



Unaudited Condensed Interim Consolidated Financial Statements

For the Nine Months Ended June 30, 2022

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of ATEX Resources Inc. (the "**Company**") were prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with the Company's audited annual consolidated financial statements and notes thereto for the year ended September 30, 2021. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in the Company's most recent audited annual consolidated financial statements, as described in Note 2. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The Company's significant accounting policies are summarized in Note 2 to these unaudited condensed consolidated interim financial statements. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

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

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

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

August 26, 2022

(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 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, 2022 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)

	June 30, 2022 \$	September 30, 2021 \$
Assets		
Current		
Cash	4,735,957	166,086
Tax recoverable and other receivables	40,796	11,314
Prepaid expense	43,034	62,216
	4,819,787	239,616
Non-Current		
Restricted cash	20,000	20,000
Value-added-tax	989,973	79,321
Exploration and evaluation assets (Note 3)	9,351,495	3,568,855
Total assets	15,181,255	3,907,792
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5)	185,976	90,320
Total Liabilities	185,976	90,320
Shareholders' Equity		
Share capital (Note 4)	98,181,012	86,244,896
Contributed surplus	9,464,556	8,004,920
Accumulated deficit	(92,650,289)	(90,432,344)
Total shareholders' equity	14,995,279	3,817,472
Total liabilities and shareholders' equity	15,181,255	3,907,792

Nature of operations (Note 1)

Going concern of operations (Note 2 (d))

Subsequent events (Note 8)

Signed on behalf of the Board of Directors by:

"Craig Nelsen" Director
Craig Nelsen

"Robert Suttie" Director
Robert Suttie

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

ATEX Resources Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended June 30 2022 \$	Three Months Ended June 30 2021 \$	Nine Months Ended June 30 2022 \$	Nine Months Ended June 30 2021 \$
Expenses:				
Consulting	15,000	15,877	51,994	57,546
Filing and transfer agent	22,705	5,017	48,258	20,405
Management fees (Note 5)	130,146	62,266	297,635	197,267
Office and general	30,829	18,678	63,871	50,253
Professional fees	29,449	22,045	31,313	74,974
Travel and shareholder relations	29,481	-	69,259	2,462
Foreign exchange loss	(172,876)	47,528	(98,748)	102,635
Stock-based compensation	700,614	-	1,603,656	379,177
Write off of exploration and evaluation assets	-	-	150,708	-
Net loss and comprehensive loss for the period	785,348	171,411	2,217,945	884,719
Basic and diluted loss per share	\$0.01	\$0.00	\$0.03	\$0.03
Weighted number of common shares outstanding	105,038,871	36,675,261	83,364,809	32,675,261

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, 2022

(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus	Deficit	Total
	Number of Common Shares	Amount \$	\$	\$	\$
Balance - September 30, 2020	19,575,261	83,243,974	7,497,245	(89,488,236)	1,252,983
Shares issued for cash	16,500,000	3,300,000	-	-	3,300,000
Share issue costs	-	(455,078)	128,498	-	(326,580)
Shares issued for mineral property	600,000	156,000	-	-	156,000
Stock-based compensation	-	-	379,177	-	379,177
Net loss for the period	-	-	-	(884,719)	(884,719)
Balance - June 30, 2021	36,675,261	86,244,896	8,004,920	(90,372,955)	3,876,861
Net loss for the period	-	-	-	(59,389)	(59,389)
Balance - September 30, 2021	36,675,261	86,244,896	8,004,920	(90,432,344)	3,817,472
Shares issued for cash	59,800,000	8,521,500	-	-	8,521,500
Share issue costs	-	(513,578)	-	-	(513,578)
Shares issued for mineral property	400,000	160,000	-	-	160,000
Exercise of broker warrants	1,220,000	372,498	(128,498)	-	244,000
Exercise of warrants	12,113,930	3,316,924	-	-	3,316,924
Exercise of stock options	220,000	78,772	(15,522)	-	63,250
Stock-based compensation	-	-	1,603,656	-	1,603,656
Net loss for the period	-	-	-	(2,217,945)	(2,217,945)
Balance - June 30, 2022	110,429,191	98,181,012	9,464,556	(92,650,289)	14,995,279

