Audited Annual Consolidated Financial Statements

For the Year Ended September 30, 2022

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of ATEX Resources Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of ATEX Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the financial position of the Company as at September 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 2(d) in the consolidated financial statements, which indicates that the Company incurred operating losses since inception, expects to incur further losses in the development of its business and is dependent on its ability to obtain additional debt or equity financing, under acceptable terms, sufficient to provide cash resources to meet its current financial obligations and plans. As stated in Note 2(d), these events or conditions, along with other matters as set forth in Note 2(d), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is James D. Gray.

CHARTERED PROFESSIONAL ACCOUNTANTS

De Visser Gray LLP

Vancouver, BC, Canada
January 25, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of ATEX Resources Inc. (the “**Company**”) were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company’s circumstances. The Company’s significant accounting policies are summarized in Note 3 to these consolidated financial statements.

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

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditor's report. The Audit Committee also reviews the Company’s Management’s Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to shareholders.

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

January 25, 2023

(Signed) "Raymond Jannas"	*(Signed) "Sheila Magallon"*
Raymond Jannas	Sheila Magallon
Chief Executive Officer	Chief Financial Officer

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

	September 30, 2022 $	September 30, 2021 $
Assets		
Current		
Cash	15,622,682	166,086
Tax recoverable and other receivables	66,036	11,314
Prepaid expenses	47,181	62,216
	15,735,899	239,616
Non-Current		
Restricted cash	20,000	20,000
Value-added tax (Note 11)	1,053,768	79,321
Exploration and evaluation assets (Note 5)	11,010,443	3,568,855
Total assets	**27,820,110**	**3,907,792**
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 7)	195,060	90,320
	195,060	90,320
Shareholders' Equity		
Share capital (Note 6)	110,905,684	86,244,896
Contributed surplus (Note 6)	9,445,826	8,004,920
Accumulated deficit	(92,726,460)	(90,432,344)
	27,625,050	3,817,472
Total liabilities and shareholders' equity	**27,820,110**	**3,907,792**

Nature of operations (Note 1)
Going concern (Note 2(d))
Subsequent events (Note 12)

Signed on behalf of the Board of Directors by:

(Signed) "Robert Suttie" Director — *(Signed) "Craig Nelsen"* Director
Robert Suttie — Craig Nelsen

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

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

	2022 $	2021 $
Expenses:		
Consulting	84,900	73,173
Salaries and management fees	534,368	260,593
General and administrative costs	158,195	88,256
Professional fees	70,024	76,241
Travel and shareholder relations	167,529	2,462
Stock-based compensation	1,603,656	379,177
Foreign exchange loss	(475,264)	64,206
Loss and comprehensive loss before other items	**(2,143,408)**	**(944,108)**
Other items:		
Write off of exploration and evaluation assets (Note 5)	(150,708)	-
Net loss and comprehensive loss for the year	**(2,294,116)**	**(944,108)**
Basic and diluted loss per share	($0.02)	($0.03)
Weighted average number of common shares outstanding	95,463,898	34,082,932

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

ATEX Resources Inc.
Annual Consolidated Statements of Changes in Shareholders' Equity
For the Year Ended September 30, 2022
(Expressed in Canadian Dollars)

	Share Capital		Contributed		
	Number of Common Shares	Amount $	Surplus $	Deficit $	Total $
Balance - September 30, 2020	19,575,261	83,243,974	7,497,245	(89,488,236)	1,252,983
Shares issued pursuant to private placement (Note 6(b))	16,500,000	3,300,000	-	-	3,300,000
Share issue costs (Note 6(b))	-	(455,078)	128,498	-	(326,580)
Shares issued for mineral property (Note 5)	600,000	156,000	-	-	156,000
Stock-based compensation (Note 6(d))	-	-	379,177	-	379,177
Net loss for the year	-	-	-	(944,108)	(944,108)
Balance - September 30, 2021	36,675,261	86,244,896	8,004,920	(90,432,344)	3,817,472
Shares issued pursuant to private placements (Note 6b)	79,813,261	20,929,722	-	-	20,929,722
Share issue costs (Note 6(b))	-	(1,493,535)	200,923	-	(1,292,612)
Shares issued for mineral property (Note (5))	400,000	160,000	-	-	160,000
Exercise of broker warrants (Note 6(b))	1,220,000	372,498	(128,498)	-	244,000
Exercise of warrants (Note 6(c))	15,189,623	4,196,178	-	-	4,196,178
Exercise of stock options (Note 6(d))	860,000	495,925	(235,175)	-	260,750
Stock-based compensation (Note 6(d))	-	-	1,603,656	-	1,603,656
Net loss for the year	-	-	-	(2,294,116)	(2,294,116)
Balance - September 30, 2022	**134,158,145**	**110,905,684**	**9,445,826**	**(92,726,460)**	**27,625,050**

