ATEX

Resources Inc.

(Formerly – Colombia Crest Gold Corp.)

Management's Discussion & Analysis

For the Year Ended September 30, 2019

The Management's Discussion and Analysis ("MD&A), prepared as of January 27, 2020, reviews and summarizes the activities of ATEX Resources Inc. (the "Company") and compares the financial results for the year ended September 30, 2019 with those of the previous year ended, September 30, 2018. This information is intended to supplement the audited financial statements for the year ended September 30, 2019 and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar amounts included in this MD&A are stated in Canadian dollars unless otherwise indicated.

The Company's common shares trade on the TSX Venture Exchange ("TSXV") under the symbol "ATX" and its most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed at www.sedar.com.

Qualified Person

The "Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") for the Company's current exploration projects is Mr. David Hopper. Mr. Hopper is a Chartered Geologist of the Geological Society of London, Fellow No. 1030584, and has over 25 years of relevant experience in exploration of porphyry-epithermal deposits. Mr Hopper resides in Santiago, Chile.

Forward-Looking Statements

Except for the historical statements contained herein, this MD&A presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and other minerals and metals, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to international operations, risks related to the integration of acquisitions; actual results of current or future exploration activities; actual results of current or future reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and other minerals and metals; possible variations in ore reserves, resources, grade or recovery rates; failure of equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry. Although the Company's management and officers believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Overview

Corporate:

On February 8, 2019, the Company announced the completion of a three for one (3:1) consolidation of its outstanding common shares. In connection with the share consolidation, a name change from Colombia Crest Gold Corp. to ATEX Resources Inc. was also effected with a new trading symbol of "ATX" on the TSXV.

In April 2019, the Company closed a non-brokered private placement by issuing 10,000,000 units at $0.15 per unit for gross proceeds of $1,500,000.

The current six-member board consists of directors with diversified experiences in geology, finance and administration. The Company has also established an advisory committee consisting of seasoned professionals in the mineral exploration and financial fields.

Operations:

In July 2019, the Company entered into option agreements to acquire the Alicia, Roma and Condor properties, referred to collectively as the Apolo Concessions, located within the northern extension of the Maricunga Mineral Belt, Region III, Chile. The three properties cover a total area of 14,900 hectares.

In August 2019, the Company entered into an option agreement to acquire the 3,705 hectare Valeriano copper gold property (the "Valeriano Project"), located in Region III in the northern portion of Chile's prolific El Indio Belt, that hosts a large gold molybdenum-bearing porphyry system.

Mineral projects

The Company's exploration properties are located Chile and Colombia in South America, and its interest in these resource properties was maintained pursuant to agreements with the titleholders.

Chile

Valeriano Project:

In August 2019, the Company, through its wholly-owned Chilean subsidiary, ATEX Valeriano SpA ("ATEX Valeriano), entered into an option agreement to acquire up to a 100% interest in the 3,705 hectare Valeriano Project located in the northern portion of Chile's El Indio Belt, Region III, Chile.

Pursuant to the option agreement, to acquire an initial 49% property interest, the Company is required to do the following:

- Pay US$4.0 million, including:
  - US$200,000 upon signing (paid);
  - US$300,000 by the earlier of the commencement of drilling or August 29, 2021; and,
  - US$3.5 million by August 29, 2021 (50% of which may be paid by the issuance of common shares, at the Company's discretion).

- Complete the following work commitments:
  - Incur US$10.0 million in exploration expenditures on the property, including completing at least 8,000 metres of diamond drilling.

Upon the Company acquiring the initial 49% interest, ATEX Valeriano and the vendor shall incorporate a joint stock company owned by both parties proportionate to each party's respective property ownership interest.

After earning the initial 49% property interest, to acquire a further 51% property interest, increasing the Company's interest to 100%, the Company is required to do the following:

- Pay US$8.0 million by August 29, 2023 (50% of which may be paid via the issuance of common shares, at the vendor's discretion); and,

- Incur a further US$5.0 million in exploration expenditures on the property.

Upon the Company earning a full 100% property interest, the vendor shall transfer its ownership interest in the incorporated joint stock company to the Company, resulting in the Company owning 100% of this incorporated joint stock company. ATEX Valeriano shall also grant a 2.0% NSR to the vendor.

The option was originally granted by the property owner to a third party, SBX Asesorías e Inversiones Limitada ("SBX"). Under a transfer and assignment agreement with SBX, the Company paid US$150,000, shall issue 2.0 million units and shall grant a 0.25% NSR to SBX. Each unit will consist of one common share and one common share purchase warrant exercisable at $0.40 per common share for four years. 1.0 million of the units will vest upon the Company making the US$300,000 payment due on the option upon the commencement of drilling and a further 1.0 million units will vest upon the Company making the US$3.5 million option payment due by August 29, 2021.

On January 15, 2020, the Company and the vendor agreed to amend the Company's option on the Valeriano property as follows:

- The amended option agreement extends the first work commitment period from August 29, 2021 to August 29, 2022 and moves the US$3.5 million second year payment and subsequent payments forward one year at a cost of US$250,000 payable on the August 29, 2021.

- Under the terms of the amended option agreement, in order to acquire 100% of the Valeriano concessions, ATEX may make payments of US$12.25 million over five years as follows: US$200,000 upon signing (paid); US$300,000 upon the commencement of drilling; US$250,000 on the second anniversary of signing; US$3.5 million on the third anniversary of signing; and, US$8.0 million on the fifth anniversary. Half of the US$3.5 million payment may be paid in ATEX common shares at the option of ATEX and half of the final US$8.0 million payment may be paid in ATEX common shares at the vendor's option.

