ATEX
Resources Inc.

Audited Annual Consolidated Financial Statements

For the Year Ended September 30, 2021

(Expressed in Canadian Dollars)

DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of ATEX Resources Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of ATEX Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the financial position of the Company as at September 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion
We conducted our audit 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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our 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 2(d) in the consolidated financial statements, which indicates that the Company incurred operating losses since inception, expects to incur further losses in the development of its business and is dependent on its ability to obtain additional debt or equity financing, under acceptable terms, sufficient to provide cash resources to meet its current financial obligations and plans. As stated in Note 2(d), these events or conditions, along with other matters as set forth in Note 2(d), 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.

Other Information
Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 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 on 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 James D. Gray.

CHARTERED PROFESSIONAL ACCOUNTANTS

De Visser Gray LLP

Vancouver, BC, Canada
January 27, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of ATEX Resources Inc. (the "**Company**") were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the consolidated 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 3 to these consolidated financial statements.

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 consolidated financial statements 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 internal controls over the financial reporting process, the consolidated financial statements and the auditor's report. The Audit Committee 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 consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to 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.

January 27, 2022

(Signed) "Raymond Jannas"	*(Signed) "Thomas Pladsen"*
Raymond Jannas	Thomas Pladsen
Chief Executive Officer	Chief Financial Officer

ATEX Resources Inc.
Annual Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	September 30, 2021 $	September 30, 2020 $
Assets		
Current		
Cash	166,086	320,660
Tax recoverable and other receivables	11,314	32,069
Prepaid expense	62,216	12,748
	239,616	365,477
Non-Current		
Restricted cash	20,000	20,000
Value-added-tax	79,321	-
Exploration and evaluation assets (Note 5)	3,568,855	1,031,115
Total assets	**3,907,792**	**1,416,592**
Liabilities		
Current		
Accounts payable and accrued liabilities	90,320	163,609
	90,320	163,609
Shareholders' Equity		
Share capital (Note 6)	86,244,896	83,243,974
Contributed surplus (Note 6)	8,004,920	7,497,245
Accumulated deficit	(90,432,344)	(89,488,236)
	3,817,472	1,252,983
Total liabilities and shareholders' equity	**3,907,792**	**1,416,592**

Nature of operations (Note 1)
Going concern of operations (Note 2 (d))
Subsequent events (Note 11)

Signed on behalf of the Board of Directors by:

"Robert Suttie" Director
Robert Suttie

"Craig Nelsen" Director
Craig Nelsen

ATEX Resources Inc.
Annual Consolidated Statements of Loss and Comprehensive Loss
For the Year Ended September 30, 2021
(Expressed in Canadian Dollars)

	Year Ended September 30, 2021	**Year Ended September 30, 2020**
	$	**$**
Expenses:		
Consulting	73,173	228,779
Filing and transfer agent	24,173	30,326
Management fees	260,593	304,381
Office and general	64,083	91,815
Professional fees	76,241	131,730
Travel and shareholder relations	2,462	27,134
Stock-based compensation	379,177	29,800
Foreign exchange loss	64,206	(5,424)
General exploration	-	361,380
Loss and comprehensive loss before other items	**(944,108)**	**(1,199,921)**
Other items:		
Write off of exploration and evaluation assets	-	(670,350)
Net loss and comprehensive loss for the year	**(944,108)**	**(1,870,271)**
Basic and diluted loss per share	($0.03)	($0.11)
Weighted number of common shares outstanding	34,082,932	17,238,008

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

ATEX Resources Inc.
Annual Consolidated Statements of Changes in Shareholders' Equity
For the Year Ended September 30, 2021
(Expressed in Canadian Dollars)

	Share Capital		**Contributed**		
	Number of Common Shares	**Amount** $	**Surplus** $	**Deficit** $	**Total** $
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)
Stock-based compensation	-	-	29,800	-	29,800
Net loss for the year	-	-	-	(1,870,271)	(1,870,271)
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	-	(455,078)	128,498	-	(326,580)
Shares issued for mineral property	600,000	156,000	-	-	156,000
Stock-based compensation	-	-	379,177	-	379,177
Net loss for the year	-	-	-	(944,108)	(944,108)
Balance - September 30, 2021	**36,675,261**	**86,244,896**	**8,004,920**	**(90,432,344)**	**3,817,472**

ATEX Resources Inc.
Audited Consolidated Statements of Cash Flows
For the Year Ended September 30, 2021
(Expressed in Canadian Dollars)

