ATEX

Resources Inc.

(Formerly – Colombia Crest Gold Corp.)

Unaudited Condensed Interim Consolidated Financial Statements

For the Six Months Ended March 31, 2020 and 2019

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated 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 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, 2019. 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 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 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 21, 2020

(Signed) "Carl Hansen"	*(Signed) "Thomas Pladsen"*
Carl Hansen	Thomas Pladsen
President & Chief Executive Officer	Chief Financial Officer

NOTICE OF NO AUDITOR REVIEW OF UNAUDITED 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 consolidated financial statements for the six months ended March 31, 2020 and 2019 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.
(Formerly - Colombia Crest Gold Corp.)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Unaudited	**Audited**
	March 31, 2020 $	**September 30, 2019** $
Assets		
Current		
Cash	1,322,920	313,167
Tax recoverable and other receivables	55,964	6,384
Prepaid expense	3,255	10,249
	1,382,139	329,800
Non-Current		
Restricted cash	20,000	20,000
Exploration and evaluation assets (Note 4)	1,398,242	981,352
Total assets	2,800,381	1,331,152
Liabilities		
Current		
Accounts payable and accrued liabilities	184,371	64,922
Total liabilities	184,371	64,922
Shareholders' equity		
Share capital (Note 6)	83,259,738	81,432,514
Contributed surplus	7,451,681	7,451,681
Accumulated deficit	(88,095,409)	(87,617,965)
Total shareholders' equity	2,616,010	1,266,230
Total liabilities and shareholders' equity	2,800,381	1,331,152

Nature of operations (Note 1)
Going concern of operations (Note 2 (d))
Subsequent events (Note 9)

Signed on behalf of the Board of Directors by:

"Robert Suttie"	Director	*"Carl Hansen"*	Director
Robert Suttie		Carl Hansen	

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

ATEX Resources Inc.
(Formerly Colombia Crest Gold Corp.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For The Three and Six Months Ended March 31, 2020 and 2019
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended March 31 2020	**Three Months Ended March 31 2019**	**Six Months Ended March 31 2020**	**Six Months Ended March 31 2019**
	$	$	$	$
Expenses:				
Consulting	116,250	6,900	157,500	13,650
Filing and transfer agent	22,037	16,955	22,681	19,750
Foreign exchange loss (gain)	(61,284)	(5,321)	(61,269)	(4,843)
Management and administration	83,781	7,056	160,141	14,719
Office and general	26,630	21,219	48,675	38,968
Professional fees	66,043	3,657	122,582	7,157
Travel and shareholder relations	20,735	2,890	27,134	3,794
Depreciation	-	1,632	-	1,764
Net loss and comprehensive loss for the period	274,192	54,988	477,444	94,959
Basic and diluted loss per share	$0.02	$0.02	$0.03	$0.03
Weighted number of common shares outstanding	16,388,928	3,202,951	15,326,817	3,202,951

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

ATEX Resources Inc.
(Formerly - Colombia Crest Gold Corp.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the Six Months Ended March 31, 2020 and 2019
(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Shares	Contributed		
	Number of Common Shares	Amount $	Subscribed $	Surplus $	Deficit $	Total $
Balance - September 30, 2018	9,608,854	79,932,514	1,156,000	6,030,315	(86,914,512)	204,317
Net loss for the period	-	-	-	-	(80,006)	(80,006)
Balance - March 31, 2019	9,608,854	79,932,514	1,156,000	6,030,315	(86,994,518)	124,311
Share consolidation 3:1	(6,406,259)	-	-	-	-	-
Shares issued for cash	10,000,000	1,500,000	-	-	-	1,500,000
Stock-based compensation	-	-	-	265,366	-	265,366
Shares subscribed	-	-	(1,156,000)	1,156,000	-	-
Net loss for the period	-	-	-	-	(623,447)	(623,447)
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	-	(84,576)	-	-	-	(84,576)
Net loss for the period	-	-	-	-	(477,444)	(477,444)
Balance - March 31, 2020	19,575,261	83,259,738	-	7,451,681	(88,095,409)	2,616,010

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

ATEX Resources Inc.
(Formerly - Colombia Crest Gold Corp.)
Condensed Interim Consolidated Statements of Cash Flows
For The Six Months Ended March 31, 2020 and 2019
(Unaudited - Expressed in Canadian Dollars)

	2020 $	**2019** $
Operating activities:		
Net loss for the period	(477,444)	(94,959)
Items not involving cash:		
Depreciation	-	1,764
	(477,444)	(93,195)
Net change in non-cash working capital items:		
Tax recoverable and other receivables	(49,580)	(762)
Prepaid expenses	6,994	5,000
Accounts payable and accrued liabilities	119,449	18,753
	(400,581)	(70,204)
Investing activities		
Mineral property expenditures	(416,890)	-
	(416,890)	-
Financing activities		
Issuance of common shares	1,911,800	-
Share issue costs	(84,576)	-
	(1,827,224)	-
Change in cash	1,009,753	(70,204)
Cash - beginning	313,167	209,188
Cash - ending	1,322,920	138,984
Non-cash investing activity:		
Exploration expenditures included in accounts payable	34,632	-

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

1. Corporate Information

The business activity of ATEX Resources Inc. (the "Company") (formerly Colombia Crest Gold Corp.) 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 Suite 300, 1055 West Hastings Street, Vancouver, BC.