- In order to exercise the Valeriano option, ATEX must incur work expenditures of US$15.0 million over the five year term of the option as follows: US$10.0 million spent during the first three years including 8,000 metres of drilling; and, US$5.0 million over the final two years of the agreement. Following completion of the first three years of work expenditure commitments and making the required payments, ATEX will earn a 49% interest in the Valeriano concessions.

- By completing all expenditures and making all required payments by the fifth anniversary date, ATEX will acquire a 100% interest in the Valeriano property subject to a net smelter royalty of 2.5%. The terms of the initial option agreement are described in an ATEX press release dated September 23, 2019.

The amendments extend the option period from four years to five years and allow the Company further flexibility with its exploration plans for Valeriano by providing for two full exploration seasons for drilling activities along with the current season to complete its initial work commitment.

Apolo Concessions:

In July 2019, the Company, through its wholly-owned Chilean subsidiary, ATEX Chile SpA ("ATEX Chile"), entered into an option agreement to acquire a 100% interest in the Alicia, Roma and Condor gold properties, referred to collectively as the Apolo Concessions, covering a total area of 14,900 hectares located within the northern extension of the Maricunga Mineral Belt, Region III, Chile.

Pursuant to the option agreement, to acquire the 100% property interest, the Company is required to do the following:

- Pay US$7.5 million, including:
    - US$45,000 upon signing (paid);
    - US$85,000 by May 31, 2020;
    - US$85,000 by May 31, 2021;
    - US$85,000 by May 31, 2022; and,
    - US$7.2 million by December 31, 2022.

- Complete the following work commitments:
    - 3,000 meters of test boring/exploration drilling by May 31, 2020;
    - 5,000 meters of test boring/exploration drilling by May 31, 2021; and
    - 5,000 meters of test boring/exploration drilling by May 31, 2022.

Upon acquisition of a 100% ownership interest in the Apolo Concessions, ATEX Chile shall grant a 1.5% net smelter royalty ("NSR") to the vendor, 0.75% of which may be repurchased for US$6.0 million at any time until one year after the first feasibility study is performed on the property.

The option was originally granted by the property owner to SBX. Under a transfer and assignment agreement with SBX, the Company paid US$100,000 and shall grant SBX a 0.50% NSR.

Colombia

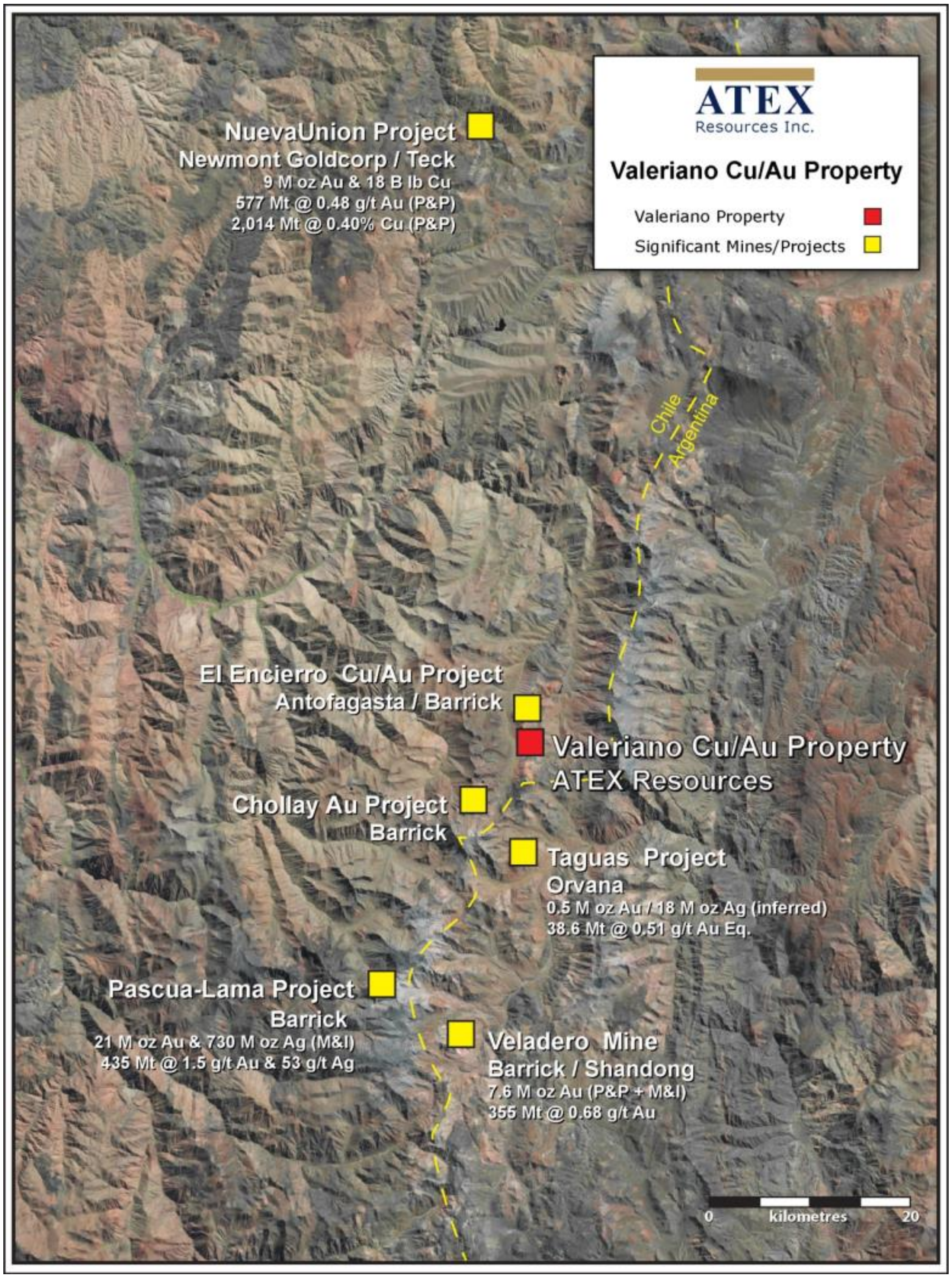
In 2010, the Company executed two agreements to earn up to a 75% interest in the mineral titles of the Fredonia and Venecia properties, both located in the department of Antioquia, near the City of Medellin, in Colombia.

