ATEX Resources

Condensed Interim Consolidated Financial Statements

For the Three Months Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)
(unaudited)

NOTICE OF NO AUDITOR REVIEW OF UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsubsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying condensed interim consolidated financial statements of the company have been prepared by and are the responsibility of the company's management. The company's independent auditor has not performed an audit or review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants.

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

	Notes	December 31, 2023	September 30, 2023
Assets			
Current			
Cash		7,813,646	13,168,474
Tax recoverable and other receivables		298,858	275,237
Prepaid expenses	10	351,248	757,160
Total current assets		8,463,752	14,200,871
Non-Current			
Restricted cash		33,226	33,520
Other investments	6	1,538,868	1,538,868
Property and equipment	5	1,763,239	1,594,132
Total assets		**11,799,085**	**17,367,391**
Liabilities			
Current			
Accounts payable and accrued liabilities	10	2,867,253	1,354,983
Current portion of lease obligation	7	47,371	46,499
Total current liabilities		2,914,624	1,401,482
Non-Current			
Long-term lease obligation	7	-	12,175
Credit facility	8	10,021,935	9,599,411
Total Liabilities		12,936,559	11,013,068
Shareholders' Equity (Deficiency)			
Share capital	9	119,139,387	119,038,245
Share purchase warrants	9	9,068,347	9,072,501
Contributed surplus	9	3,850,287	3,887,537
Accumulated deficit		(133,195,495)	(125,643,960)
Total shareholders’ equity (deficiency)		(1,137,474)	6,354,323
Total liabilities and shareholders' equity (deficiency)		**11,799,085**	**17,367,391**

Nature of operations (Note 1)
Going concern (Note 2d)
Commitments and contingencies (Note 12)
Subsequent events (Note 15)

Signed on behalf of the Board of Directors by:

(Signed) “Robert Suttie” Director — Robert Suttie

(Signed) “Craig Nelsen” Director — Craig Nelsen

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

ATEX Resources Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three months ended December 31,
(Unaudited - Expressed in Canadian Dollars)

	Notes	2023 $	2022 $ (Restated – Note 3)
Expenses:			
Exploration and evaluation expenses	6	6,640,800	4,174,377
Consulting		20,336	70,031
Salaries and management fees	10	270,001	222,500
General and administrative costs		72,159	65,955
Professional fees		21,275	14,383
Travel and shareholder relations		148,021	98,058
Stock-based compensation	9	121,248	732,541
Depreciation and amortization	5	13,757	-
Foreign exchange (gain) loss		(447,640)	118,261
Interest income	8	(171,753)	(46,721)
Interest on lease liability	7	947	-
Accretion	8	862,384	-
Net loss and comprehensive loss for the period		**(7,551,535)**	**(5,449,385)**
Basic and diluted loss per share		($0.04)	($0.04)
Weighted average number of common shares outstanding		175,451,086	138,301,302

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

ATEX Resources Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)
For the Three months ended December 31, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

	Notes	Share Capital Number of Common Shares	Share Capital Amount $	Share purchase warrants $	Contributed surplus $	Deficit $	Total $
Balance – September 30, 2022		134,158,145	110,905,684	-	9,445,826	(92,726,460)	27,625,050
Restatement	3a	-	(7,906,605)	8,107,529	(7,414,803)	(4,197,251)	(11,411,130)
Balance – September 30, 2022 (Restated – Note 3)		**134,158,145**	**102,999,079**	**8,107,529**	**2,031,023**	**(96,923,711)**	**16,213,920**
Exercise of warrants	9c	8,384,181	2,924,253	(523,393)	-	-	2,400,860
Exercise of stock options	9d	15,000	10,776	-	(5,376)	-	5,400
Stock-based compensation	9d	-	-	-	917,711	-	917,711
Net loss for the period		-	-	-	-	(5,449,385)	(5,449,385)
Balance – December 31, 2022 (Restated – Note 3)		**142,557,326**	**105,934,108**	**7,584,136**	**2,943,358**	**(102,373,096)**	**14,088,506**
Warrants issued pursuant to credit facility, net of deferred tax of $1,091,000	8	-	-	3,085,668	-	-	3,085,668
Debt financing costs	8	-	-	(60,520)	-	-	(60,520)
Shares and warrants issued for mineral property	9b	3,935,749	3,240,875	709,022	-	-	3,949,897
Exercise of warrants	9c	27,408,220	8,880,108	(2,044,882)	-	-	6,835,226
Exercise of stock options	9d	1,485,000	983,154	-	(442,854)	-	540,300
Cancelled options		-	-	(200,923)	(20,349)	221,272	-
Stock-based compensation	9d	-	-	-	1,407,382	-	1,407,382
Net loss for the period		-	-	-	-	(23,492,136)	(23,492,136)
Balance – September 30, 2023		**175,386,295**	**119,038,245**	**9,072,501**	**3,887,537**	**(125,643,960)**	**6,354,323**
Exercise of warrants	9c	70,175	19,592	(4,154)	-	-	15,438
Exercise of stock options	9d	65,000	81,550	-	(37,250)	-	44,300
Net loss for the period		-	-	-	-	(7,551,535)	(7,551,535)
Balance – December 31, 2023		**175,521,470**	**119,139,387**	**9,068,347**	**3,850,287**	**(133,195,495)**	**(1,137,474)**

