



Unaudited Condensed Interim Consolidated Financial Statements

For the Six Months Ended March 31, 2021

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of ATEX Resources Inc. (the "Company") were prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with the Company's audited annual consolidated financial statements and notes thereto for the year ended September 30, 2020. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in the Company's most recent audited annual consolidated financial statements, as described in Note 2. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The Company's significant accounting policies are summarized in Note 2 to these unaudited condensed consolidated interim financial statements. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial Reporting 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 and for ensuring that management fulfils its financial reporting responsibilities. The Board of Directors meets with management as well as with the independent auditors to review the internal controls over the financial reporting process, the financial statements and the auditors' report. The Board of Directors also reviews the Company's Management's Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the financial statements.

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.

May 27, 2021

(Signed) "Raymond Jannas"

Raymond Jannas
Chief Executive Officer

(Signed) "Thomas Pladsen"

Thomas Pladsen
Chief Financial Officer

NOTICE OF NO AUDITOR REVIEW OF UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, the Company discloses that the accompanying unaudited condensed interim consolidated financial statements for the six months ended March 31, 2021 were prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

ATEX Resources Inc.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	March 31, 2021 \$	September 30, 2020 \$
Assets		
Current		
Cash	1,430,344	320,660
Tax recoverable and other receivables	66,193	32,069
Prepaid expense	4,249	12,748
	1,500,786	365,477
Non-Current		
Restricted cash	20,000	20,000
Value-added-tax	33,360	-
Exploration and evaluation assets (Note 3)	2,712,008	1,031,115
Total assets	4,266,154	1,416,592
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5)	217,882	163,609
Total Liabilities	217,882	163,609
Shareholders' Equity		
Share capital (Note 4)	86,249,109	83,243,974
Contributed surplus (Note 4)	8,000,707	7,497,245
Accumulated deficit	(90,201,544)	(89,488,236)
Total shareholders' equity	4,048,272	1,252,983
Total liabilities and shareholders' equity	4,266,154	1,416,592

Nature of operations (Note 1)

Going concern of operations (Note 2 (d))

Signed on behalf of the Board of Directors by:

<u>"Robert Suttie"</u>	Director	<u>"Craig Nelsen"</u>	Director
Robert Suttie		Craig Nelsen	

The accompanying notes are an integral part of these consolidated financial statements

ATEX Resources Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the Six Months Ended March 31, 2021

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended March 31, 2021 \$	Three Months Ended March 31, 2020 \$	Six Months Ended March 31, 2021 \$	Six Months Ended March 31, 2020 \$
Expenses:				
Consulting	15,627	116,250	41,669	157,500
Filing and transfer agent	10,654	22,037	15,388	22,681
Management salaries (Note 5)	62,507	83,781	135,001	160,141
Office and general	18,527	26,630	31,575	48,675
Professional fees	31,429	66,043	52,929	122,582
Travel and shareholder relations	682	20,735	2,462	27,134
Stock-based compensation	379,177	-	379,177	-
Foreign exchange loss	13,981	(61,284)	55,107	(61,269)
Net loss and comprehensive loss for the period	532,584	274,192	713,308	477,444
Basic and diluted loss per share	\$0.01	\$0.02	\$0.02	\$0.03
Weighted number of common shares outstanding	36,675,261	16,388,928	30,975,261	15,326,817

The accompanying notes are an integral part of these consolidated financial statements

ATEX Resources Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the Six Months Ended March 31, 2021

(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Contributed		
	Number of	Amount	Surplus	Deficit	Total
	Common	\$	\$	\$	\$
	Shares				
Balance - September 30, 2019	13,202,595	81,432,514	7,451,681	(87,617,965)	1,266,230
Shares issued for cash	6,372,666	1,911,800	-	-	1,911,800
Share issue costs	-	(100,340)	15,764	-	(84,576)
Net loss for the period	-	-	-	(477,444)	(477,444)
Balance - March 31, 2020	19,575,261	81,243,974	7,467,445	(88,095,409)	2,616,010
Stock-based compensation	-	-	29,800	-	29,800
Net loss for the period	-	-	-	(1,392,827)	(1,392,827)
Balance - September 30, 2020	19,575,261	83,243,974	7,497,245	(89,488,236)	1,252,983
Shares issued for cash	16,500,000	3,300,000	-	-	3,300,000
Share issue costs	-	(450,865)	124,286	-	(326,579)
Shares issued for mineral property	600,000	156,000	-	-	156,000
Stock-based compensation	-	-	379,176	-	379,176
Net loss for the period	-	-	-	(713,308)	(713,308)
Balance - March 31, 2021	36,675,261	86,249,109	8,000,707	(90,201,544)	4,048,272