The Company terminated both of its Colombian options in 2013. The Company retains an earned 50% interest in the Fredonia property. Currently, the Company has no intention to incur any further exploration or concession expenditures and any future expenditure incurred by the optionor and/or other third parties may have the effect of diluting the Company's earned interest. In 2013, when management provided notice to the optionor of the Company's intention to cease exploring, the Fredonia property consisted of three concessions totaling 4,563 hectares. The optionor has subsequently dropped two of the concessions and the remaining one covers 1,967 hectares.

Geology

Valeriano Project

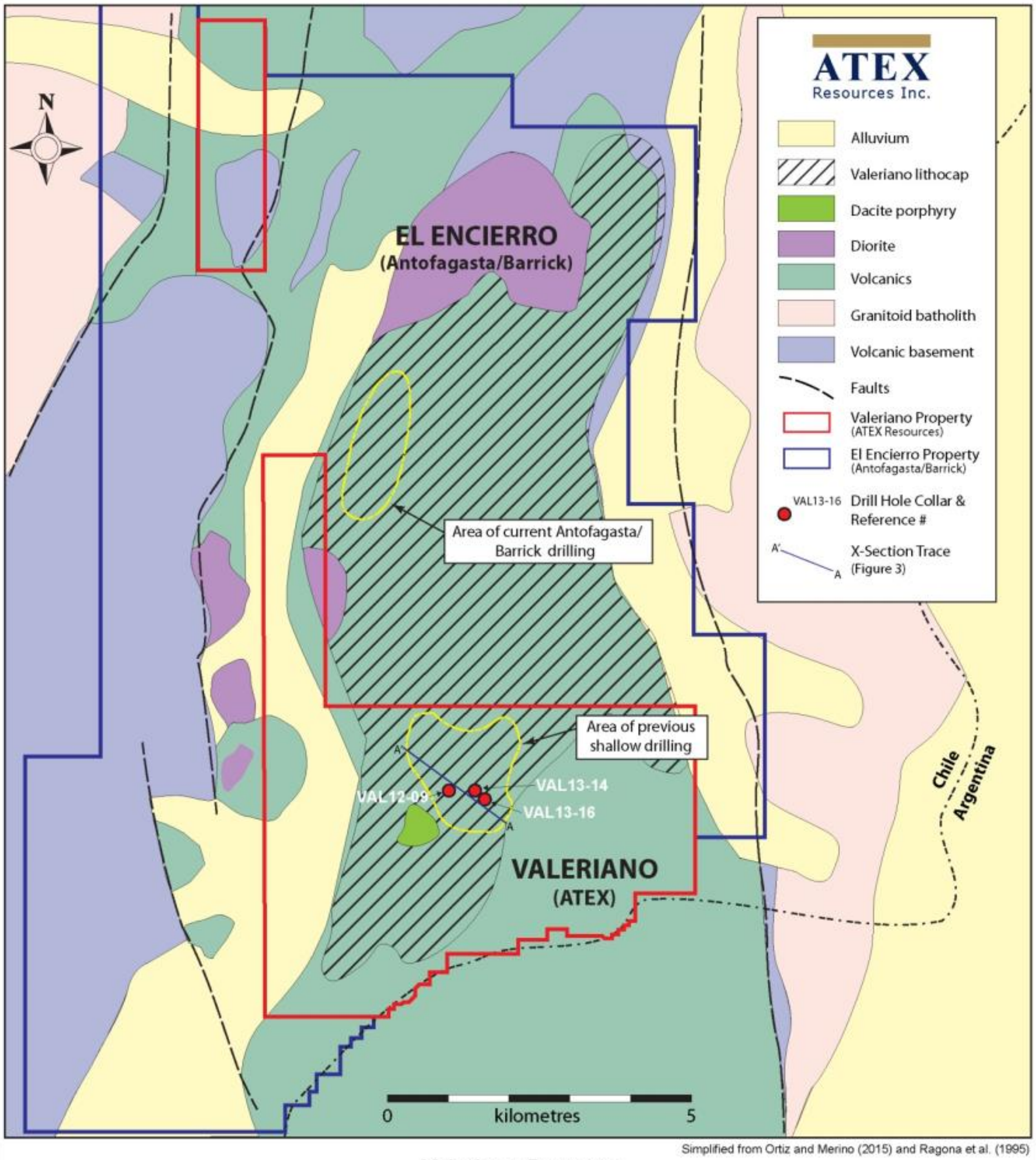
On September 23, 2019, ATEX announced that it had entered into an option agreement to acquire the 3,705 hectare Valeriano Project located in the northern portion of Chile's prolific El Indio Belt.



The Valeriano concessions overlie a large copper gold molybdenum-bearing porphyry system which has been only partially tested by three diamond drill holes completed in 2013 by Hochschild Mining plc ('Hochschild"). Two of the drill holes intersected a mineralized, potassic altered, granodiorite porphyry including drill hole VAL13-14 which returned 1,194 metres ("m") grading 0.52% copper ("Cu"), 0.24 grams per tonne gold ("g/t Au") and 36 parts per million ("ppm") molybdenum ("Mo") or 0.73% copper equivalent ("Cu eq.") and included 416 m of granodiorite porphyry which graded 0.67% Cu, 0.32 g/t Au and 31 ppm Mo for 0.94% Cu eq. The drill hole ended in mineralization. Hochschild terminated its option agreement over the Valeriano concessions in 2014 due to market-related conditions.

