



**(Formerly – Colombia Crest Gold Corp.)**

**Unaudited Condensed Interim Financial Statements**

**For the Six Months Ended March 31, 2019 and 2018**

**(Expressed in Canadian Dollars)**

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying unaudited condensed interim financial statements of ATEX Resources Inc. (the "Company") (formerly Colombia Crest Gold Corp.) 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 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 financial statements and notes thereto for the year ended September 30, 2018. These unaudited condensed interim financial statements follow the same significant accounting policies and methods of application as those included in the Company's most recent audited annual financial statements, as described in Note 3. 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 interim financial statements. In the opinion of management, the unaudited condensed interim 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 28, 2019

(Signed) "Carl Hansen"

Carl Hansen  
President & Chief Executive Officer

(Signed) "Thomas Pladsen"

Thomas Pladsen  
Chief Financial Officer

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102, ATEX Resources Inc. (formerly Colombia Crest Gold Corp.) discloses that the accompanying unaudited condensed interim financial statements for the six months ended March 31, 2019, and 2018 were prepared by and are the responsibility of the Company's management.

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

**ATEX Resources Inc.**

(Formerly - Colombia Crest Gold Corp.)

## Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	(Unaudited)	(Audited)
As at,	March 31, 2019 \$	September 30, 2018 \$
<b>Assets</b>		
<b>Current</b>		
Cash	138,984	209,188
Tax recoverable and other receivables	4,587	3,825
Prepaid expense	1,667	6,667
	145,238	219,680
Property, plant and equipment	-	1,765
<b>Total Assets</b>	<b>145,238</b>	<b>221,445</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities - Note 5	35,880	17,128
<b>Total Liabilities</b>	<b>35,880</b>	<b>17,128</b>
<b>Shareholders' Equity</b>		
Share capital - Note 6 (b)	79,932,514	79,932,514
Share subscriptions	1,156,000	1,156,000
Contributed surplus - Note 6 (e)	6,030,315	6,030,315
Accumulated deficit	(87,009,471)	(86,914,512)
	109,358	204,317
<b>Total Liabilities and Shareholders' Equity</b>	<b>145,238</b>	<b>221,445</b>

Nature of operations – Note 1

Going concern of operations – Note 2 (c)

Subsequent Events – Note 8

Signed on behalf of the Board of Directors by:

(Signed) "Hans Rasmussen"

Hans Rasmussen

Director

(Signed) "Carl Hansen"

Carl Hansen

Director

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

**ATEX Resources Inc.**

(Formerly Colombia Crest Gold Corp.)

Condensed Interim Statements of Loss and Comprehensive Loss

For the Three Months and Six Months Ended March 31, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended		Six Months Ended	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Expenses:</b>				
Administration	6,900	6,000	13,650	12,000
Depreciation	-	189	132	378
Filing and transfer fees	16,955	12,844	19,750	15,598
Foreign exchange gain	(5,321)	(6,137)	(4,843)	(8,214)
Management fees	7,056	8,044	14,719	15,394
Office and sundry	21,219	8,667	38,968	26,622
Professional fees	3,657	6,512	7,157	15,567
Travel and promotion	2,890	1,070	3,794	2,661
Write-off of office equipment	1,632	-	1,632	-
<b>Net loss and comprehensive loss for the period</b>	<b>(54,988)</b>	<b>(37,189)</b>	<b>(94,959)</b>	<b>(80,006)</b>
Basic and diluted loss per share	(\$0.02)	(\$0.01)	(\$0.03)	(\$0.02)
Number of common shares outstanding	3,202,595	3,202,595	3,202,595	3,202,595

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

**ATEX Resources Inc.**

(Formerly - Colombia Crest Gold Corp.)

Condensed Interim Statements of Changes in Shareholders' Equity

For the Six Months Ended March 31, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Shares Subscribed \$	Contributed Surplus \$	Deficit \$	Total \$
	Number of Shares	Amount \$				
<b>Balance - September 30, 2017</b>	96,088,289	79,932,514	1,156,000	6,030,315	(86,817,112)	301,717
Net loss for the period	-	-	-	-	(80,006)	(80,006)
<b>Balance - March 31, 2018</b>	96,088,289	79,932,514	1,156,000	6,030,315	(86,897,118)	221,711
Share consolidation 10:1 - Note 6 (b)	(86,479,435)	-	-	-	-	-
Net loss for the period	-	-	-	-	(17,394)	(17,394)
<b>Balance - September 30, 2018</b>	9,608,854	79,932,514	1,156,000	6,030,315	(86,914,512)	204,317
Share consolidation 3:1 - Note 6 (b)	(6,406,259)	-	-	-	-	-
Net loss for the period	-	-	-	-	(94,959)	(94,959)
<b>Balance - March 31, 2019</b>	3,202,595	79,932,514	1,156,000	6,030,315	(87,009,471)	109,358

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

**ATEX Resources Inc.**

(Formerly - Colombia Crest Gold Corp.)

