



**Unaudited Condensed Interim Consolidated Financial Statements**

**For the Nine Months Ended June 30, 2021**

**(Expressed in Canadian Dollars)**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of ATEX Resources Inc. (the "Company") were prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended September 30, 2020. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in the Company's most recent audited annual consolidated financial statements, as described in Note 2. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The Company's significant accounting policies are summarized in Note 2 to these unaudited condensed consolidated interim financial statements. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfils its financial reporting responsibilities. The Board of Directors meets with management as well as with the independent auditors to review the internal controls over the financial reporting process, the financial statements and the auditors' report. The Board of Directors also reviews the Company's Management's Discussion and Analysis to ensure that the financial information reported 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.

August 27, 2021

(Signed) "Raymond Jannas"

Raymond Jannas  
Chief Executive Officer

(Signed) "Thomas Pladsen"

Thomas Pladsen  
Chief Financial Officer

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

In accordance with National Instrument 51-102, the Company discloses that the accompanying unaudited condensed interim consolidated financial statements for the nine months ended June 30, 2021 were prepared by and are the responsibility of the Company's management.

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

**ATEX Resources Inc.**Condensed Interim Consolidated Statements of Financial Position  
(Unaudited - Expressed in Canadian Dollars)

	<b>June 30, 2021</b>	<b>September 30, 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current</b>		
Cash	384,367	320,660
Tax recoverable and other receivables	48,638	32,069
Prepaid expense	76,456	12,748
	<u>509,461</u>	<u>365,477</u>
<b>Non-Current</b>		
Restricted cash	20,000	20,000
Value-added-tax	70,878	-
Exploration and evaluation assets (Note 3)	3,388,673	1,031,115
<b>Total assets</b>	<b><u>3,989,012</u></b>	<b><u>1,416,592</u></b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	112,151	163,609
	<u>112,151</u>	<u>163,609</u>
<b>Shareholders' Equity</b>		
Share capital (Note 4)	86,249,109	83,243,974
Contributed surplus (Note 4)	8,000,707	7,497,245
Accumulated deficit	(90,372,955)	(89,488,236)
	<u>3,876,861</u>	<u>1,252,983</u>
<b>Total liabilities and shareholders' equity</b>	<b><u>3,989,012</u></b>	<b><u>1,416,592</u></b>

Nature of operations (Note 1)

Going concern of operations (Note 2 (d))

Signed on behalf of the Board of Directors by:

“Robert Suttie”  
Robert Suttie

Director

“Craig Nelsen”  
Craig Nelsen

Director

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

**ATEX Resources Inc.**

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the Nine Months Ended June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

	<b>Three Months Ended June 30, 2021 \$</b>	<b>Three Months Ended June 30, 2020 \$</b>	<b>Nine Months Ended June 30, 2021 \$</b>	<b>Nine Months Ended June 30, 2020 \$</b>
<b>Expenses:</b>				
Consulting	15,877	31,250	57,546	188,750
Filing and transfer agent	5,017	5,346	20,405	28,027
Management salaries	62,266	67,981	197,267	228,122
Office and general	18,678	27,895	50,253	76,570
Professional fees	22,045	4,673	74,974	127,255
Travel and shareholder relations	-	-	2,462	27,134
Stock-based compensation	-	29,800	379,177	29,800
Foreign exchange loss	47,528	37,134	102,635	(24,135)
Write off of exploration and evaluation assets	-	670,350	-	670,350
<b>Net loss and comprehensive loss for the period</b>	<b>171,411</b>	<b>874,429</b>	<b>884,719</b>	<b>1,351,873</b>
Basic and diluted loss per share	\$0.00	\$0.04	\$0.03	\$0.08
Weighted number of common shares outstanding	36,675,261	19,575,261	32,875,261	16,388,928