Prior operators focussed largely on the near surface potential of the property and it wasn't until recently that the porphyry potential of the property was recognized by Hothschild. The Company intends to start a systematic exploration campaign with the goal of defining the full potential of the Valeriano Project.

The Valeriano Project is underlain by altered felsic volcanics which at depth have been intruded by a multi-phase granodiorite porphyry. The mineralized system displays a classic porphyry-style alteration pattern from high-level advanced argillic alteration through to a well- developed potassic alteration zone close to the porphyry with associated stockwork and disseminated copper and gold mineralization. A large surface alteration zone (lithocap), covering a surface area of approximately 13 by 4.5 kilometres, extends from the Valeriano Project northward over Antofagasta/Barrick's El Encierro project.

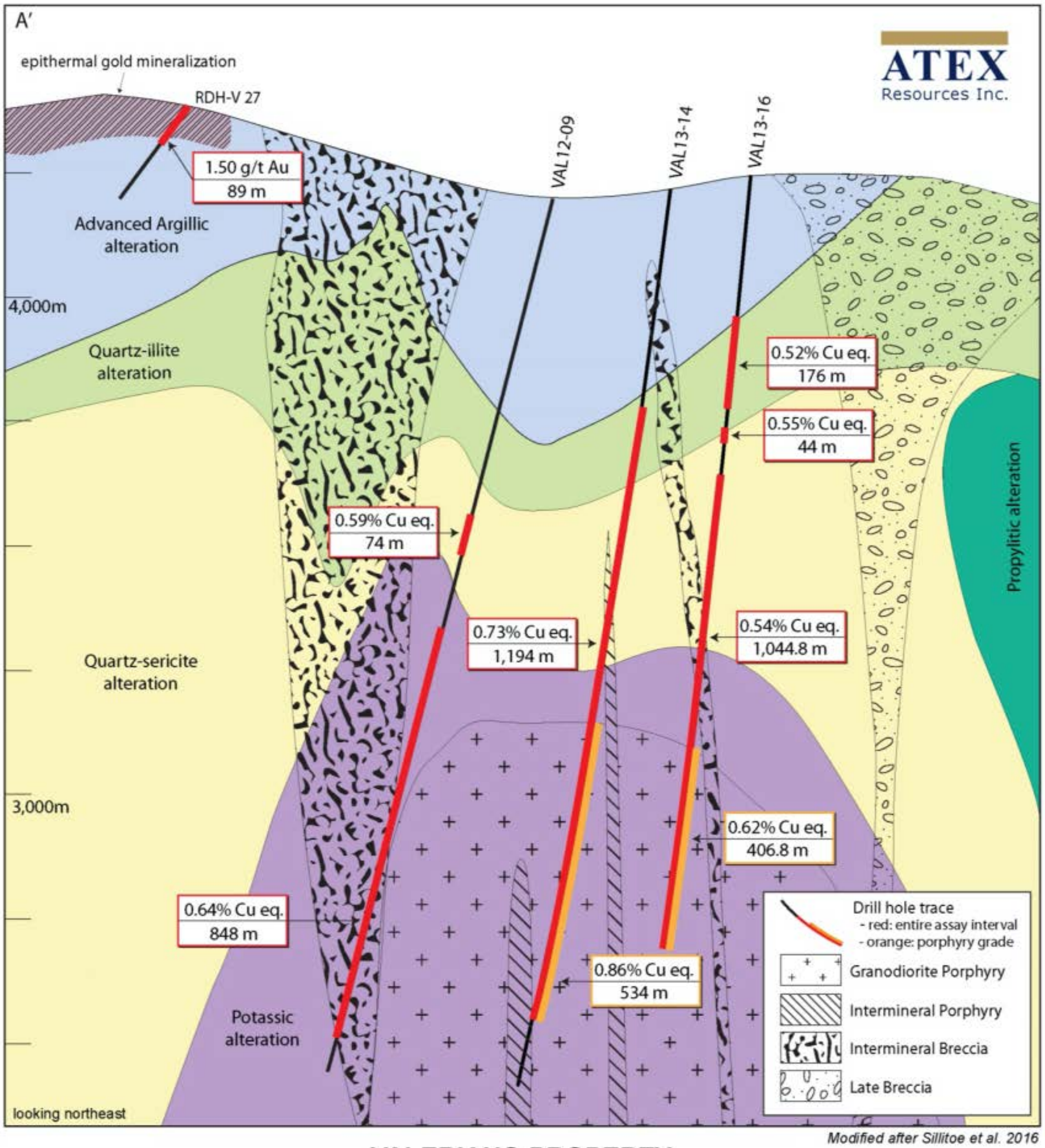


Valeriano Property
Concession / Geology Map

Previous Exploration Activities

During the mid-1990's, Phelps Dodge, and later Barrick, explored the Valeriano property for near surface gold mineralization drilling 47 holes to a maximum depth of 550 m. The drill programs outlined a zone of near-surface epithermal gold mineralization over an area of approximately 400 m by 400 m to depths of approximately 100 m below surface. Drill intercepts included 89 m grading 1.50 g/t Au (drill hole RDH-V27) and 0.62 g/t Au over 170 m (RDH-V31). Barrick terminated its option agreement in 1997.

In 2010, Hochschild optioned Valeriano property drilling 16 diamond drill holes in three campaigns for a total of 14,270 m. During the second drill campaign, Hochschild recognized porphyry-style alteration at depth and in the third season they drilled three holes, approximately 225 to 375 m apart, to depths of up to 1,878 m intersecting well-defined mineralized advanced argillic and phyllic alteration zones before entering a chalcopyrite and bornite-bearing, potassic-altered granodiorite porphyry.