2. Basis of Preparation

a) Statement of compliance

The Company's unaudited condensed interim consolidated financial statements for the six months ended March 31, 2020 and 2019, 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, 2020.

These statements were authorized for issue by the Board of Directors on May 21, 2020.

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. 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, 2020, the Company had not yet achieved profitable operations, has an accumulated deficit of $87,821,217, 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 could be material to these consolidated financial statements.

3. Summary of Significant Accounting Policies

Accounting policies applied in 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, 2019.

a) Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments on October 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking "expected loss" impairment model.

b) Cash and Cash Equivalents

Cash and cash equivalents consist of deposits in banks and highly liquid investments that are readily convertible to cash with original maturities of 12 months or less.

c) Mineral Exploration and Evaluation Expenditures

Pre-exploration costs

Pre-exploration costs are expensed in the year in which they are incurred.

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the 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 farmee 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.

If 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-based Compensation

The Company operates a stock option plan. Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes Option Pricing Model. The number of common shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

4. Exploration and Evaluation Assets

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

Chile

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.

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

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

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

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

The option was originally granted by the property owner to a third party, SBX Asesorías e Inversiones Limitada ("SBX"). Under a transfer and assignment agreement with SBX, the Company paid US$100,000 and shall grant SBX a 0.50% NSR.

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 Copper/Gold Property located in Region III, Chile.

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

- Pay US$4.25 million, including:
  - US$200,000 upon signing (paid);
  - US$300,000 by the earlier of the commencement of drilling or August 29, 2021;
  - US$250,000 by August 30, 2021; and
  - US$3.5 million by August 29, 2022 (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 diamond drilling by August 29, 2022.

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, 2024 (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, 2024.

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 2.0% NSR to the optionor.

The option was originally granted by the optionor to SBX. Under a transfer and assignment agreement with SBX, the Company paid US$150,000, shall issue 2.0 million units and shall grant a 0.25% NSR to SBX. Each unit is to consist of one common share and one share purchase warrant exercisable at $0.40 per common share for four years. 1.0 million of the units vest and are issuable upon the Company making the US$300,000 payment due on the option upon the commencement of drilling and a further 1.0 million units issuable and vesting upon the Company making the US$3.5 million option payment due by August 29, 2021 and now amended to August 29, 2022).

On January 15, 2020, the Company entered into an agreement with the optionor of the Valeriano Property to amend the terms of Valeriano Property option agreement as follows:

- US$3.5 million originally required to be paid by August 29, 2021 (50% of which may be paid via the issuance of Company common shares, at the Company's discretion) toward earning an initial 49% property interest is now due by August 29, 2022;
- US$10.0 million in exploration expenditures, including the completion of at least 8,000 metres of diamond drilling, originally required to be incurred on the property toward earning an initial 49% property by August 29, 2021, are now to be incurred by August 29, 2022;
- An additional US$250,000 is to be paid by August 30, 2021 toward earning an initial 49% property interest;
- US$8.0 million originally required to be paid by August 29, 2023 toward increasing the Company's property interest to 100% after earning an initial 49% interest (50% of which may be paid via the issuance of Company common shares, at the optionor's discretion) is now due by August 29, 2024; and,

(Expressed in Canadian Dollars)

- A further US$5.0 million in exploration expenditures originally required to be incurred on the property toward increasing the Company's property interest to 100% after earning an initial 49% interest by August 29, 2023 are now to be incurred by August 29, 2024.

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

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

		Expenditures During the Period			
	Balance Sept. 30, 2019	Acquisitions	Field Exploration	General Exploration	Balance Mar. 31, 2020
	$	$	$	$	$
ATEX Chile:					
Apolo - Alicia	124,067	-	6,764	61,817	192,649
Apolo - Roma	123,876	-	5,458	61,817	191,152
Apolo - Condor	119,333	-	4,231	61,817	185,379
	367,276	-	16,453	185,451	569,180
ATEX Valeriano:					
Valeriano	614,076	-	33,576	181,410	829,062
Total	981,352	-	50,029	366,861	1,398,242

Colombia

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 15,000-hectare 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, however the Company had no intention at that time to incur any further exploration or concession expenditures. The Company ceased its exploration operation in Colombia during fiscal 2013 and wrote off its entire investment in Colombia. Any future expenditures incurred by the optionor and/or other third parties may have the effect of diluting the Company's earned interest in the Fredonia Property.