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

ATEX Resources Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended June 30 2022	Nine Months Ended June 30 2021
	\$	\$
Operating activities:		
Net loss for the period	(2,217,945)	(884,719)
Items not involving cash:		
Stock-based compensation	1,603,656	379,177
Write off of exploration and evaluation assets	150,708	-
	(463,581)	(505,542)
Net change in non-cash working capital items:		
Tax recoverable and other receivables	(29,482)	(16,569)
Prepaid expenses	19,182	(63,708)
Accounts payable and accrued liabilities	28,086	(116,765)
Cash used in operating activities	(445,795)	(702,584)
Investing activities		
Value-added-tax	(910,652)	(70,878)
Mineral property expenditures	(5,705,779)	(2,136,252)
Cash used in investing activities	(6,616,431)	(2,207,130)
Financing activities		
Issuance of common shares	8,521,500	3,300,000
Share issue costs	(513,578)	(326,579)
Exercise of broker warrants	244,000	-
Exercise of warrants	3,316,925	-
Exercise of stock options	63,250	-
Cash used in investing activities	11,632,097	2,973,421
Change in cash	4,569,871	63,707
Cash - beginning	166,086	320,660
Cash - ending	4,735,957	384,367
Non-cash investing activity:		
Exploration expenditures included in accounts payable	67,569	65,306

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, 2022

(Expressed in Canadian Dollars)

1. Corporate Information

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

These consolidated financial statements include the results of the Company's 100% owned 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 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, 2022, 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, 2022.

These statements were authorized for issue by the Board of Directors on August 26, 2022.

b) Basis of Measurement

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

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. These critical accounting estimates are disclosed in Notes 4 of the audited annual consolidated financial statements for the year ended September 30, 2021.

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, 2022, the Company had not yet achieved profitable operations, has an accumulated deficit of \$92,650,289, and expects to incur further losses in the development of its business. These conditions indicate the existence of material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing for continuing operations. Realization values may be substantially different from carrying values as shown and accordingly these consolidated financial statements do not give effect to adjustments, if any, which would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the

ATEX Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months ended June 30, 2022

(Expressed in Canadian Dollars)

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

(e) COVID-19 Estimation Uncertainties

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting. Global equity markets have experienced significant volatility and weaknesses. 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.

2. Summary of Significant Accounting Policies

The financial framework and accounting policies applied in the preparation of the interim financial statements are consistent with the policies disclosed in Notes 2 and 3 of the audited annual consolidated financial statements for the year ended September 30, 2021.

The Company did not adopt any new accounting policies during the nine months ended June 30, 2022.

3. Exploration and Evaluation Assets

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

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 Copper/Gold Property located in Region III, Chile.

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

- Pay US\$4.25 million, including:
 - US\$200,000 upon signing (paid);
 - US\$300,000 on January 14, 2021 (paid);
 - US\$250,000 by August 30, 2022; and
 - US\$3.5 million by August 29, 2023 (50% of which may be paid via the issuance of common shares, at the Company's discretion).
- Complete the following work commitments:
 - Incur US\$10.0 million in exploration expenditures on the property, including at least 8,000 metres of drilling by August 29, 2023.

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 undertake the following:

ATEX Resources Inc.

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- 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 100% property interest, the optionor shall also 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 an agreement dated August 29, 2019, as amended May 21, 2020. Under a transfer and assignment agreement with SBX, the Company paid US\$150,000, shall issue 2 million units and, upon earning a 100% interest in the property, 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 from vesting. 1.0 million of the units vested and were issuable on December 31, 2020, subject to SBX not becoming an insider of the Company and a further 1.0 million units vest and are issuable upon the Company making the US\$3.5 million option payment due by August 29, 2023 under the Valeriano option agreement. Under this agreement the Company issued 600,000 units to SBX on December 31, 2020 and a further 400,000 units to SBX on December 10, 2021. See Note 4.

Generative Projects:

ATEX Chile's generative projects are properties in Chile staked by the Company for early-stage mineral exploration. ATEX Chile staked five such properties. Three of these generative projects were subsequently dropped in the three months ended March 31, 2022 and the related capitalized expenditures were written off.