VALERIANO PROPERTY

SCHEMATIC CROSS SECTION THROUGH THE VALERIANO PORPHYRY SYSTEM

Note: see table 1 for details on copper equivalency (Cu eq.) calculation

Drill hole VAL13-14 intersected 556 m grading 0.63% Cu eq. in altered volcanics and diorite porphyry dikes, starting at 614 m downhole, with the mineralization increasing in intensity to the contact with the granodiorite porphyry at 1,170 m. The hole then cut potassic-altered granodiorite, from 1,170 to 1,704 m, returning 534 m grading 0.86% Cu eq. before intersecting inter-mineral porphyry with 104 m grading 0.53% Cu eq.

Drill hole VAL13-16, located 225 m to the east of, and drilled roughly parallel to, VAL13-14, intersected intervals of altered rhyolite cut by dioritic porphyry dikes, as noted in Table 1, before intersecting 1,044.8 m grading 0.54% Cu eq., including 406.8 m grading 0.62% Cu eq. in altered granodiorite porphyry. The hole ended in mineralization.

VAL12-09 is located 375 m west of, and drilled roughly parallel to, VAL13-14. The hole cut a copper gold mineralized inter-mineral breccia, related to the porphyry system, returning 848 m grading 0.64% Cu eq. (Table 1). The hole did not intersect the mineralized granodiorite porphyry cut in the holes described above and instead entered lower grade inter to late-mineral breccias and porphyry returning 130 m grading 0.38% Cu eq. at the end of the hole.

Table 1 – Assay results from historical Valeriano porphyry drilling (Hochschild 2012/13)

Hole #	From	to	length	Cu	Au	Mo	Cu Eq.	Rock type
	Metres	*metres*	*metres*	*%*	*g/t*	*ppm*	*%*	
VAL12-09	668	742	74	0.37	0.18	186	**0.59**	rhyolite & diorite porphyry
	900	1,748	848	0.47	0.16	89	**0.64**	breccias & diorite
VAL13-14	614	1,808	1,194	0.52	0.24	36	0.73	
comprising	614	1,170	556	0.45	0.20	44	0.63	rhyolite & diorite porphyry
and	**1,170**	**1,704**	**534**	**0.61**	**0.29**	**36**	**0.86**	**granodiorite porphyry**
including	**1,596**	**1,670**	**74**	**0.85**	**0.41**	**13**	**1.19**	**granodiorite porphyry**
and	1,704	1,808	104	0.37	0.20	3	**0.53**	Inter-mineral porphyry
VAL13-16	270	446	176	0.24	0.28	121	**0.52**	rhyolite & diorite porphyry
	476	520	44	0.37	0.19	70	**0.55**	rhyolite & diorite porphyry
	576	1620.8	1,044.8	0.39	0.17	54	**0.54**	
including	**1214**	**1620.8**	**406.8**	**0.46**	**0.17**	**61**	**0.62**	**granodiorite porphyry**

1. *Intervals are composited at a 0.40 % Cu equivalent cut-off.*
2. *Cu equivalent grades are calculated based upon a Cu price of $2.60 per pound, Au price of $1,450 per ounce and Mo price of $11.00 per pound (all prices in US$). Minor discrepancies may exist due to rounding. Metal recoveries were not considered.*
3. *Formula for Cu Eq.% calculation: Cu Eq.%=(Cu %/100 * Cu $/tonne)+(Au g/t * Au $/gr.)+(Mo%/100 * Mo $/tonne) / Cu $/tonne*
4. *Insufficient information is available to estimate the true widths of the drill hole intervals or mineralized zone*

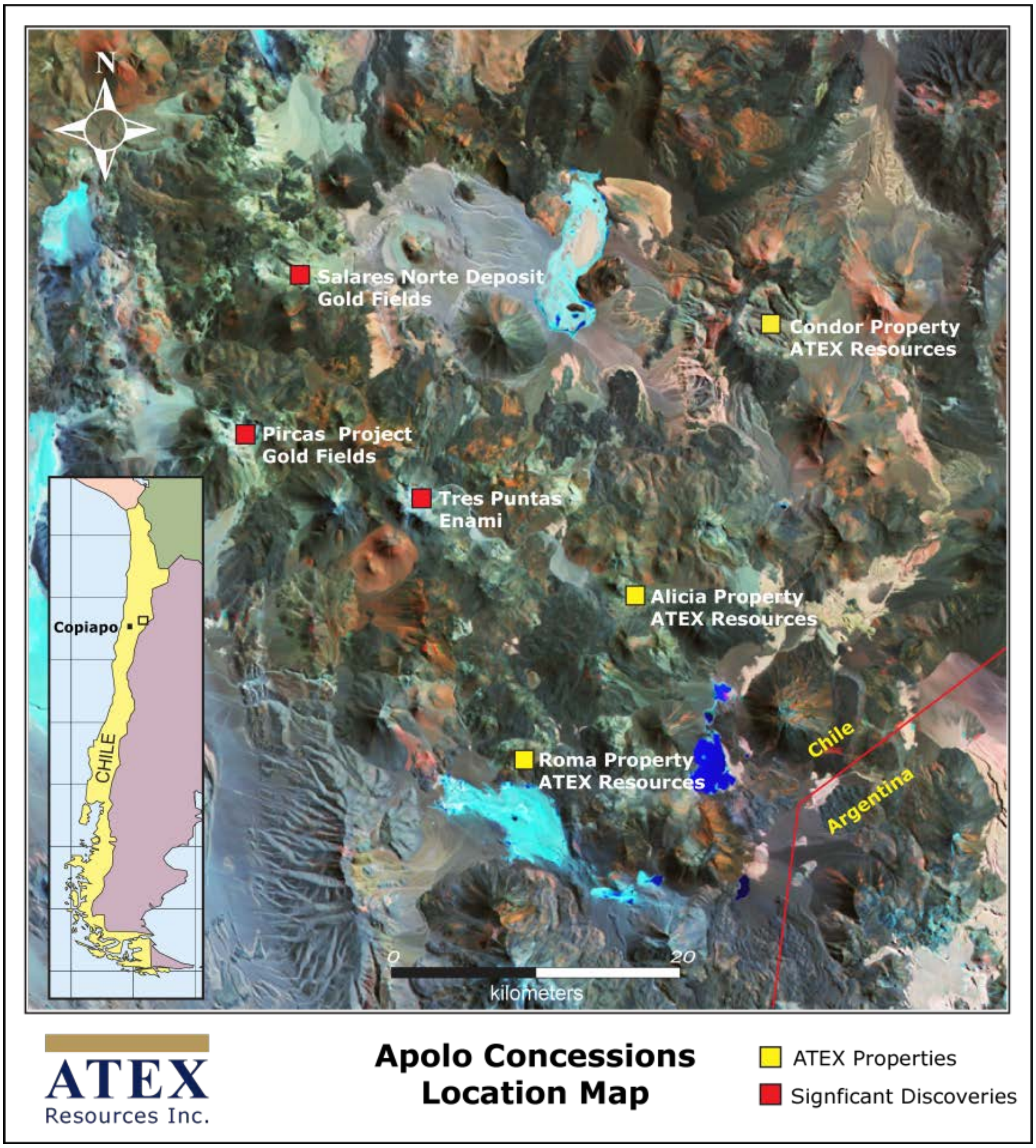
In addition to the drilling activities, Hochschild completed a ground magnetic survey and an induced polarization survey over the Valeriano Project. The induced polarization outlined a large, deep conductive zone with high chargeability measuring approximately 3 by 2 kilometres. At depth, the chargeability anomaly appears to form a high-chargeability halo around a central zone with somewhat lower chargeability, a pattern often observed over porphyry-style alteration.