The accompanying notes are an integral part of these consolidated financial statements

ATEX Resources Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the Six Months Ended March 31, 2021

(Unaudited - Expressed in Canadian Dollars)

	2021 \$	2020 \$
Operating activities:		
Net loss for the period	(713,308)	(477,444)
Items not involving cash:		
Stock-based compensation	379,177	-
	(334,131)	(477,444)
Net change in non-cash working capital items:		
Tax recoverable and other receivables	(34,124)	(49,580)
Prepaid expenses	8,499	6,994
Accounts payable and accrued liabilities	(44,231)	119,449
Cash used in operating activities	(403,987)	(400,581)
Investing activities		
Value-added-tax	(33,360)	-
Mineral property expenditures	(1,426,390)	(416,890)
Cash used in investing activities	(1,459,750)	(416,890)
Financing activities		
Issuance of common shares	3,300,000	1,911,800
Share issue costs	(326,579)	(84,576)
Cash used in investing activities	2,973,421	1,827,224
Change in cash	1,109,684	1,009,753
Cash - beginning	320,660	313,167
Cash - ending	1,430,344	1,322,920
Non-cash investing activity:		
Exploration expenditures included in accounts payable	98,503	34,632

The accompanying notes are an integral part of these consolidated financial statements

ATEX Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months ended March 31, 2021

(Expressed in Canadian Dollars)

1. Corporate Information

The business activity of ATEX Resources Inc. (the “**Company**”) is the exploration and evaluation of mineral properties in South America. The Company was incorporated under the laws of the Province of British Columbia on January 20, 1981 and its common shares are listed for trading on the TSX Venture Exchange (“**TSXV**”) under the symbol “**ATX**”.

These consolidated financial statements include the results of the Company's 100% owned, Chilean incorporated subsidiaries, ATEX Chile SpA (“**ATEX Chile**”) and ATEX Valeriano SpA (“**ATEX Valeriano**”). The address of the Company's corporate office is Suite 1900, 25 Adelaide Street East, Toronto, Ontario, M5C 3A1.

2. Basis of Preparation

a) Statement of Compliance

The Company's unaudited condensed interim consolidated financial statements for the six months ended March 31, 2021 have been prepared using accounting policies consistent with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and in accordance with International Accounting Standards (“**IAS**”) 34, Interim Financial Reporting. The significant accounting policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued as of March 31, 2021.

These statements were authorized for issuance by the Board of Directors on May 27, 2021.

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as available for sale which are at fair value, and have been prepared using the accrual basis of accounting.

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. These critical accounting estimates are disclosed in Note 4 of the audited annual consolidated financial statements for the year ended September 30, 2020.

c) Basis of Consolidation

These consolidated financial statements include all subsidiaries of the Company. Subsidiaries are entities over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases. All significant inter-company transactions and balances are eliminated.

These consolidated financial statements include the accounts of the Company, ATEX Chile and ATEX Valeriano. All significant inter-company transactions and balances have been eliminated.

d) Going Concern of Operations

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. As at March 31, 2021, the Company had not yet achieved profitable operations, has an accumulated deficit of \$90,201,544, and expects to incur further losses in the development of its business. These conditions indicate the existence of material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing for continuing operations. Realization values may be substantially different from carrying values as shown and accordingly these consolidated financial statements do not give effect to adjustments, if any, which would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the

ATEX Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

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adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

(e) COVID-19 Estimation Uncertainty

In March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

2. Summary of Significant Accounting Policies

The financial framework and accounting policies applied in the preparation of the interim financial statements are consistent with the policies disclosed in Notes 2 and 3 of the audited annual consolidated financial statements for the year ended September 30, 2020.

The Company did not adopt any new accounting policies during the six months ended March 31, 2021.