	2021 $	2020 $
Operating Activities:		
Net loss for the year	(944,108)	(1,870,271)
Items not involving cash:		
Stock-based compensation	379,177	29,800
Write off of exploration and evaluation expenses	-	670,350
	(564,931)	(1,170,121)
Net change in non-cash working capital items:		
Tax recoverable and other receivables	20,755	(25,685)
Prepaid expenses	(49,468)	(2,499)
Accounts payable and accrued liabilities	25,939	6,208
Cash used in operating activities	(567,705)	(1,192,097)
Investing Activities:		
Value-added-tax	(79,321)	-
Mineral property expenditures	(2,480,968)	(627,634)
Cash used in investing activities	(2,560,289)	(627,634)
Financing Activities:		
Issuance of common shares	3,300,000	1,911,800
Share issue costs	(326,580)	(84,576)
Cash provided by investing activities	2,973,420	1,827,224
Net change in cash	(154,574)	7,493
Cash - beginning	320,660	313,167
Cash - ending	**166,086**	**320,660**
Non-cash investing activity:		
Exploration expenditures included in accounts payable	11,231	65,306

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

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". On February 8, 2019, the Company effected a name change from Colombia Crest Gold Corp. to ATEX Resources Inc.

These consolidated financial statements include the results of the Company's 100% owned subsidiaries, ATEX Chile SpA ("**ATEX Chile**") and ATEX Valeriano SpA ("**ATEX Valeriano**"), both companies incorporated in Chile. The address of the Company's corporate office and principal place of business is 25 Adelaide Street East, #1900, Toronto, Ontario.

2. Basis of Preparation

a) Statement of compliance

These consolidated financial statements are presented in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as issued by the International Accounting Standards Board ("IASB") and have been consistently applied to all the years presented. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

The consolidated statement of cash flows shows the changes in cash arising during the year from operating activities, investing activities and financing activities.

These consolidated financial statements have been prepared under the historical cost convention, except fair value through profit and loss assets which are carried at fair value, and have been prepared using the accrual basis of accounting except for cash flow information.

The significant accounting policies applied in these annual consolidated financial statements are based on IFRS issued as of September 30, 2021.

These statements were authorized for issue by the Board of Directors on January 27, 2022.

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. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

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.

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 September 30, 2021, the Company had not yet achieved profitable operations, has an accumulated deficit of $90,432,344 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 adjustments required to report the Company's assets and liabilities on a liquidation basis would be material to these consolidated financial statements.

(e) COVID-19 Uncertainties

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. The Company may incur significant delays in planned exploration activity, impacting its ability to meet obligations under current regulations or its agreements and may reduce its ability to source financing for future activities. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Company in future periods at this time.

3. Summary of Significant Accounting Policies

a) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. On initial recognition, financial assets are classified and measured at amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to holds assets to collect contractual cash flows, and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the statement of loss and comprehensive loss. The Company's financial instruments are classified and subsequently measured as follows:

Account Classifications

Cash: FVTPL
Receivables: Amortized cost
Accounts payable and accrued liabilities: Amortized cost

Impairment

The Company recognizes an allowance using the Expected Credit Loss (“ECL”) model on financial assets classified as amortized cost. The Company has elected to use the simplified approach for measuring ECL by using a lifetime expected loss allowance for all amounts recoverable. Under this model, impairment provisions are based on credit risk characteristics and days past due. When there is no reasonable expectation of collection, financial assets classified as amortized cost are written off. Indications of credit risk arise based on failure to pay and other factors. Should objective events occur after an impairment loss is recognized, a reversal of impairment is recognized in the statement of loss and comprehensive loss. Refer also to (j) below.

b) Mineral Exploration and Evaluation Expenditures

i) Pre-Exploration Costs

Pre-exploration costs are expenditures incurred prior to the acquisition of the related mineral rights, or of an option to acquire such rights, or amounts incurred subsequent to such acquisition that are judged on a discretionary basis to be immaterial or of known limited future benefit. Such costs are expensed as incurred.

ii) Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, expenditures directly related to exploration and evaluation activities (“E&E”) are recognized and capitalized, in addition to any acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset’s fair value less costs to sell and value in use.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as ‘mines under construction’. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties. As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

c) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share subscriptions and warrants denominated in the functional currency are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Common shares issued for non-monetary consideration are recorded at their market value based upon the trading price of the Company's common shares on the TSXV on the date of share issuance.

d) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied. Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, in addition to any consideration paid. Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

e) Loss Per Share

Basic loss per common share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

f) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.
Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the yearend date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

g) Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur. As of September 30, 2021 the Company does not have any rehabilitation or restoration obligations.

h) Assets Held for Sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

Judgments:

Ability to Continue as a Going Concern: Management has made the determination that the Company will continue as a going concern for the next year.