Apolo Concessions

On July 25, 2019, ATEX announced that it had entered into agreements to acquire the Alicia, Roma and Condor properties, referred to collectively as the Apolo Concessions, located within the northern extension of the Maricunga Mineral Belt, Region III, Chile. The three properties cover a total area of 14,900 hectares.

The Alicia and Roma properties are located 30 kilometres southeast of Gold Fields' Salares Norte high sulphidation, epithermal gold deposit which hosts mineral reserves of 21.1 million tonnes grading 5.1 grams per tonne gold and 57.9 grams per tonne silver for 3.5 million ounces of gold and 40 million ounces of silver. The Condor property is located 30 kilometres east of Salares Norte.

There are no records of any significant exploration activities being completed on the properties prior to the vendor acquiring the concessions. To date, the vendor has completed initial surface prospecting and grid soil sampling on the Alicia and Roma properties outlining distinct multi- element, including gold, anomalies with similarities to Salares Norte. The anomalies have not been drill tested. The Condor property has not received any significant exploration.



Resource Property Expenditures

The Company's exploration and evaluation assets are as follows:

Mineral projects:	Balance Sept. 30, 2018 $	Expenditures During the Year Acquisitions $	Field Exploration $	General Exploration $	Balance Sept.30, 2019 $
ATEX Chile:					
Apolo – Alicia	-	64,085	20,925	39,057	124,067
Apolo - Roma	-	64,085	20,734	39,057	123,876
Apolo - Condor	-	64,085	16,191	39,057	119,333
	-	192,255	57,850	117,171	367,276
ATEX Valeriano:					
Valeriano	-	464,065	38,239	111,772	614,076
Total	-	656,320	96,089	228,943	981,352

Selected Annual Information

	Year Ended September 30, 2019 $	Year Ended September 30, 2018 $	Year Ended September 30, 2017 $
Net income/(loss)	(703,453)	(97,400)	579,768
Basic loss per share	(0.09)	(0.03)	0.00
Total assets	1,331,152	221,445	408,617
Current liabilities	64,922	17,128	106,900
Working capital (deficit)	264,878	202,552	299,196
Dividends	Nil	Nil	Nil

The Company has not earned any revenues from its past projects.

The Company's accounting policy is to record its mineral projects at cost. Exploration and development expenditures are deferred until properties are brought into production, at which time they will be amortized on a unit of production basis. In the event that properties are sold, impaired or abandoned, the deferred cost will be written off.

During fiscal 2017, net income and working capital was positively affected by the collection of sale proceeds related to the Company's assets in Bolivia. During fiscal 2018, the Company incurred a loss of $97,400 as management continued curtailing overhead.

During fiscal 2019, the Company incurred a loss of $703,453 as consulting, professional and management fees increased as management was active in fund raising and acquiring new mineral projects.

Results of Operations:

For the Three Months Ended September 30, 2019 and 2018:

For the three months ended September 30, 2019, the Company recorded a net loss of $186,481 as compared to a net loss of $12,805 for the three months ended September 30, 2018.

Net loss increased substantially in 2019 as management was active in fund raising and acquiring new mineral projects.

For the Years Ended September 30, 2019 and 2018:

For the year ended September 30, 2019, the Company recorded a net loss of $703,453 as compared to a net loss of $97,400 for the nine months ended June 30, 2018.

During fiscal 2019, stock options granted to Company personnel and consultants resulted in the recognition of in stock-based compensation of $265,366 (2018: $nil). Consulting, professional and management and administration expenses also increased in 2019 as management was focused on reviving the Company's mineral exploration business after several years of relative inactivity.