3. Exploration and Evaluation Assets

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

Chile*Valeriano Property:*

In August 2019, the Company, through its wholly-owned Chilean subsidiary, ATEX Valeriano, entered into an option agreement to acquire up to a 100% interest in the 3,705-hectare Valeriano Property located in Region III, Chile.

Pursuant to the option agreement, as amended January 15, 2020 and January 14, 2021, to acquire an initial 49% property interest the Company is required to:

- Pay US\$4.25 million, including:
 - US\$200,000 upon signing (paid);
 - US\$300,000 on January 14, 2021 (paid);
 - US\$250,000 by August 30, 2022; and
 - US\$3.5 million by August 29, 2023 (50% of which may be paid via 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 at least 8,000 metres of drilling by August 29, 2023.

ATEX Resources Inc.

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Upon the Company acquiring the initial 49% interest, ATEX Valeriano and the optionor 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, 2025 (50% of which may be paid via the issuance of common shares, at the optionor's discretion); and
- Incur a further US\$5.0 million in exploration expenditures on the property by August 29, 2025.

Upon the Company earning a full 100% property interest, the optionor shall also transfer its ownership interest in the incorporated joint stock company, resulting in the Company owning 100% of this company. ATEX Valeriano shall also grant a 2.25% net smelter royalty to the optionor.

The option was originally granted by the optionor to SBX Asesorías e Inversiones Limitada ("**SBX**"). Under a transfer and assignment agreement with SBX, the Company paid US\$150,000, shall issue 2 million units and shall grant a 0.25% net smelter royalty to SBX. Each unit is to 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 vested and were issuable on December 31, 2020, subject to SBX not becoming an insider of the Company and a further 1.0 million units vest and are issuable upon the Company making the US\$3.5 million option payment due by August 29, 2023 under the Valeriano option agreement. Under the SBX agreement the Company issued 600,000 units to SBX on December 31, 2020. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.40 per common share for four years.

Generative Projects:

ATEX Chile's generative projects are properties in Chile staked by the Company for early stage mineral exploration. ATEX Chile has staked five properties.

Apolo Concessions:

In July 2019, the Company, through its wholly-owned Chilean subsidiary, 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 in Region III, Chile.

The Company conducted surface examinations of the Apolo concessions and, based on the results of this work, determined that the properties were of no further interest in light of the operational difficulties resulting from the COVID-19 coronavirus. Accordingly, the Company terminated the option agreement on the Apolo Concessions on May 31, 2020 and wrote off the related exploration and evaluation assets of \$670,350 on June 30, 2020.

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

		Expenditures During the Year			
	Sept. 30, 2019	Acquisitions	Exploration	Written Off	Sept.30, 2020
Mineral Properties:	\$	\$	\$	\$	\$
ATEX Chile:					
Apolo Concessions	367,276	-	303,074	(670,350)	-
ATEX Valeriano:					
Valeriano	614,076	-	417,039	-	1,031,115
Total	981,352	-	720,113	(670,350)	1,031,115

		Expenditures During the Period			
	Sept. 30, 2020	Acquisitions	Exploration	Written Off	Mar. 31, 2021
Mineral Properties:	\$	\$	\$	\$	\$
ATEX Chile:					
Generative Projects	-	-	115,600	-	115,600
ATEX Valeriano:					
Valeriano	1,031,115	535,980	1,029,313	-	2,596,408
Total	1,031,115	535,980	1,144,913	-	2,712,008

4. Share Capital**a) Authorized**

Authorized share capital consists of an unlimited number of common shares without par value.

b) Issued

On March 31, 2021, there were 36,675,261 common shares outstanding.

On January 31, 2020, the Company issued 3,616,333 units (each, a "Unit") at \$0.30 per Unit for gross proceeds of \$1,084,900 pursuant to a non-brokered private placement. Each Unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable to purchase one common share at \$0.40 per common share for three years from the closing date. In connection with the financing, the Company paid a finder's fee and other cash share issue costs of \$84,576 and issued 229,810 broker warrants, which entitled the holder to purchase 229,810 Units at \$0.30 per Unit until January 31, 2021. The broker warrants were valued at \$12,759 using the Black-Scholes option pricing model.

