Directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at exercise prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of the options for employee services is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period of the options using the graded vesting method. The fair value is recognized as an expense with the corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Share-based payments for non-employee services are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

d) Loss per share

Basic loss per share is calculated using the weighted-average number of common shares outstanding during the year. Diluted loss per share is computed using the treasury stock method. Stock options and warrants outstanding are not included in the computation of diluted loss per share if their inclusion would be anti-dilutive.

e) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Financial Statements

Year ended December 31, 2020 and 2019

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

f) Asset retirement obligations

The fair value of the liability for an asset retirement obligation is recorded when it is incurred or can be reasonably estimated, and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at December 31, 2020, the Company has not incurred or committed any asset retirement obligations related to the development of its exploration property.

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

g) Financial assets

The Company classifies its financial assets depending on the business purpose for which the asset was acquired and the contractual cash flow characteristics of the financial asset. The Company's accounting policy is as follows:

Financial Assets Recorded at Amortized Cost

This category is comprised of cash and accounts receivable. The business objective is to hold these financial assets in order to collect contractual cash flows, solely of payments of principal and interest. These financial assets are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortized cost using the effective interest rate method, less any provision for impairment.

h) Financial liabilities

The Company classifies its financial liabilities depending on the business purpose for which the liability was incurred and the contractual cash flow characteristics of the financial liability. The Company's accounting policy is as follows:

Financial Liabilities Recorded at Amortized Cost

This category is comprised of accounts payable and accrued liabilities and loans payable. These financial liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. These financial liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that interest expense is recognized over the period to repayment at a constant rate on the balance of the liability carried in the statement of financial position.

ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Financial Statements

Year ended December 31, 2020 and 2019

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Impairment of financial assets

Impairment provisions are recognized based on the simplified approach within IFRS 9 using the lifetime expected credit loss model.

j) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Ateba's officers and directors are considered related parties due to the significant influence they have over Ateba's operations. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

4. 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 year ended December 31, 2020. The Company is not subject to externally imposed capital requirements.

5. FINANCIAL INSTRUMENTS

Fair value

As at December 31, 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.

ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Financial Statements

Year ended December 31, 2020 and 2019

5. FINANCIAL INSTRUMENTS (continued)

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.

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 December 31, 2020, the Company had a working capital deficiency of \$312,973 (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 loan payable outstanding as of December 31, 2020. Management believes there is minimal risk that the interest rate on the loan would change significantly prior to being repaid.

6. ACCOUNTS RECEIVABLES

As at December 31, 2020, the Company has HST recoverable of \$799 (2019 - \$108).

ATEBA RESOURCES INC.

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Notes to the Financial Statements

Year ended December 31, 2020 and 2019

7. 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 has incurred and expensed land taxes during the year ended December 31, 2020 of \$1,355 (2019 - \$1,355) in order to maintain the property interest in good standing.

The Company has secured amounts owed to a third party, included in accounts payable and accrued liabilities of \$4,287 (2019 - \$4,287) with a \$25,000 mortgage on the property, interest payable at 10%.

Measurement Uncertainty

The carrying values of the Company's mining properties at December 31, 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.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

<i>As at December 31,</i>	2020	2019
Accounts payable	\$ 56,796	\$ 41,277
Accrued liabilities	252,376	132,376
	\$ 309,172	\$ 110,279

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:

For the year ending December 31,	2020	2019
Consulting	\$ 60,000	\$ 60,000

As at December 31, 2020, included in accounts payable and accrued liabilities is \$96,304 (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.

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. As at December 31, 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. The amounts are non-interest bearing, with no fixed term of repayment, payable on demand and unsecured.

ATEBA RESOURCES INC.

(an exploration stage company)

Notes to the Financial Statements

Year ended December 31, 2020 and 2019

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, 2018 , 2019 and 2020	4,666,655	\$ 25,598,091

Diluted weighted average number of shares outstanding

	Year ended December 31,	
	2020	2019
Basic weighted average shares outstanding	4,666,655	4,666,655
Diluted weighted average shares outstanding	4,666,655	4,666,655

12. SHARE-BASED PAYMENT 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.

As at December 31, 2020, there were no stock options outstanding (2019 – nil).

13. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2020 was based on the loss attributable to common shareholders of \$153,479 (2019 – \$56,135) and the weighted average number of common shares outstanding of 4,666,655 (2019 – 4,666,655). There were no outstanding options and warrants in the fiscal years 2020 and 2019.

ATEBA RESOURCES INC.

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Notes to the Financial Statements

Year ended December 31, 2020 and 2019

14. INCOME TAXES

Future income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for tax purposes.

The Company has no future tax liabilities.

Future income tax assets arise from the following:

Future tax assets:

	<u>2020</u>	<u>2019</u>
Resource properties	\$ 888,171	\$ 877,937
Non-capital loss carry-forwards	740,360	708,527
Capital loss carry-forwards	164,809	154,829
Capital assets	<u>78,0043</u>	<u>78,043</u>
	1,871,383	1,819,333
Less: valuation allowance	(1,871,383)	(1,819,333)
Net future income tax assets	<u>\$ -</u>	<u>\$ -</u>

The Company provided a valuation allowance equal to the future tax assets as it is not presently more likely than not that they will be realized. The Company's income tax expense for each of the years ended is \$Nil.

The Company's provision for income taxes differ from the amounts computed by applying the basic current rates to income (loss) for the year before taxes, as shown in the following table:

	<u>2020</u>	<u>2019</u>
Statutory rate of 26.5% applied to income (loss) for the year before income taxes	\$ (40,670)	\$ (14,875)
Increase (reduction) in taxes resulting from		
Capital cost allowance	359	359
Non-deductible reserve – professional fees	-	5,734
Tax loss not benefited	<u>40,311</u>	<u>(20,250)</u>
Provision for income taxes	<u>\$ -</u>	<u>\$ -</u>

The Company has non-capital losses carry-forward, which can be used to reduce future income taxes payable, expiring as follows: 2030 - \$224,802, 2031 - \$468,167, 2032 - \$400,835, 2033 - \$271,516, 2034 - \$223,182, 2035 - \$188,282, 2036 - \$150,982, 2037 - \$458,125, 2038 - \$162,918, 2039 - \$44,418 and 2040 - \$152,124. The Company also has capital losses carry-forward, which can be applied against future capital gains in the amount of \$1,243,838. The Company also has Canadian Exploration and Development Expenditures of approximately \$3,084,279 and Foreign Resource Expenditures of \$267,310 which can be used to reduce taxable income in future years. No benefit from these amounts has been recorded in these financial statements.

15. OTHER INCOME

On January 29, 2020, the previously announced business combination agreement ("Agreement") with Molecular Science Corp. ("MSC"), entered into on August 15, 2019, was terminated. Under the Agreement, MSC paid Company \$100,000 as termination fee and \$26,638 as expense reimbursement during the year ended December 31, 2019.

ATEBA RESOURCES INC.

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16. 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 79% 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**");

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.

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.

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17. SUBSEQUENT EVENT

On February 24, 2021, the Company settled an aggregate of \$175,000 of indebtedness owed to an arm's length creditor through the issuance of 8,750,000 common shares of the Company at a price of \$0.02 per common share.