Summary of Selected Highlights for the Last Eight Quarters

Description	Sept. 30, 2019 $	Jun. 30, 2019 $	Mar. 31, 2019 $	Dec. 31, 2018 $
Balance Sheet:				
Current assets	329,800	1,495,344	145,238	188,583
Current liabilities	64,922	77,303	35,880	25,869
Shareholders' Equity	1,266,230	1,445,678	109,358	164,346
Working capital	264,878	1,418,041	109,358	162,714
Operations:				
Total revenues	Nil	Nil	Nil	Nil
Net (loss)	(186,481)	(422,013)	(54,988)	(39,971)
Basic loss per share	(0.01)	(0.03)	(0.03)	(0.02)

Description	Sept. 30, 2018 $	Jun. 30, 2018 $	Mar. 31, 2018 $	Dec. 31, 2017 $
Balance Sheet:				
Current assets	219,680	276,851	299,221	342,566
Current liabilities	17,128	87,293	79,653	85,998
Shareholders' Equity	204,317	191,512	221,711	258,900
Working capital	202,552	189,558	219,568	256,568
Operations:				
Total revenues	Nil	Nil	Nil	Nil
Net income (loss)	12,805	(30,199)	(37,189)	(42,817)
Basic earnings per share	(0.01)	0.00	(0.01)	(0.01)

A substantial loss was incurred during the three months ended June 30, 2019 as $258,333 in stock-based compensation was recorded. General expenses also increased during the three months ended September 30, 2019 as the Company is now much more active in corporate and exploration business matters after several years of relative inactivity.

Liquidity and Solvency

The Company has no operating revenues and does not anticipate any in the near term. Historically, the Company has raised funds through private placements, loans and the exercise of stock options and warrants.

As at September 30, 2019, the Company had $264,878 in working capital. In April of 2019, the Company completed a non-brokered private placement for gross proceeds of $1,500,000.

The new financing was sufficient to support the present level of overhead and also allows management to seek and evaluate potential mineral projects. However, further financing will be required to fund the mineral projects that management acquired during fiscal 2019.

The Company has incurred losses since inception and the Company’s long-term survival depends on the ability of management to continue raising capital. While management has successfully raised the necessary capital to finance the Company’s operations in the past, there is no assurance that it will continue to be able to do so in the future. If management is unsuccessful in raising further funds, the Company’s survival as a going concern beyond fiscal 2019 may be in doubt.

Industry and Economic Factors

The Company’s future performance is largely tied to the ability of management to secure new projects, the outcome of those programs and the overall health and stability of junior capital markets, particularly the TSXV. The precious metal financial markets upon which the Company has been reliant may continue to experience volatility, reflecting investor anxiety with regard to the strength and longevity of the global economy, global growth prospects, and their associated impact upon liquidity, security and return.

During the last several years, junior exploration companies worldwide have suffered through volatile markets. Accordingly, the Company has had difficulty raising equity financing for the purposes of mineral exploration. With continued market volatility and slower worldwide economic growth anticipated, the Company's strategy is to manage its treasury in a planned, deliberate and prudent manner while attempting to limit any future offering to a point in time where the associated capital markets have favourably stabilized. The Company believes this strategy will enable it to meet the near-term challenges presented by the capital markets while maintaining the momentum on key initiatives.

Standards, Amendments and Interpretations adopted or Expected to be Adopted:

- The following revised standard is effective for annual periods beginning on or after January 1, 2018 and has been adopted by the Company:

  IFRS 9, Financial Instruments (January 1, 2018)

  This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, 'Financial Instruments: Recognition and Measurement'. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value with changes in fair value through profit or loss. In addition, this new standard has been updated to include guidance on financial liabilities and de-recognition of financial instruments and to include guidance on hedge accounting and allowing entities to early adopt the requirement to recognize changes in fair value attributable to changes in an entity's own credit risk, from financial liabilities designated under the fair value option, in other comprehensive income.

  Effective October 1, 2018, the Company adopted IFRS 9 retrospectively without restatement.

  The Company also completed an assessment of its financial instruments as at October 1, 2018 and has not changed the classification of any financial instruments.

- The following standard will impact the Company's financial statements in the fiscal 2020 year:

  IFRS 16, Leases (January 1, 2019)

  On January 13, 2016, the IASB issued IFRS 16, according to which all leases will be on the balance sheet of lessees, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The impact of adopting this standard is anticipated to be that rent expense will be removed and replaced by the recording of depreciation and finance expense.

  There are other changes to IFRS or IFRIC interpretations that are not yet effective that are expected to have a material impact on the Company.

Critical Accounting Estimates

The Company's significant accounting policies are summarized in Note 3 of its audited consolidated financial statements for the year ended September 30, 2019. The preparation of the consolidated financial statements in accordance with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements.

The Company regularly reviews its judgements and estimates; however, actual amounts could differ and, accordingly, materially affect the results of operations.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Outstanding Share Capital

The following securities were outstanding as at January 27, 2020:

Securities	Number	Exercise Price	Expiry Date
Common shares issued	13,202,595		
Common share purchase warrants	10,000,000	$0.20	April 29, 2024
Stock options	1,195,000	$0.25	May 8, 2024 – July 8, 2024
Fully diluted share capital	24,397,595		

As at September 30, 2018, there were 9,608,854 common shares outstanding. On February 8, 2019, the Company completed a three for one (3:1) share consolidation resulting in 3,202,595 post consolidated common shares. In April, 2019, the Company closed a non-brokered private placement by issuing 10,000,000 units at a price of $0.15 per unit for gross proceeds of $1,500,000. Each unit consisted of one common share and one common share purchase warrant with each warrant exercisable to purchase one common share at $0.20.

In May, 2019, the Company granted 1,160,000 stock options with each stock option exercisable to purchase one common share at $0.25. A further 35,000 stock options were granted in July, 2019 with each stock option exercisable to purchase one common share at $0.30.