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

ATEX Resources Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the Three months ended December 31,
(Unaudited - Expressed in Canadian Dollars)

	Notes	2023 $	2022 $ (Restated – Note 3)
Operating Activities:			
Net loss for the period		(7,551,535)	(5,449,385)
Items not involving cash:			
Depreciation and amortization	5	47,006	-
Stock-based compensation	9	121,248	917,711
Accretion		650,827	-
Accrued interest		212,504	-
Foreign exchange		(439,567)	-
		(6,959,517)	(4,370,597)
Net change in non-cash working capital items:			
Tax recoverable and other receivables		(23,620)	25,748
Prepaid expenses		405,913	(10,811)
Accounts payable and accrued liabilities		1,391,022	1,106,714
Net cash used in operating activities		(5,186,202)	(3,410,023)
Investing Activities:			
Additions to property and equipment, net	5	(216,114)	-
Net cash used in investing activities		(216,114)	-
Financing Activities:			
Payment of lease financing		(12,250)	-
Exercise of stock options		44,300	5,400
Exercise of warrants		15,438	2,400,860
Net cash provided by financing activities		47,488	2,406,260
Net change in cash		(5,354,828)	(1,003,763)
Cash – beginning of period		13,168,474	15,622,682
Cash – end of period		7,813,646	14,618,919

The accompanying notes are an integral part of these condensed interim 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 condensed interim 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

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, and do not include all of the information required for annual consolidated financial statements. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended September 30, 2023, which have been prepared in accordance with IFRS.

b) Basis of Presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss, 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 condensed interim consolidated financial statements are presented in Canadian Dollars, which is the Company's functional currency and the functional currency of the Company's subsidiaries.

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.

The significant accounting policies applied in these annual condensed interim consolidated financial statements are based on IFRS issued and effective as of December 31, 2023.

These condensed interim financial statements were authorized for issue by the Board of Directors on February 29, 2024.

c) Basis of Consolidation

These condensed interim 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 condensed interim 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 condensed interim consolidated financial statements have been prepared assuming the Company will continue on a going concern basis, which assumes that it will be able to meet its existing obligations and commitments and fund ongoing operations in the normal course of business for at least twelve months from December 31, 2023. The Company had not yet achieved profitable operations, has an accumulated deficit of $133,195,495 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 or debt financing for continuing operations. Historically, capital requirements have been primarily funded through equity financing, and the use of credit facilities extended by its major shareholders.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts expended on exploration properties is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing necessary to complete development of the properties, and the future profitable production therefrom or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken customary steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

As a result, the Company is confident that additional funding will be secured to fund planned expenditures for at least twelve months from December 31, 2023. Factors that could affect the availability of financing include the progress and results of ongoing exploration at the Valeriano Project, the state of international debt and equity markets, as may be impacted by inflation and investor perceptions and expectations with respect to the global copper, gold, and/or silver markets. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. If necessary, depending on the amount of funding raised, the Company may explore opportunities to defer the timing of certain discretionary expenditures and the Company's planned initiatives and other work programs may be postponed, or otherwise revised.

Realization values may be substantially different from carrying values as shown and accordingly these condensed interim 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 adjustments may be material.