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

**ATEX Resources Inc.**

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the Nine Months Ended June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus	Deficit	Total
	Number of Common Shares	Amount \$			
<b>Balance - September 30, 2019</b>	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 period	-	-	-	(1,351,873)	(1,351,873)
<b>Balance - June 30, 2020</b>	19,575,261	81,243,974	7,497,245	(88,969,838)	1,771,381
Net loss for the period	-	-	-	(518,398)	(518,398)
<b>Balance - September 30, 2020</b>	19,575,261	83,243,974	7,497,245	(89,488,236)	1,252,983
Shares issued for cash	16,500,000	3,300,000	-	-	3,300,000
Share issue costs	-	(450,865)	124,285	-	(326,580)
Shares issued for mineral property	600,000	156,000	-	-	156,000
Stock-based compensation	-	-	379,177	-	379,177
Net loss for the period	-	-	-	(884,719)	(884,719)
<b>Balance - June 30, 2021</b>	<b>36,675,261</b>	<b>86,249,109</b>	<b>8,000,707</b>	<b>(90,372,955)</b>	<b>3,876,861</b>

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

**ATEX Resources Inc.**

Condensed Interim Consolidated Statements of Cash Flows

For the Nine Months Ended June 30, 2021

(Unaudited - Expressed in Canadian Dollars)

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Operating Activities:</b>		
Net loss for the period	(884,719)	(1,351,873)
Items not involving cash:		
Stock-based compensation	379,177	29,800
Write off of exploration and evaluation expenses	-	670,350
	(505,542)	(651,723)
Net change in non-cash working capital items:		
Tax recoverable and other receivables	(16,569)	(70,936)
Prepaid expenses	(63,708)	10,249
Accounts payable and accrued liabilities	(116,765)	64,800
<b>Cash used in operating activities</b>	<b>(702,584)</b>	<b>(647,610)</b>
<b>Investing Activities</b>		
Value-added-tax	(70,878)	-
Mineral property expenditures	(2,136,252)	(630,769)
<b>Cash used in investing activities</b>	<b>(2,207,130)</b>	<b>(630,769)</b>
<b>Financing Activities</b>		
Issuance of common shares	3,300,000	1,911,800
Share issue costs	(326,579)	(84,576)
<b>Cash used in investing activities</b>	<b>2,973,421</b>	<b>1,827,224</b>
<b>Change in cash</b>	<b>63,707</b>	<b>548,845</b>
<b>Cash - beginning</b>	<b>320,660</b>	<b>313,167</b>
<b>Cash - ending</b>	<b>384,367</b>	<b>862,012</b>
Non-cash investing activity:		
Exploration expenditures included in accounts payable	65,306	7,031

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

## **ATEX Resources Inc.**

Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months ended June 30, 2021

(Expressed in Canadian Dollars)

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### **1. Corporate Information**

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

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

### **2. Basis of Preparation**

#### **a) Statement of Compliance**

The Company's unaudited condensed interim consolidated financial statements for the nine months ended June 30, 2021 have been prepared using accounting policies consistent with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and in accordance with International Accounting Standards (“**IAS**”) 34, Interim Financial Reporting. The significant accounting policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued as of June 30, 2021.

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

#### **b) Basis of Measurement**

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

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. These critical accounting estimates are disclosed in Note 4 of the Company's audited annual consolidated financial statements for the year ended September 30, 2020.

#### **c) Basis of Consolidation**

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

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

#### **d) Going Concern of Operations**

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. As at June 30, 2021, the Company had not yet achieved profitable operations, has an accumulated deficit of \$90,372,955, 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 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

## **ATEX Resources Inc.**

Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months ended June 30, 2021

(Expressed in Canadian Dollars)

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

### **(e) COVID-19 Estimation Uncertainty**

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

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

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

The Company did not adopt any new accounting policies during the nine months ended June 30, 2021.

## **3. 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.

## **ATEX Resources Inc.**

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

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

- pay US\$8.0 million by August 29, 2025 (50% of which may be paid via the issuance of common shares, at the optionor's discretion); and
- incur a further US\$5.0 million in exploration expenditures on the property by August 29, 2025.

Upon the Company earning a full 100% property interest, the optionor shall 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 royalty to the optionor.

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

### *Generative Projects:*

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

### *Apolo Concessions:*

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

The Company conducted surface examinations of the Apolo concessions and, based on the results of this work, determined that the properties were of no further interest in light of the operational difficulties resulting from the COVID-19. 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.