Condensed Interim Statements of Cash Flows

For The Six Months Ended March 31, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars)

	2019	2018
	\$	\$
<b>Cash flows from operating activities</b>		
<b>Net loss for the period</b>	(94,959)	(42,817)
Items not involving cash:		
Amortization of prepaid expenses	5,000	2,625
Depreciation	132	189
Write-off of office equipment	1,632	-
	(88,195)	(40,003)
Tax recoverable and other receivables	(762)	4,033
Accounts payable and accrued liabilities	18,753	(20,902)
<b>Cash used in operating activities</b>	(70,204)	(56,872)
<b>Change in cash in the period</b>	(70,204)	(56,872)
<b>Cash - beginning of period</b>	209,188	388,226
<b>Cash - end of period</b>	138,984	331,354

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

**ATEX Resources Inc.**

(Formerly Colombia Crest Gold Corp.)

Notes to the Unaudited Condensed Interim Financial Statements

For the Six Months Ended March 31, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars)

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**1. Corporate Information**

ATEX Resources Inc.'s (formerly Colombia Crest Gold Corp.) business activity is the exploration and evaluation of mineral properties. During the year ended September 30, 2013, the Company ceased its operations in Colombia but still holds a 50% earned interest in the Fredonia property - Note 4.

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", and on the Frankfurt Stock Exchange under the symbol "EAT". On February 8, 2019, the Company effected a name change from Colombia Crest Gold Corp. to ATEX Resources Inc.

The address of the Company's corporate office and principal place of business is Suite 300, 1055 West Hastings Street, Vancouver, BC.

**2. Basis of Preparation****a) Statement of Compliance**

The Company's unaudited condensed interim financial statements for the six months ended March 31, 2019, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("ISAB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. The significant accounting policies applied in these unaudited condensed interim financial statements are based on IFRS issued as of March 31, 2019.

These unaudited condensed interim financial statements have been prepared using accounting policies consistent with those used in the Company's September 30, 2018 audited annual financial statements.

These statements were authorized for issue by the Board of Directors on May 28, 2019.

**b) Basis of Measurement**

These consolidated 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. These unaudited condensed interim financial statements are presented in Canadian dollars unless otherwise noted.

The preparation of these unaudited condensed interim 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 3.

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. As at March 31, 2019 and September 30, 2018, the Company did not hold any interest in any subsidiaries and the financial statements contained transactions pertaining only to the Company.

## **2. Basis of Preparation – (cont'd)**

### **c) Going Concern of Operations**

These financial statements have been prepared assuming the Company will continue on a going-concern basis. At March 31, 2019, the Company had not yet achieved profitable operations, has an accumulated deficit of \$87,009,471 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 Company's continuing operations 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 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 could be material to these financial statements.

## **3. Summary of Significant Accounting Policies**

### **a) Financial Instruments**

#### ***Financial Assets***

Financial assets are classified into the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy is as follows:

#### ***Loans and Receivables***

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

#### ***Impairment on Financial Assets***

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

### **3. Summary of Significant Accounting Policies – (cont'd)**

#### **a) Financial Instruments – (cont'd)**

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise accounts payable and accrued liabilities. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Accounts payable and accrued liabilities represent liabilities for goods and services provided to the Company prior to the end of the period which are unpaid.

#### **b) Property, Plant and Equipment**

Depreciation is calculated on a declining balance basis. Property, plant and equipment acquired in a fiscal year are depreciated at one-half of the annual rate. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### **c) Share Capital**

Incremental costs directly attributable to the issue of new common 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) 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 outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

#### **e) Standards, Amendments and Interpretations Not Yet Effective**

Certain new accounting standards and interpretations have been published that are not mandatory for the September 30, 2018 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- IFRS 16 Leases (effective January 1, 2019).

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

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Notes to the Unaudited Condensed Interim Financial Statements

For the Six Months Ended March 31, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars)

**4. Exploration and Evaluation Assets**

The Company has a 50% interest in the Fredonia Property in Colombia, which is maintained pursuant to an agreement with the titleholder.