3. Summary of Significant Accounting Policies

The financial framework and accounting policies applied in the preparation of the condensed interim financial statements are consistent with the policies disclosed in Notes 2 and 3 of the annual consolidated financial statements for the year ended September 30, 2023.

(Unaudited - Expressed in Canadian Dollars)

a) Changes in accounting policies

Exploration and evaluation expenditures

During the year ended September 30, 2023, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes expensing such costs as incurred provides more reliable and relevant financial information. The cost of exploration properties, including the cost of acquiring prospective properties and exploration rights, and exploration and evaluation costs are expensed until it has been established that a mineral property is commercially viable and technically feasible. Previously, the Company capitalized these amounts. In effecting the change in policy, the Company determined certain amounts previously included in exploration and evaluation expenses related to property and equipment.

The consolidated financial statements for the year ended September 30, 2022 and the three months ended December 31, 2022 have been restated to reflect adjustments made as a result of these changes in accounting policy. The accumulated effect of the change of $11,411,130 has been reflected in the ending deficit of the consolidated financial statements as at September 30, 2022.

Private placement financing

The Company has voluntarily changed its accounting policy with respect to the allocation of warrants on private placement financing of units from the residual approach to the relative value method, as estimated using the Black-Scholes Pricing model. The Company also redefined its equity reserves such that the share purchase warrant reserve is to reflect the value of outstanding warrants, and contributed surplus is to reflect the value of outstanding options. The value of exercised options and warrants is transferred to share capital on exercise. The value of expired options and warrants is transferred to deficit on expiry. As a result, as at September 30, 2022 and October 1, 2021, $5,616,576 and $2,290,029 was reclassified from share capital to share purchase warrants. Additionally, the value of expired options and warrants was reclassified to deficit, as at September 30, 2022 and October 1, 2021. A total of $4,234 and $7,209,555 was reclassified from contributed surplus to deficit.

The following is a reconciliation of the Company's consolidated financial statements as at September 30, 2022 and for the three months ended December 31, 2022.

Consolidated Statements of Financial Position
As at September 30, 2022

	As previously reported	Adjustment	Restated
	$	$	$
ASSETS			
Current			
Cash	15,622,682	-	15,622,682
Tax recoverable and other receivables	66,036	68,936	134,972
Prepaid expenses	47,181	-	47,181
Total current assets	15,735,899	68,936	15,804,835
Non-Current			
Restricted cash	20,000	-	20,000
Value-added tax	1,053,768	(1,053,768)	-
Property and equipment	-	584,145	584,145
Exploration and evaluation assets	11,010,443	(11,010,443)	-
Total assets	27,820,110	(11,411,130)	16,408,980

(Unaudited - Expressed in Canadian Dollars)

Consolidated Statements of Financial Position
As at September 30, 2022

	As previously reported	Adjustment	Restated
	$	$	$
LIABILITIES			
Current			
Accounts payable and accrued liabilities	195,060	-	195,060
Total current liabilities	195,060	-	195,060
Total Liabilities	195,060	-	195,060
SHAREHOLDERS' EQUITY			
Share capital	110,905,684	(7,906,605)	102,999,079
Share purchase warrants	-	8,107,529	8,107,529
Contributed surplus	9,445,826	(7,414,803)	2,031,023
Accumulated deficit	(92,726,460)	(4,197,251)	(96,923,711)
Total shareholders' equity	27,625,050	(11,411,130)	16,213,920
Total liabilities and shareholders' equity	27,820,110	(11,411,130)	16,408,980

Condensed Interim Consolidated Statement of Loss and Comprehensive Loss
For the three months ended December 31, 2022

	As previously reported	Adjustment	Restated
	$	$	$
Expenses:			
Exploration and evaluation expenses	-	4,174,377	4,174,377
Consulting	70,031	-	70,031
Salaries and management fees	222,500	-	222,500
General and administrative costs	65,955	-	65,955
Professional fees	14,383	-	14,383
Travel and shareholder relations	98,058	-	98,058
Stock-based compensation	732,541	-	732,541
Interest expense	(46,721)	-	(46,721)
Foreign exchange gain	118,261	-	118,261
Net loss and comprehensive loss for the period	**(1,275,008)**	**(4,174,377)**	**(5,449,385)**
Basic and diluted loss per share	($0.01)	($0.03)	($0.04)
Weighted average number of common shares outstanding	138,301,302		138,301,302