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

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

	Balance	Expenditures During the Period			Balance
	Sept. 30, 2021	Acquisitions	Exploration	Written Off	Mar. 31, 2022
Mineral Properties:	\$	\$	\$	\$	\$
ATEX Chile:					
Generative Projects	163,049	-	134,090	(150,708)	146,431
ATEX Valeriano:					
Valeriano Project	3,405,806	160,000	5,639,258	-	9,205,064
Total	3,568,855	160,000	5,773,348	(150,708)	9,351,495

ATEX Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months ended June 30, 2022

(Expressed in Canadian Dollars)

4. Share Capital**a) Authorized**

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

b) Issued

On June 30, 2022, there were 110,429,191 common shares outstanding.

On November 23, 2020, the Company issued 16,500,000 units at \$0.20 per unit for gross proceeds of \$3,300,000 pursuant to a brokered private placement. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share at a price of \$0.30 per common share until November 23, 2022. The agents received a cash fee equal to 6.0% of the gross proceeds from the offering. In addition, the Company granted the agents compensation options equal to 8.0% of the total number of units sold under the offering. Each compensation option entitled the agent to purchase one unit at an exercise price of \$0.20 until November 23, 2021. The compensation options were valued at \$128,498 using the Black-Scholes option pricing model.

On December 2, 2021, the Company issued 59,800,000 units at \$0.1425 per unit for gross proceeds of \$8,521,500 pursuant to a brokered private placement. The agent for the offering was Desjardins Capital Markets. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share at a price of \$0.22 per common share until December 2, 2024. The Company paid the agent a cash fee of \$296,075 in respect of this brokered private placement.

Under the original Valeriano Project transfer and assignment agreement with SBX, the Company issued 600,000 units to SBX on December 31, 2020 and a further 400,000 units to SBX on December 10, 2021. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.40 per common share until December 31, 2024. See Note 3.

c) Share Purchase Warrants

The continuity of common share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance - September 30, 2020	13,186,333	\$0.25
Issued pursuant to private placement – November 23, 2020	16,500,000	\$0.30
Issued for mineral property – December 31, 2020	600,000	\$0.40
Balance – September 30, 2021	30,286,333	\$0.30
Issued pursuant to private placement – December 2, 2021	59,800,000	\$0.22
Issued for mineral property – December 10, 2020	400,000	\$0.40
Units issued on exercise of broker warrants	1,220,000	\$0.30
Exercise of warrants	(12,113,930)	\$0.27
Balance – June 30, 2022	75,592,403	\$0.24

ATEX Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months ended June 30, 2022

(Expressed in Canadian Dollars)

Details of common share purchase warrants outstanding at June 30, 2022 are:

Number of Warrants	Exercise Price	Expiry Date	Remaining Life (Years)
8,044,444	\$0.20	April 29, 2024	1.9
1,725,167	\$0.40	January 31, 2023	0.6
1,195,166	\$0.40	February 20, 2023	0.6
9,681,360	\$0.30	November 23, 2022	0.4
57,946,266	\$0.22	December 2, 2024	2.4
1,000,000	\$0.40	December 31, 2024	2.5
79,592,403	\$0.24		

The continuity of broker warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance - September 30, 2020	281,587	\$0.30
Issued pursuant to private placement – November 23, 2020	1,220,000	\$0.20
Expiry of broker warrants	(281,587)	\$0.30
Balance – September 30, 2021	1,220,000	\$0.20
Exercise of broker warrants	(1,220,000)	\$0.20
Balance – June 30, 2022	-	-

The broker warrants issued on November 23, 2020 were valued at \$128,498 using the Black-Scholes option pricing model.

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.

	Number of Options	Exercise Price
Balance - September 30, 2020	1,485,000	\$0.23
Granted – January 4, 2021	1,400,000	\$0.30
Granted – January 28, 2021	100,000	\$0.35
Balance - September 30, 2021	2,985,000	\$0.27
Granted – December 16, 2021	2,520,000	\$0.36
Granted – June 16, 2022	1,035,000	\$0.36
Exercised during the period	(220,000)	\$0.29
Expired during the period	(20,000)	\$0.25
Balance – June 30, 2022	6,300,000	\$0.38

ATEX Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months ended June 30, 2022

(Expressed in Canadian Dollars)

The fair value of the stock options granted on January 4, 2021 was estimated at \$347,988 using the Black-Scholes option pricing model. The fair value of the stock options granted on January 28, 2021 was estimated at \$31,189 using the Black-Scholes option pricing model.