The Company ceased its four year exploration operation in Colombia and closed its branch office during fiscal 2013 and its entire investment of \$6,600,686 in Colombia was written off.

Pursuant to an agreement dated August 13, 2010, the Company had an option to acquire up to a 75% interest in the mineral title of the Fredonia Property located in Antioquia, Colombia. In November, 2013, notice was provided to the optionor that the Company had earned a 50% interest in the Fredonia property and that it did not intend to incur any further exploration or concession expenditures. Any future expenditures incurred by the optionor and/or other third parties may have the effect of diluting the Company's earned interest. At the time of the Company's notice, the Fredonia Property consisted of three concessions totaling 4,563 hectares. The optioner subsequently dropped two of the concessions and the remaining one covers 1,967 hectares.

**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 and CFO and their compensations are included in the following:

	For the Three Months Ended March 31,		For the Six Months Ended March 31,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Management fees	7,056	8,044	14,719	15,394
Administrative fees	6,900	6,000	13,650	12,000
Total	13,956	14,044	28,369	27,394

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

	March 31, 2019	
	2019	2018
	\$	\$
Management fees	4,754	774
Administration fees	4,600	-
Expenses and other	15,982	-
Total	25,336	774

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

## 6. Share Capital

### a) Authorized:

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

### b) Issued:

In April 2018, the Company completed a ten for one (10:1) share consolidation. As at September 30, 2018 and December 31, 2018 there were 9,608,854 (2017: 9,608,854 – adjusted for comparison) common shares outstanding.

On February 8, 2019, the Company completed a three for one (3:1) share consolidation and as at March 31, 2019 there were 3,202,595 (2018: 3,202,595 – adjusted for comparison) common shares outstanding.

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 - Note 8.

### c) 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 ten 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.

There were no common share purchase options outstanding as at September 30, 2017, September 30, 2018 and March 31, 2019.

In May 2019, the Company granted 1,195,000 stock purchase options with each option exercisable to purchase one common share at \$0.25 until May 8, 2024. 645,000 options were granted to Directors and officers and 550,000 options were granted to consultants.

### d) Contributed Surplus:

	Stock-based Compensation	Brokers' Warrants	Equity Portion of Convertible Debentures	Options on Properties	Shares Cancelled	Total
	\$	\$	\$	\$	\$	\$
Balance - September 30, 2017, 2018 and March 31, 2019	4,906,516	319,896	460,000	342,028	1,875	6,030,315

Contributed surplus is used to recognize the value of stock options granted and common share purchase warrants issued prior to exercise, the equity portion of convertible debentures not converted and value of escrow shares cancelled for no additional consideration.

## **7. Management of Financial and Other Risk**

The Company's financial instruments are exposed to financial risks as summarized below:

### **(a) Fair Value:**

The carrying amount of cash and accounts payable and accrued liabilities represent their fair value due to their short-term nature. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exists.

### **(b) Credit Risk:**

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations.

### **(c) Liquidity Risk:**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, the Company had a cash balance of \$138,984 to settle current liabilities of \$35,880. All of the Company's financial liabilities have contractual maturities of 30 days or less and are subject to normal trade terms.

### **(d) Interest Rate Risk:**

The Company's cash primarily includes highly liquid bank deposits that do not earn interest. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of March 31, 2019. Future cash flows from interest income on cash will be affected by interest rate fluctuations. The Company manages interest rate risk by maintaining an investment policy for short-term investments. This policy focuses primarily on preservation of capital and liquidity.

### **(e) Other Risk:**

The Company is exposed to price risk with respect to the commodity price of base and precious metal. Future declines in this commodity prices may impact the future profitability of the Company and the valuation of its exploration and evaluation assets. A significant decline in base and precious metal prices may affect the Company's ability to obtain capital for the exploration and development of its mineral properties.

## **8. Subsequent Events**

The following events occurred subsequent to March 31, 2019:

- On April 29, 2019, the Company closed a non-brokered private placement ("Financing") 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 exercisable to purchase one common share at a price of \$0.20 per share until April 29, 2024. Insiders of the Company subscribed for 32% of the Financing.
- On May 8, 2019, the Company granted 1,195,000 common share purchase options with each option exercisable to purchase one common share at \$0.25 until May 8, 2024. 645,000 options were granted to Directors and officers of the Company and 550,000 options were granted to consultants.