On February 20, 2020, the Company issued 2,756,333 Units at \$0.30 per Unit for gross proceeds of \$826,900 pursuant to the second tranche of a non-brokered private placement. In connection with the financing, the Company paid a finder's fee of \$15,533 and issued 51,777 broker warrants, which entitled the holder to purchase 51,777 Units at \$0.30 per Unit until February 20, 2021. The broker warrants were valued at \$3,005 using the Black-Scholes option pricing model.

On November 23, 2020, the Company issued 16,500,000 Units at \$0.20 per Unit for gross proceeds of \$3,300,000 (the "Offering") pursuant to a brokered private placement. The agents for the Offering were Mackie Research Capital Corporation and Canaccord Genuity Corp. (the "Agents"). Each Unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share at \$0.30 per common share until November 23, 2022. The Agents received a cash fee equal to 6.0% of the gross proceeds from the Offering. In addition, the Company granted the Agents compensation options equal to 8.0% of the total number of Units sold under the Offering. Each compensation option entitles the Agent to purchase one

ATEX Resources Inc.

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Unit at \$0.20 until November 23, 2021. The broker warrants were valued at \$124,286 using the Black-Scholes option pricing model.

Under the original Valeriano Property transfer and assignment agreement with SBX, the Company issued 600,000 units to SBX on December 31, 2020. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.40 per common share for four years. See Note 3.

c) Share Purchase Warrants

The continuity of common share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance - September 30, 2019	10,000,000	\$0.20
Issued pursuant to private placement – January 31, 2020	1,808,167	\$0.40
Issued pursuant to private placement – February 20, 2020	1,378,166	\$0.40
Balance - September 30, 2020	13,186,333	
Issued pursuant to private placement – November 23, 2020	16,500,000	\$0.30
Issued pursuant to private placement – December 31, 2020	600,000	\$0.40
Balance - March 31, 2021	30,286,333	\$0.30

Details of common share purchase warrants outstanding at March 31, 2021 are:

Number of Warrants	Exercise Price	Expiry Date	Remaining Life (Years)
10,000,000	\$0.20	April 29, 2024	3.1
1,808,167	\$0.40	January 31, 2023	1.8
1,378,166	\$0.40	February 20, 2023	1.9
16,500,000	\$0.30	November 23, 2022	1.7
600,000	\$0.40	December 31, 2024	3.8
30,286,333	\$0.30		

The continuity of broker warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance - September 30, 2019	-	-
Issued pursuant to private placement – January 31, 2020	229,810	\$0.30
Issued pursuant to private placement – February 20, 2020	51,777	\$0.30
Balance - September 30, 2020	281,587	
Issued pursuant to private placement – November 23, 2020	1,180,000	\$0.20
Expired	(281,587)	\$0.30
Balance - March 31, 2021	1,180,000	\$0.20

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For the Six Months ended March 31, 2021

(Expressed in Canadian Dollars)

Details of broker warrants outstanding at March 31, 2021 are:

Number of Warrants	Exercise Price	Expiry Date	Remaining Life (Years)
1,180,000	\$0.20	November 23, 2021	1.7
1,180,000	\$0.20		

The fair values of broker warrants issued on November 23, 2020 were estimated using the Black-Scholes option pricing model with the following pricing parameters with no dividend yield expected: risk-free interest rate; 0.3%, expected life: 1 year; volatility: 130%.

d) Stock Options

The Company has a stock option plan whereby the maximum number of common shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the outstanding number of common shares at the date of the grant. Options vest at the date of grant, unless otherwise noted. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSXV). Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as Director or officer of the Company and, in the case of death, expire within one year thereafter.

The continuity of stock options outstanding is as follows:

	Number of Options	Weighted Average Exercise Price
Balance – September, 2020	1,195,000	\$0.25
Granted	290,000	\$0.15
Balance - September 30, 2020	1,485,000	\$0.23
Granted – January 4, 2021	1,400,000	\$0.30
Granted – January 28, 2021	100,000	\$0.35
Balance - March 31, 2021	2,985,000	\$0.27

During the year ended September 30, 2020 the Company granted 290,000 stock options to Directors and officers, with each option exercisable at \$0.15 per common share for five years. These stock options were valued at \$29,800 using the Black-Scholes option pricing model.