ATEX Resources Inc.
Annual Consolidated Statements of Cash Flows
For the Year Ended September 30, 2022
(Expressed in Canadian Dollars)

	2022 $	2021 $
Operating Activities:		
Net loss for the year	(2,294,116)	(944,108)
Items not involving cash:		
Stock-based compensation	1,603,656	379,177
Write off of exploration and evaluation expenses	150,708	-
	(539,752)	(564,931)
Net change in non-cash working capital items:		
Tax recoverable and other receivables	(54,722)	20,755
Prepaid expenses	15,035	(49,468)
Accounts payable and accrued liabilities	122,645	25,939
Net cash used in operating activities	(456,794)	(567,705)
Investing Activities:		
Value-added-tax	(974,447)	(79,321)
Mineral property expenditures (Note 5)	(7,450,201)	(2,480,968)
Net cash used in investing activities	(8,424,648)	(2,560,289)
Financing Activities:		
Issuance of common shares	20,929,722	3,300,000
Share issue costs	(1,292,612)	(326,580)
Exercise of broker warrants	244,000	-
Exercise of warrants	4,196,178	-
Exercise of stock options	260,750	-
Net cash provided by investing activities	24,338,038	2,973,420
Net change in cash	15,456,596	(154,574)
Cash – beginning of year	166,086	320,660
Cash – end of year	**15,622,682**	**166,086**
Non-cash investing activity:		
Exploration expenditures included in accounts payable	29,136	11,231

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

1. Corporate Information

The business activity of ATEX Resources Inc. (the "**Company**") is the exploration and evaluation of mineral properties in South America.

The Company was incorporated under the laws of the Province of British Columbia on January 20, 1981 and its common shares are listed for trading on the TSX Venture Exchange ("TSXV") under the symbol "ATX".

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 Company's head office is located at 50 Richmond Street East, Lower Level, Toronto, Ontario, M5C 1N7 and its registered and records office is located at Suite 1700, 666 Burrard Street, Vancouver, British Columbia, V6C 2X8. The Company also has a local office in Santiago, Chile.

2. Basis of Preparation

a) Statement of compliance

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

b) Basis of Presentation

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.

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

The significant accounting policies applied in these annual consolidated financial statements are based on IFRS issued as of September 30, 2022.

These consolidated financial statements were authorized for issue by the Board of Directors on January 25, 2023.

c) Basis of Consolidation

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

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

d) Going Concern

These consolidated financial statements have been prepared assuming the Company will continue on a going concern basis, which generally envisions the realization of assets and meeting of liabilities for the foreseeable future. As at September 30, 2022, the Company had not yet achieved profitable operations, has an accumulated deficit of $92,726,460 and expects to incur further losses in the development of its business. 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. These conditions indicate the existence of material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis would be material to these consolidated financial statements.

3. Summary of Significant Accounting Policies

a) Financial Instruments

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

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

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

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

Account Classifications

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

Impairment

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

b) Mineral Exploration and Evaluation Expenditures

(i) Pre-Exploration Costs

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

(ii) Exploration and Evaluation Expenditures

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

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

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

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

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

c) Share Capital

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

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

d) Share-based Payments

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

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

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

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

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

e) Loss Per Share

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

f) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the yearend date.

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

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

g) Rehabilitation Provision

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

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

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur. As of September 30, 2022 the Company does not have any rehabilitation or restoration obligations.

h) Assets Held for Sale

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

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

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

Judgments:

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

Impairment of Exploration and Evaluation Assets: Management has made the determination that the carrying value of the Company's exploration and evaluation assets is not impaired as at September 30, 2022.

5. Exploration and Evaluation Assets

The Company's exploration properties are located in Chile in South America, and its interest in these resource properties are maintained pursuant to agreements with the titleholders or through direct ownership of mineral claims.

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 (paid); and
  - US$3.5 million by August 29, 2023 (50% of which may be paid via the issuance of common shares, at the Company's discretion).

- Complete the following work commitments:
  - Incur US$10.0 million in exploration expenditures on the property, including at least 8,000 metres of drilling by August 29, 2023.