**ATEX Resources Inc.**

Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months ended June 30, 2021

(Expressed in Canadian Dollars)

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

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

	Sept. 30, 2020	Expenditures During the Period			Mar. 31, 2021
		Acquisitions	Exploration	Written Off	
<b>Mineral Properties:</b>	\$	\$	\$	\$	\$
<b>ATEX Chile:</b>					
Generative Projects	-	-	146,191	-	146,191
<b>ATEX Valeriano:</b>					
Valeriano Project	1,031,115	535,980	1,675,387	-	3,242,482
<b>Total</b>	<b>1,031,115</b>	<b>535,980</b>	<b>1,821,578</b>	<b>-</b>	<b>3,388,673</b>

**4. Share Capital****a) Authorized**

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

**b) Issued**

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

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

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

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

**ATEX Resources Inc.**

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(Expressed in Canadian Dollars)

of Units sold under the Offering. Each compensation option entitles the Agent to purchase one Unit at \$0.20 until November 23, 2021. The broker warrants were valued at \$124,286 using the Black-Scholes option pricing model.

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

**c) Common Share Purchase Warrants**

The continuity of common share purchase warrants is as follows:

	<b>Number of Warrants</b>	<b>Exercise Price</b>
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
<b>Balance - September 30, 2020</b>	<b>13,186,333</b>	
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
<b>Balance - June 30, 2021</b>	<b>30,286,333</b>	

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

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Remaining Life (Years)</b>
10,000,000	\$0.20	April 29, 2024	2.8
1,808,167	\$0.40	January 31, 2023	1.6
1,378,166	\$0.40	February 20, 2023	1.6
16,500,000	\$0.30	November 23, 2022	1.4
600,000	\$0.40	December 31, 2024	3.5
<b>30,286,333</b>	<b>\$0.30</b>		

The continuity of broker warrants is as follows:

	<b>Number of Warrants</b>	<b>Exercise Price</b>
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
<b>Balance - September 30, 2020</b>	<b>281,587</b>	
Issued pursuant to private placement – November 23, 2020	1,180,000	\$0.20
Expired	(281,587)	\$0.30
<b>Balance - June 30, 2021</b>	<b>1,180,000</b>	

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(Expressed in Canadian Dollars)

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

Number of Warrants	Exercise Price	Expiry Date	Remaining Life (Years)
1,180,000	\$0.20	November 23, 2021	0.4

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

**d) Stock Options**

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

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
<b>Balance - September 30, 2020</b>	<b>1,485,000</b>	
Granted – January 4, 2021	1,400,000	\$0.30
Granted – January 28, 2021	100,000	\$0.35
<b>Balance - June 30, 2021</b>	<b>2,985,000</b>	

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

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

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

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Details of stock options outstanding at June 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	2.9	\$0.22
July 8, 2019	35,000	\$0.30	July 8, 2024	3.0	\$0.20
June 1, 2020	40,000	\$0.15	June 1, 2025	3.9	\$0.12
June 10, 2020	250,000	\$0.15	June 10, 2025	4.0	\$0.11
January 4, 2021	1,400,000	\$0.30	January 4, 2026	4.5	\$0.25
January 28, 2021	100,000	\$0.35	January 28, 2026	4.6	\$0.31
	<b>2,985,000</b>	<b>\$0.27</b>			

### 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 compensation is included in the following:

	Nine Months Ended June 30, 2021	Nine Months Ended June 30, 2020
	\$	\$
Management fees	197,267	239,434
<b>Total</b>	<b>197,267</b>	<b>239,434</b>

Related party liabilities are included in account payable and accrued liabilities. As at June 30, 2021, \$42,146 (June 30, 2020 - \$69,692) was owed to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

### 6. Capital Management

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

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

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

There has been no change in the Company's approach to capital management during the period ended June 30, 2021.

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**7. Financial Instruments and Risk Management**

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

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

**a) Credit Risk**

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

**b) Liquidity Risk**

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

As at June 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.

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 June 30, 2021:

	<b>June 30, 2021</b>
	<b>US\$</b>
Financial assets:	
Cash	50,305
Financial liabilities:	
Accounts payable and accrued liabilities	-

As at June 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 \$6,376 decrease or increase in loss and comprehensive loss.

**ATEX Resources Inc.**

Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months ended June 30, 2021

(Expressed in Canadian Dollars)

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

	<b>June 30, 2021</b>
	<b>Chilean Pesos</b>
Financial assets:	
Cash and accounts receivable	50,929,030
Financial liabilities:	
Accounts payable and accrued liabilities	1,434,805

As at June 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 \$4,963 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.