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:

(Expressed in Canadian Dollars)

	For the Six Months Ended March 31	
	2020	**2019**
	$	$
Management fees	62,500	14,719
Administration fees	97,641	13,650
Total	160,141	28,369

Related party liabilities are included in trade and other payable. As at March 31, 2020, $115,031 (2019 - $25,336) was owed to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

6. Share Capital

a) Authorized

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

b) Issued

On March 31, 2020, there were 13,202,595 (2019: 3,202,595 – adjusted pursuant to a one for three share consolidation on February 8, 2019) 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. Each common share purchase warrant entitles the holder to purchase one common share at a price of $0.20 per share until April 29, 2024.

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 consists of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable to purchase one common share at a price of $0.40 per share for a period of three years from the closing date. In connection with the financing, the Company paid a finder's fee of $68,943 and issued 229,810 finder's warrants, which entitle the holder to purchase 229,810 Units for a period of 12 months from the closing date at a purchase price of $0.30 per Unit.

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 an aggregate finder's fee of $15,533 and issued an aggregate of 51,777 finder's warrants, which entitle the holder to purchase an aggregate of 51,777 Units for a period of 12 months from the closing date at a purchase price of $0.30 per Unit.

c) Share Purchase Warrants

The continuity of common share purchase warrants is as follows:

(Expressed in Canadian Dollars)

	Number of Warrants	Weighted Average Exercise Price $
Balance - September 30, 2018	-	-
Issued pursuant to private placement	10,000,000	0.20
Balance – September 30, 2019		
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 - March 31, 2020	13,186,333	0.25

	Number of Broker Warrants	Weighted Average Exercise Price $
Balance - September 30, 2018 and 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 - March 31, 2020	281,587	0.30

Details of common share purchase warrants outstanding at March 31, 2020:

Number of Warrants	Exercise Price $	Expiry Date	Remaining Life (years)
10,000,000	0.20	April 29, 2024	4.1
1,808,167	0.40	January 31, 2023	2.8
1,378,166	0.40	February 20, 2023	2.9
13,186,333	0.25		

Details of broker warrants outstanding at March 31, 2020:

Number of Warrants	Exercise Price $	Expiry Date	Remaining Life (years)
229,810	0.30	January 31, 2021	0.8
51,777	0.30	February 20, 2021	0.9
281,587	0.30		

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 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.

(Expressed in Canadian Dollars)

The continuity of stock options outstanding is as follows:

	Number of Options	**Weighted Average Exercise Price** $
Balance – September, 2018	-	-
Granted	1,230,000	0.25
Cancelled	(35,000)	0.25
Balance - September 30, 2019 and March 31, 2020	1,195,000	0.25

During the year ended September 30, 2019:

- The Company granted 1,195,000 stock options to directors, officers and consultants in May 2019, with each option exercisable to purchase one common share at $0.25 per share until May 8, 2024. 35,000 of these stock options granted to a consultant were subsequently cancelled due to the termination of services.
- The Company granted 35,000 stock options to a consultant in July 2019, with each option exercisable to purchase one common share at $0.30 per share until July 8, 2024.

Details of stock options outstanding at September 30, 2019:

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	4.2	0.22
July 8, 2019	35,000	0.30	July 8, 2024	4.3	0.20
	1,195,000	0.25			

The fair values were estimated using the Black-Scholes option pricing model with the following pricing parameters with no dividend yield expected:

- Risk-free interest rate: 1.57%
- Expected life: 5 years
- Volatility: 140.80% - 141.41%

7. 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 annual expenditure budgets which are updated as necessary and are reviewed and periodically approved by the Company's 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.

(Expressed in Canadian Dollars)

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, 2020.

8. 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 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 long-term receivable. 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, 2020, the Company's cash on hand is less than the financial liabilities comprising of accounts payable and accrued liabilities 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.

i) 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, 2020 and 2019:

	March 31, 2020 $
Financial assets:	
Cash	949,981

(Expressed in Canadian Dollars)

As at March 31, 2020, with other variables unchanged, a 10% change in the value of the Canadian dollar against the US dollar would result in a decrease or increase of approximately $94,998 in the loss and comprehensive loss.

The following table reflects the Company's foreign currency exposure from Chilean Pesos as of March 31, 2020 and 2019:

	March 31, 2020 $
Financial assets:	
Cash	87,387
Other receivables	39,560
Financial liabilities:	
Accounts payable and accrued liabilities	34,632

As at March 31, 2020, with other variables unchanged, a 10% change in the value of the Canadian dollar against the Chilean peso would result in a decrease or increase of approximately $16,158 in the loss and comprehensive loss.

ii) 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.

9. Subsequent Events

Since December 31, 2019, 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.