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

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

- Paying US$8.0 million by August 29, 2025 (50% of which may be paid via the issuance of common shares, at the optionor's discretion); and

- Incurring a further US$5.0 million in exploration expenditures on the property by August 29, 2025.

Upon the Company earning a full 100% property interest, the optionor shall transfer its ownership interest in the incorporated joint stock company to the Company, resulting in the Company owning 100% of this company. ATEX Valeriano shall also grant a 2.25% net smelter return royalty to the optionor.

The option was originally granted by the optionor to SBX Asesorías e Inversiones Limitada ("**SBX**"). Under a transfer and assignment agreement with SBX, the Company paid US$150,000, shall issue 2 million units (subject to SBX not becoming an insider of the Company) and shall grant a 0.25% net smelter return royalty to SBX. Each unit is to consist of one common share and one common share purchase warrant exercisable at $0.40 per common share for four years. 600,000 units were issued on December 31, 2020 and a further 400,000 units were issued on December 10, 2022 (issued currently). A further 1 million units vest and are issuable upon the Company making the US$3.5 million option payment due by August 29, 2023 under the Valeriano Project option agreement. Refer to Note 6(b).

See Note 12.

(Expressed in Canadian Dollars)

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 dropped during the year ended September 30, 2022 and the related capitalized expenditures were written off.

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

		Valeriano Project		Generative Projects		Total
Year ended September 30, 2022						
Balance – beginning of year	$	3,405,806	$	163,049	$	3,568,855
Acquisition		486,525		-		486,525
Exploration		6,932,929		172,841		7,105,770
Write-off		-		(150,707)		(150,707)
Balance – September 30, 2022	**$**	**10,825,260**	**$**	**185,183**	**$**	**11,010,443**
Year ended September 30, 2021						
Balance – beginning of year	$	1,031,115	$	-	$	1,031,115
Acquisition		535,980		-		535,980
Exploration		1,838,711		163,049		2,001,760
Balance – September 30, 2021	**$**	**3,405,806**	**$**	**163,049**	**$**	**3,568,855**

6. Share Capital

a) Authorized

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

b) Issued

On September 30, 2022, there were 134,158,145 common shares outstanding.

On November 23, 2020, the Company completed a private placement, issuing 16,500,000 units at $0.20 per unit for gross proceeds of $3,300,000. 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 was exercisable to acquire one common share at $0.30 per common share until November 23, 2022. The Company paid the Agents a cash commission of $183,000 in respect of the private placement and paid $146,580 in other cash share issue costs. In addition, the Company granted the Agents 1,220,000 warrants ("**Broker Warrants**"). Each Broker Warrant entitled the Agents to purchase one unit at $0.20 until November 23, 2021. These Broker Warrants were valued at $128,498 using the Black Scholes option pricing model.

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 (the "**Agent**"). Each unit consisted of one common share and one common share purchase warrant, with each warrant exercisable to acquire one common share for $0.22 until December 2, 2024. The Company paid the agent a cash commission of $296,075 in respect of the private placement and paid $217,484 in other cash share issue costs.

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 (the "**Agents**"). Each unit consisted of one common share and one half of one common share purchase warrant, where a full warrant is exercisable to acquire one common share at $1.00 per common share until August 25, 2025. The Company paid the Agents cash commission totaling $607,574 in respect of the private placement and paid $171,479 in other cash share issue costs. In addition, the Company issued the agents 979,958 warrants ("**Broker Warrants**"). Each Broker Warrant entitles the Agents to purchase one common share at an exercise price of $1.00 until August 25, 2023. These Broker Warrants were valued at $200,923 using the Black Scholes option pricing model.

(Expressed in Canadian Dollars)

During the year ended September 30, 2022, the Company received $4,196,178 from the exercise of 15,189,623 common share purchase warrants with exercise prices ranging from $0.20 to $0.40 per common share.

During the year ended September 30, 2022, the Company received $260,750 from the exercise of 860,000 stock options with exercise prices ranging from $0.25 to $0.36 per common share. These options were originally valued at $235,175 using the Black Scholes option pricing model and the value of these options was reclassified from contributed surplus to share capital upon exercise.

During the year ended September 30, 2022, the Company received $244,000 from the exercise of 1,220,000 Broker Warrants exercisable at $0.20 per common share. These Broker Warrants were originally valued at $128,498 using the Black Scholes option pricing model and the value of these Broker Warrants was reclassified from contributed surplus to share capital upon exercise.