Impairment of Exploration and Evaluation Assets: Management has made the determination that the carrying value of the Company's exploration and evaluation assets is not impaired as at September 30, 2020.

5. Exploration and Evaluation Assets

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

Chile

Valeriano Project:

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 Project 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.

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.

Upon earning a 49% interest, the Company may increase its interest in the Valeriano Property to 100% by undertaking the following:

- Paying 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

- Incurring 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 transfer its ownership interest in the incorporated joint stock company to the Company, resulting in the Company owning 100% of this company. ATEX Valeriano shall also grant a 2.25% net smelter return 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

(Expressed in Canadian Dollars)

0.25% net smelter return 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 Project option agreement. Refer to Note 6(b).

Generative Projects:

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

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

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

		Expenditures During the Year			
	Sept. 30, 2020	**Acquisition**	**Exploration**	**Written Off**	**Sept. 30, 2021**
Mineral Properties:	**$**	**$**	**$**	**$**	**$**
ATEX Chile:					
Generative Projects	-	-	163,049	-	163,049
ATEX Valeriano:					
Valeriano Project	1,031,115	535,980	1,838,711	-	3,405,806
Total	**1,031,115**	**535,980**	**2,001,760**	**-**	**3,568,855**

6. Share Capital

a) Authorized

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

b) Issued

On September 30, 2021, there were 36,675,261 common shares outstanding.

(Expressed in Canadian Dollars)

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 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 and the Company paid $326,580 in total cash share issue costs. In addition, the Company granted the Agents 1,220,000 broker warrants, equal to 8.0% of the total number of Units sold under the Offering. Each compensation option entitles the Agent to purchase one Unit at $0.20 until November 23, 2021. These broker warrants were valued at $128,498 using the Black-Scholes option pricing model.

Under the original Valeriano Project transfer and assignment agreement with SBX, the Company issued 600,000 units to SBX on December 31, 2020 and a further 400,000 units to SBX on December 10, 2021. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.40 per common share until December 31, 2024. Refer also to Note 5.

c) Common Share Purchase Warrants

The continuity of common share purchase warrants is as follows:

	Number of Warrants	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**	**$0.25**
Issued pursuant to private placement – November 23, 2020	16,500,000	$0.30
Issued pursuant to property agreement – December 31, 2020	600,000	$0.40
Balance - September 30, 2021	**30,286,333**	**$0.28**

Details of common share purchase warrants outstanding at September 30, 2021 are:

Number of Warrants	Exercise Price	Expiry Date	Remaining Life (Years)
10,000,000	$0.20	April 29, 2024	2.58
1,808,167	$0.40	January 31, 2023	1.34
1,378,166	$0.40	February 20, 2023	1.39
16,500,000	$0.30	November 23, 2022	1.15
600,000	$0.40	December 31, 2024	3.25
30,286,333	**$0.28**		

(Expressed in Canadian Dollars)

The continuity of broker warrants is as follows:

	Number of Warrants	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**	**$0.35**
Issued pursuant to private placement – November 23, 2020	1,220,000	$0.20
Expired	(281,587)	$0.30
Balance - September 30, 2021	**1,220,000**	**$0.20**

Details of broker warrants outstanding at September 30, 2021 are:

Number of Warrants	Exercise Price	Expiry Date	Remaining Life (Years)
1,220,000	$0.20	November 23, 2021	0.15

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; 0.26%, expected life: 1 year; volatility: 130.5%.

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.

The continuity of stock options outstanding is as follows:

	Number of Options	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 - September 30, 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 granted 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; 0.39%, expected life: 5 years; volatility: 182.4%.

(Expressed in Canadian Dollars)

The fair values of stock options granted 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; 0.41%, expected life: 5 years; volatility: 172.4%.