The fair values of stock options granted on December 16, 2021 were estimated at \$903,042 using the Black-Scholes option pricing model with the following pricing parameters with no dividend yield expected: risk-free interest rate; 1.19%, expected life: 5 years; volatility: 153%.

The fair values of stock options granted on June 16, 2022 were estimated at \$700,614 using the Black-Scholes option pricing model with the following pricing parameters with no dividend yield expected: risk-free interest rate; 3.31%, expected life: 5 years; volatility: 144%.

Details of stock options outstanding at June 30, 2022:

Date Granted	Number of Options	Exercise Price	Expiry Date	Remaining Life (Years)	Fair Value
May 8, 2019	1,055,000	\$0.25	May 8, 2024	1.9	\$0.22
June 1, 2020	40,000	\$0.15	June 1, 2025	2.9	\$0.12
June 10, 2020	250,000	\$0.15	June 10, 2025	2.9	\$0.11
January 4, 2021	1,325,000	\$0.30	January 4, 2026	3.5	\$0.25
January 28, 2021	100,000	\$0.35	January 28, 2026	3.6	\$0.31
December 16, 2021	2,495,000	\$0.36	December 16, 2026	4.5	\$0.36
June 16, 2022	1,035,000	\$0.72	June 16, 2027	5.0	\$0.67
	6,300,000	\$0.38			

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 executive management and its directors and their compensation during the period was as follows:

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021
	\$	\$	\$	\$
Management fees	115,147	62,267	267,635	197,267
Director fees	15,000	-	30,000	-
Stock-based compensation	406,153	272,295	1,051,183	272,295
Total	536,300	334,562	1,348,818	469,562

Related party liabilities are included in account payable and accrued liabilities. As at June 30, 2022, \$70,000 was owed to related parties. These amounts are unsecured, non-interest bearing and have no fixed repayment terms.

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.

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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.

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, 2022.

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 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 June 30, 2022, the Company's cash on hand is less than the financial liabilities comprising of accounts payable and accrued liabilities and forecast expenditures for the next year and the Company therefore 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 June 30, 2022:

ATEX Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months ended June 30, 2022

(Expressed in Canadian Dollars)

	US\$
Financial assets:	
Cash	1,083,586
Financial liabilities:	
Accounts payable and accrued liabilities	-

As at June 30, 2022, with other variables unchanged, a 10% change in the value of the Canadian dollar against the US dollar would result in an approximate \$139,631 decrease or increase in loss and comprehensive loss.

The following table reflects the Company's foreign currency exposure from Chilean Pesos as of June 30, 2022:

	Chilean Pesos
Financial assets:	
Cash	35,060,859
Other current assets	11,523,513
Financial liabilities:	
Accounts payable and accrued liabilities	48,239,226

As at June 30, 2022, with other variables unchanged, a 10% change in the value of the Canadian dollar against the Chilean peso would result in an approximate \$232 decrease or increase of 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.

8. Subsequent Events

In addition to other events noted herein, subsequent to June 30, 2022, 525,500 common share purchase warrants were exercised at \$0.30 per common share, 143,193 common share purchase warrants were exercised at \$0.22 per common share and 640,000 stock options at an average price of \$0.31 per common share.

On August 25, 2022, the Company issued 20,013,261 units at \$0.62 per unit for gross proceeds of \$12,408,222 pursuant to a brokered private placement. The agents for the offering were co-led by Desjardins Capital Markets and Paradigm Capital. Each unit consisted of one common share and one half of one common share purchase warrant. Each warrant is exercisable to acquire one common share at \$1.00 per common share until August 25, 2025. The agents received a cash fee equal of up to 6.0% of the gross proceeds from the offering. In addition, the Company granted the agents compensation options equal of up to 6.0% of the total number of units sold under the offering. Each compensation option entitled the agent to purchase one common share at an exercise price of \$1.00 until August 25, 2023.