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

c) Common Share Purchase Warrants

(i) The continuity of common share purchase warrants is as follows:

	Outstanding number of warrants	Weighted average exercise price per common share
Balance, September 30, 2020	**13,186,333**	**$ 0.25**
Issued pursuant to private placement – November 23, 2020	16,500,000	0.30
Issued pursuant to property agreement – December 31, 2020 (Note 5)	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 pursuant to property agreement – December 31, 2021 (Note 5)	400,000	0.40
Issued pursuant to private placement – August 25, 2022	10,006,630	1.00
Issued pursuant to exercise of Broker Warrants	1,220,000	0.30
Exercised	(15,189,623)	0.28
Balance, September 30, 2022	**86,523,340**	**$ 0.32**

(Expressed in Canadian Dollars)

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

Expiry date	Outstanding warrants	Remaining contractual life in years	Exercise price ($/share)
November 23, 2022	7,148,860	0.2	$ 0.30
January 31, 2023	1,725,167	0.3	0.40
February 20, 2023	1,195,166	0.4	0.40
April 29, 2024	8,044,444	1.6	0.20
December 2, 2024	57,403,073	2.2	0.22
December 31, 2024	1,000,000	2.3	0.40
August 25, 2025	10,006,630	2.9	1.00
	86,523,340		**$ 0.32**

(ii) The continuity of Broker Warrants is as follows:

	Outstanding number of Broker Warrants	Weighted average exercise price per common share
Balance, September 30, 2020	**281,587**	**$ 0.35**
Issued pursuant to private placement – November 23, 2020	1,220,000	0.20
Expired	(281,587)	0.30
Balance, September 30, 2021	**1,220,000**	**$ 0.20**
Issued pursuant to private placement – August 25, 2022	979,958	1.00
Exercised	(1,220,000)	0.20
Balance, September 31, 2022	**979,958**	**$ 1.00**

Details of Broker Warrants outstanding at September 30, 2022 are:

Expiry date	Outstanding warrants	Remaining contractual life in years	Exercise price ($/share)
August 25, 2023	979,958	0.9	$ 1.00
	979,958		**$ 1.00**

The fair values of Broker Warrants issued on August 25, 2022 were estimated using the Black-Scholes option pricing model with the following pricing parameters with no dividend yield expected: risk-free interest rate; 3.52%, expected life: 1 year; volatility: 129.8%.

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.

(Expressed in Canadian Dollars)

The continuity of stock options outstanding is as follows:

	Outstanding number of stock options	Weighted average exercise price per common share
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	0.72
Exercised	(860,000)	0.30
Cancelled	(20,000)	0.25
Balance, September 30, 2022	**5,660,000**	**$ 0.39**

During the years ended September 30, 2022 and 2021, the Company granted stock options to directors, executive officers, management and consultants. The grants and the inputs used in the determination of the fair values of the stock options using the Black-Scholes option pricing model are as follows:

Grant date	**June 16, 2022**	**December 16, 2021**	**January 28, 2021**	**January 4, 2021**
Number of stock options granted	1,035,000	2,520,000	100,000	1,400,000
Term	5 years	5 years	5 years	5 years
Vesting	Immediate	Immediate	Immediate	Immediate
Share-based compensation expense	$ 700,614	$ 903,042	$ 31,189	$ 347,988
Grant date fair value per option	$ 0.68	$ 0.36	$ 0.31	$ 0.25
Weighted average Black-Scholes option pricing model inputs:				
Exercise price per common share	$ 0.72	$ 0.36	$ 0.35	$ 0.30
Dividends expected	Nil	Nil	Nil	Nil
Expected volatility	144.0%	153.0%	172.4%	182.4%
Risk-free interest rate	3.31%	1.19%	0.41%	0.39%
Expected life of options	5 years	5 years	5 years	5 years

Details of stock options outstanding at September 30, 2022:

Expiry date	**Outstanding and exercisable stock options**	**Vested stock Options**	**Remaining contractual life in years**	**Exercise price**	**Fair value**
May 8, 2024	865,000	865,000	1.6	$ 0.25	$ 0.22
June 1, 2025	40,000	40,000	2.7	0.15	0.12
June 10, 2025	250,000	250,000	2.7	0.15	0.11
January 4, 2026	1,125,000	1,125,000	3.3	0.30	0.25
January 28, 2026	100,000	100,000	3.3	0.35	0.31
December 16, 2026	2,245,000	2,245,000	4.2	0.35	0.36
June 16, 2027	1,035,000	1,035,000	4.7	0.36	0.68
	5,660,000	**5,660,000**	**3.6**	**$ 0.39**	**$ 0.36**