Details of stock options outstanding at September 30, 2021:

Date Granted	Number of Options	Exercise Price	Expiry Date	Remaining Life (Years)	Fair Value
May 8, 2019	1,160,000	$0.25	May 8, 2024	2.61	$0.22
July 8, 2019	35,000	$0.30	July 8, 2024	2.77	$0.20
June 1, 2020	40,000	$0.15	June 1, 2025	3.67	$0.12
June 10, 2020	250,000	$0.15	June 10, 2025	3.70	$0.11
January 4, 2021	1,400,000	$0.30	January 4, 2026	4.27	$0.25
January 28, 2021	100,000	$0.35	January 28, 2026	4.33	$0.31
	2,985,000	**$0.27**			

7. 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 its directors and their compensation is included in the following:

	Year Ended September 30, 2021	Year Ended September 30, 2020
	$	**$**
Management fees	260,593	302,601
Benefits	-	12,381
Stock-based compensation	262,350	29,800
Total	**522,943**	**344,782**

Related party liabilities are included in account payable and accrued liabilities. As at September 30, 2021, $42,026 (September 30, 2020 - $69,692) was owed to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

(Expressed in Canadian Dollars)

8. Income Taxes

Taxation in the Company and its subsidiaries' operational jurisdictions is calculated at the rate prevailing in its respective jurisdiction.

The difference between tax expense for the year and the expected income taxes based on the statutory tax rate arises as follows:

	September 30 2021 $	September 30 2020 $
Loss before income taxes	(944,108)	(1,870,271)
Tax charge / (recovery) based on statutory rate of 27.00% (2020 – 27.00%)	(255,000)	(505,000)
Deductible and non-deductible expenses	18,000	283,000
Use of deferred tax assets	237,000	222,000
Income tax expense (recovery)	-	-

Deferred Tax Assets and Liabilities

No deferred tax asset has been recognized in respect of the following losses and temporary differences as it is not considered probable that sufficient future taxable profit will allow the deferred tax to be recovered.

	September 30, 2021 $	September 30, 2020 $
Non-capital losses	3,811,000	3,639,000
Share issue costs	84,000	18,000
Capital losses	6,734,000	6,734,000
Capital assets	-	-
Exploration and evaluation assets	1,290,000	1,290,000
Unrecognized deferred tax asset	(11,919,000)	(11,681,000)
Deferred tax assets	-	-

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets/(liabilities) have been recognized are attributable to the following:

	September 30 2021 $	September 30 2020 $
Deferred income tax assets:		
Non-capital loss carryforwards	14,109,494	13,475,101
Share issue costs	312,009	18,268
Capital losses	24,942,366	24,942,366
Exploration and evaluation assets	4,778,531	1,290,203
	44,142,400	39,725,938

As at September 30, 2021, the Company has estimated non-capital losses for Canadian tax purposes of $14,109,000 that may be carried forward to reduce taxable income derived in future years. These losses expire from 2026 to 2041.

9. 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 year ended September 30, 2021.

10. 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 September 30, 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.

(Expressed in Canadian Dollars)

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 September 30, 2021:

	September 30, 2021
	US$
Financial assets:	
Cash	2,731
Financial liabilities:	
Accounts payable and accrued liabilities	-

As at September 30, 2021, with other variables unchanged, a 10% change in the value of the Canadian dollar against the US dollar would result in an approximate $348 decrease or increase in loss and comprehensive loss.

The following table reflects the Company's foreign currency exposure from Chilean Pesos as of September 30, 2021:

	September 30, 2021
	Chilean Pesos
Financial assets:	
Cash and accounts receivable	13,954,181
Financial liabilities:	
Accounts payable and accrued liabilities	(7,083,795)

As at September 30, 2021, with other variables unchanged, a 10% change in the value of the Canadian dollar against the Chilean peso would result in an approximate $1,089 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.

11. Subsequent Events

In addition to other events noted herein, the following has occurred during the period subsequent to September 30, 2021:

- On December 2, 2021, the Company issued 59,800,000 Units at $0.1425 per Unit for gross proceeds of $8,521,500 pursuant to a brokered private placement. The agent for the offering was Desjardins Capital Markets. Each Unit consisted of one common share and one common share purchase warrant, with each warrant exercisable to acquire one common share for $0.22 until December 2, 2024. The Company paid the agent a commission of $296,075 in respect of the Offering.

- On December 16, 2024 the Company granted 2,520,000 stock options with 1,500,000 granted to directors and officers and 1,020,000 granted to consultants. Each option entitles the holder to acquire one common share at an exercise price of $0.36 until December 16, 2026.

- 1,220,000 broker warrants were exercised at $0.20 per common share, 150,000 common share purchase warrants were exercised at $0.20 per common share and 1,828,593 common share purchase warrants were exercised at $0.30 per common share.