Related Party Transactions

Key management personnel are persons responsible for the planning, directing and controlling the Company's activities. Transactions with the related parties are recorded at the exchange amount being the price agreed between the parties. The Company's key management personnel are the CEO, CFO and a director and their compensations are included in the following:

	For the Years Ended September 30	
	2019 $	2018 $
Management fees	73,678	32,453
Administration fees	72,417	24,000
Accounting fees	18,517	-
Short-term benefits	7,600	6,419
Stock-based compensation *	143,642	-
Total	315,854	62,872

In May 2019, 645,000 stock options were granted to directors and officers with each stock option exercisable to purchase one common share at $0.25 until May 8, 2024. Share-based compensation is a non-cash fair value estimation of the share purchase options granted to officers and directors using the Black-Scholes option pricing model.

Related party liabilities included in trade and other payable are as follows:

	September 30,	
Amounts due to management	2019 $	2018 $
Management fees	6,831	-
Administration fees	10,417	-
Expenses and other	1,354	-
Total	18,602	-

Amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

Disclosure Controls and Procedures

Management has assessed the effectiveness of the Company's disclosure controls and procedures used for the financial statements and MD&A as at September 30, 2019. Although certain weaknesses such as lack of segregation of duties are inherent with small office operations, management has implemented certain controls such as frequent reviews and regular preparations of reconciliations of transactions and budgets to ensure absence of material irregularities. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to it in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the annual filings. The disclosure controls and procedures are designed to ensure effective information required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Limitations of Controls and Procedures

It must be recognized that any implemented system of disclosure controls and procedures or internal controls over financial reporting can only provide reasonable and not absolute assurance that the objectives of the control system are met. While designing such control systems, resource constraints cannot be ignored and the benefits of controls must be considered relative to their costs. All control systems are subject to limitations and as such, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. Breakdowns within the system can occur due to simple human error or mistakes. Furthermore, controls can be circumvented by individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Risk Factors

The Company is subject to the risks and challenges similar to other companies in a comparable stage. Other than the risks relating to reliance on financing previously discussed, the risks include, but are not limited to, limited operating history, speculative nature of mineral exploration and development activities, operating hazards and risks, mining risks and insurance, no mineral reserves, environmental and other regulatory requirements, competition, stage of development, fluctuations in commodity prices, conflicts of interest, reliance on key individuals, no key man insurance and enforcement of civil liabilities.

Limited Operating History - An investment in the Company should be considered highly speculative due to the nature of the Company’s business. The Company has no history of earnings, it has not paid any dividends and it is unlikely to enjoy earnings or be paying dividends in the immediate or foreseeable future.

Speculative Nature of Mineral Exploration and Development Activities - Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production.

No Mineral Reserves or Resources - Mineral reserves and resources are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves.

Operating Hazards and Risks - Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company’s past operations and future operations will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, such as unusual or unexpected formations, cave-ins or pollution, all of which could result in work stoppages, damage to property and possible environmental damage.

Fluctuations in Commodity Prices - The profitability, if any, in any mining operation in which the Company may have an interest is significantly affected by changes in the market price of precious and base metals which fluctuate on a daily basis and are affected by numerous factors beyond the Company's control.

Mining Risks and Insurance - The business of mining s generally subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, unusual or unexpected geological conditions, pressures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, blizzards and earthquakes. No assurance can be given that such insurance will continue to be available or that it will be available at economically feasible premiums. Mining operations will be subject to risks normally encountered in the mining business.

Environmental and Other Regulatory Requirements - the Company's activities have been subject to environmental regulations promulgated by government agencies from time to time. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving toward stricter standards and enforcement with more severe fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The Company's exploration interests and potential development and production on future properties, require permits from various federal and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Competition - Significant competition exists for the limited number of mineral project acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company The Company may be unable to acquire additional attractive mineral projects on terms it considers acceptable. Accordingly, there can be no assurance that the Company's exploration and acquisition programs will yield any reserves or result in any commercial mining operation.

Stage of Development - the Company is in the business of exploring for precious and base metals, with the ultimate goal of producing them from its mineral exploration properties. None of the Company's past properties had commenced commercial production and the Company has no history of earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that the Company will be able to develop any of its future properties profitably or that its future activities will generate positive cash flow.

The Company has not sufficiently diversified such that it can mitigate the risks associated with its planned activities. The Company has limited cash and other assets.

A prospective investor in the Company must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of the Company's management in all aspects of the development and implementation of the Company's business activities.

Reliance on Key Individuals - the Company's success depends to a certain degree upon certain key members of the management. These individuals are a significant factor in the Company's growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Company.

Enforcement of Civil Liabilities - As the Company's key major assets and certain of its management are or may be located outside of Canada, it may be difficult or impossible to enforce judgments granted by a court in Canada against the Company's assets, or the management of the Company, residing outside of Canada. By the same token, the Canadian court has no jurisdiction to enforce any claims made by the Company outside of Canada.

Political Risks - The Company operated in Colombia and Bolivia and operations in these countries are subject to risk due to the potential for social, political, economic, legal and fiscal instability.

Future political actions cannot be predicted and may adversely affect the Company. Changes, if any, in mining or investment policies or shifts in political attitude in the countries in which the Company holds property interests in the future may adversely affect the Company's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

Other risks may involve matters arising out of the evolving laws and policies pertinent to that country, any future imposition of special taxes or similar charges, as well as foreign exchange fluctuations and currency convertibility and controls, the unenforceability of contractual rights or the taking or nationalization of property without fair compensation, restrictions on the use of expatriates in the Company's operations, or other matters. The Company also bears the risk that changes can occur in the government and a new government may void or change the laws and regulations that the Company may be relying upon.

Mining Regulation - The mineral exploration and development activities which may be undertaken by the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters.

Exploration and development activities may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety. This may affect both the Company's ability to undertake exploration and development activities in respect of its properties, as well as its ability to explore and operate those properties in which it current holds an interest or in respect of which it obtains exploration and/or development rights in the future.

No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or future potential production. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.