(Expressed in Canadian Dollars)

7. Related Party Transactions

Key management personnel are persons responsible for the planning, directing and controlling activities of the entity. The Company's key management personnel are the Chief Executive Officer, Chief Financial Officer, Senior Vice President of Exploration & Business Development and its directors and their compensation is included in the following:

	Years ended September 30, 2022	2021
Salaries and management fees	$ 444,302	$ 260,593
Directors' fees	45,000	-
Stock-based compensation (Note 6d)	1,051,183	262,350
	$ 1,540,485	**$ 522,943**

Related party liabilities are included in account payable and accrued liabilities. As at September 30, 2022, $80,467 (September 30, 2021 - $42,026) was owed to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

8. Income Taxes

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

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

	Years ended September 30, 2022 $	2021 $
Loss before income taxes	$ (2,294,116)	$ (944,108)
Expected income tax recovery	(608,000)	(255,000)
Deductible and non-deductible expenses	115,000	18,000
Use of deferred tax assets	493,000	237,000
Income tax expense (recovery)	$ -	$ -

(Expressed in Canadian Dollars)

Deferred Tax Assets and Liabilities

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

	As at September 30, 2022	2021
Non-capital losses	$ 4,074,000	$ 3,811,000
Share issuance costs	341,000	84,000
Capital losses	6,734,000	6,734,000
Exploration and evaluation assets	1,331,000	1,290,000
Unrecognized deferred tax assets	(12,480,000)	(11,919,000)
	$ -	$ -

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

	As at September 30, 2022	2021
Unrecognized deductible temporary differences:		
Non-capital loss carryforwards	$ 15,085,872	$ 14,109,494
Share issuance costs	1,263,867	312,009
Capital losses	24,942,366	24,942,366
Exploration and evaluation assets	4,929,238	4,778,531
	$ 46,221,343	$ 44,142,400

As at September 30, 2022, the Company has estimated non-capital losses for Canadian tax purposes of $15,086,000 that may be carried forward to reduce taxable income derived in future years. These losses expire from 2026 to 2042.

9. Capital Management

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

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

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

There has been no change in the Company's approach to capital management during the year ended September 30, 2022.

(Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management

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

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

a) Credit Risk

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

b) Liquidity Risk

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

As at September 30, 2022, 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 and Chilean Pesos as of September 30, 2022:

	US Dollar	Chilean Peso
Financial assets:		
Cash	$ 7,181,926	$ 286,073,124
Financial liabilities:		
Accounts payable and accrued liabilities	-	(20,533,360)
Net financial assets	$ 7,181,926	$ 265,539,764

As at September 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 $984,427 decrease or $894,933 increase in loss and comprehensive loss, and 10% change in the value of the Canadian dollar against the Chilean peso would result in an approximate $37,678 decrease or increase of loss and comprehensive loss.

d) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

11. Value-added Tax

The recovery of the September 30, 2022 balance of value-added tax ("VAT") incurred in Chile is subject to the Company qualifying to offset these VAT credits against VAT charged and collected when the Valeriano Project commences production. Any future impairment charges in respect to the related exploration and evaluation costs would trigger an impairment assessment of the recoverable amount of these VAT credit amounts.

12. Subsequent Events

In addition to other events noted herein, the following has occurred during the period subsequent to September 30, 2022:

- On November 2, 2022, the Company granted 2,255,000 options to Company officers, directors and consultants. Each option entitles the holder to acquire one common share at an exercise price of $0.62 until November 2, 2027.

- On January 3, 2023, the Company granted 250,000 options to a Company officer. Each option entitles the holder to acquire one common share at an exercise price of $0.77 until January 3, 2028.

- On January 23, 2023, the Company, through ATEX Valeriano, acquired a 10% interest in Sociedad Contractual Minera Valleno ("Valleno"), the optionor of the Valeriano Project, for a purchase price of US$1,150,000. As a result of this acquisition, the Company became an indirect owner of 10% of the outstanding shares of Valleno.

- Subsequent to September 30, 2022, 10,576,619 common share purchase warrants were exercised for proceeds of $3,242,747 and 95,000 stock options were exercised for proceeds of $25,400.