The fair values of stock options issued on January 4, 2021 were estimated using the Black-Scholes option pricing model with the following pricing parameters with no dividend yield expected: risk-free interest rate; 0.4%, expected life: 5 years; volatility: 182%.

The fair values of stock options issued on January 28, 2021 were estimated using the Black-Scholes option pricing model with the following pricing parameters with no dividend yield expected: risk-free interest rate; 0.4%, expected life: 5 years; volatility: 172%.

ATEX Resources Inc.

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(Expressed in Canadian Dollars)

Details of stock options outstanding at March 31, 2021:

Date Granted	Number of Options	Exercise Price	Expiry Date	Remaining Life (years)	Unit Fair Value
May 8, 2019	1,160,000	\$0.25	May 8, 2024	3.1	\$0.22
July 8, 2019	35,000	\$0.30	July 8, 2024	3.3	\$0.20
June 1, 2020	40,000	\$0.15	June 1, 2025	4.2	\$0.12
June 10, 2020	250,000	\$0.15	June 10, 2025	4.2	\$0.11
January 4, 2021	1,400,000	\$0.30	January 4, 2026	4.8	\$0.25
January 28, 2021	100,000	\$0.35	January 28, 2026	4.8	\$0.31
	2,985,000	\$0.27			

5. Related Party Transactions

Key management personnel are persons responsible for the planning, directing and controlling activities of the entity. The Company's key management personnel are the CEO, CFO and a Director and their compensations are included in the following:

	Six Months Ended March 31, 2021	Six Months Ended March 31, 2020
	\$	\$
Management fees	135,000	160,141
Total	135,000	151,031

Related party liabilities are included in account payable and accrued liabilities. As at March 31, 2021, \$21,845 (March 31, 2020 - \$115,031) was owed to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

6. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the exploration of its mineral properties. Therefore, the Company monitors the level of risk incurred in its mineral property expenditures relative to its capital structure which is comprised of working capital and shareholders' equity.

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of capital and the exploration of its mineral properties, the Company prepares expenditure budgets which are updated as necessary and are reviewed and periodically approved by the Board of Directors. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties.

The Company's investment policy is to hold excess cash in interest bearing bank accounts. The Company is not subject to externally imposed capital requirements.

There has been no change in the Company's approach to capital management during the period ended March 31, 2021.

ATEX Resources Inc.

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7. Financial Instruments and Risk Management

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has implemented and monitors compliance with risk management policies as set out below.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are subject to credit risk for the Company consist primarily of cash and cash equivalents. The Company manages credit risk by investing its cash with high credit-worthy financial institutions and completing due diligence on significant counterparties that the Company has entered into contracts.

b) Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

As at March 31, 2021, the Company's cash on hand is less than the financial liabilities comprising of accounts payable and accrued liabilities and planned expenditures in the following year and the Company will need to raise additional funds to continue meeting its obligations in the future.

c) Market Risk

Market risk consists of currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Foreign Currency Risk: Foreign currency risk is the risk that a variation in exchange rate between the Canadian and US dollar or other foreign currencies will affect the Company's operations and financial results. As such the Company has exposure to foreign currency exchange rate fluctuations. The Company has not entered into any agreements or purchased any instruments to hedge possible foreign currency risks.

The following table reflects the Company's foreign currency exposure from US dollars as of March 31, 2021:

	March 31, 2021
	US\$
Financial assets:	
Cash	199,478
Financial liabilities:	
Accounts payable and accrued liabilities	-

As at March 31, 2021, with other variables unchanged, a 10% change in the value of the Canadian dollar against the US dollar would result in an approximate \$25,084 decrease or increase in loss and comprehensive loss.

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The following table reflects the Company's foreign currency exposure from Chilean Pesos as of March 31, 2021:

	March 31, 2021
	Chilean Pesos
Financial assets:	
Cash and accounts receivable	259,099,213
Financial liabilities:	
Accounts payable and accrued liabilities	95,840,296

As at March 31, 2021, with other variables unchanged, a 10% change in the value of the Canadian dollar against the Chilean peso would result in an approximate \$28,042 decrease or increase of loss and comprehensive loss.

d) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.