(Unaudited - Expressed in Canadian Dollars)

Condensed Interim Consolidated Statement of Cash Flows
For the three months ended December 31, 2022

	As previously reported $	Adjustment $	Restated $
Operating Activities:			
Net loss for the period	(1,275,008)	(4,174,377)	(5,449,385)
Items not involving cash:			
Stock-based compensation	917,711	-	917,711
	(357,297)	(4,174,377)	(4,370,597)
Net change in non-cash working capital items:			
Tax recoverable and other receivables	24,848	900	25,748
Prepaid expenses	(10,811)	-	(10,811)
Accounts payable and accrued liabilities	235,482	871,232	1,106,714
Net cash used in operating activities	(107,778)	(3,302,245)	(3,410,023)
Investing Activities:			
Value-added tax	(239,292)	239,292	-
Mineral property expenditures	(3,062,953)	3,062,953	-
Net cash used in investing activities	(3,302,245)	3,202,245	-
Financing Activities:			
Exercise of stock options	5,400	-	5,400
Exercise of warrants	2,400,860	-	2,400,860
Net cash provided by financing activities	2,406,260	-	2,406,260
Net change in cash	(1,003,763)	-	(1,003,763)
Cash – beginning of period	15,622,682	-	15,622,682
Cash – end of period	14,618,919	-	14,618,919

b) Recently adopted accounting pronouncements

The Company adopted the following amendments. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.
IAS 8 – In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates.

c) New and future accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after October 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024.

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 property and equipment: Management has made the determination that the carrying value of the Company's property and equipment is not impaired as at December 31, 2023.

Income, value added, withholding and other taxes: The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payments: Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Leases: Critical judgements are required in the application of IFRS 16, including identifying whether a contract (or part of a contract) includes a lease and determining whether it is reasonably certain that an extension or termination option will be exercised. Sources of estimation uncertainty include estimation of the lease term, determination of an appropriate discount rate and assessment of whether a ROU asset is impaired. Such judgments, estimates and assumptions are inherently uncertain, and changes in these assumptions affect the fair value estimates.

(Unaudited - Expressed in Canadian Dollars)

Estimation of decommissioning and reclamation costs and the timing of expenditure: Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. Cost estimates are updated annually to reflect known developments and are subject to review at regular intervals.

Fair value of investment in securities not quoted in an active market or private company investments: Where the fair values of financial assets recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values.

Valuation of long-term debt: Significant judgment and estimates are required in the valuation of the long-term debt components. Management determines the discount rate used in the fair value taking into account the features of the instrument and market data on the basis of the Company's management assumptions.

5. Plant and Equipment

	Canada		Chile				
	Leasehold Improvements	**ROU assets**	**Exploration Camp**	**Construction in Progress**	**Equipment**	**Vehicles**	**Total**
Cost							
At September 30, 2022	**-**	**-**	**-**	**545,681**	**-**	**42,598**	**588,279**
Additions	37,654	98,954	644,946	346,767	22,336	-	1,150,657
Transfers	-	-	545,681	(545,681)	-	-	-
At September 30, 2023	**37,654**	**98,954**	**1,190,627**	**346,767**	**22,336**	**42,598**	**1,738,936**
Additions	-	-	-	176,814	19,518	51,804	248,136
Disposals	-	-	-	-	-	(32,023)	(32,023)
At December 31, 2023	**37,654**	**98,954**	**1,190,627**	**523,581**	**41,854**	**62,379**	**1,955,049**
Accumulated depreciation and amortization							
At September 30, 2022	**-**	**-**	**-**	**-**	**-**	**4,134**	**4,134**
Depreciation and amortization	5,020	39,582	91,250	-	-	4,818	140,670
At September 30, 2023	**5,020**	**39,582**	**91,250**	**-**	**-**	**8,952**	**144,804**
Depreciation and amortization	1,883	11,875	30,722	-	903	1,623	47,006
At December 31, 2023	**6,903**	**51,457**	**121,972**	**-**	**903**	**10,575**	**191,810**
Net book value							
At September 30, 2023	**32,634**	**59,372**	**1,099,377**	**346,767**	**22,336**	**33,646**	**1,594,132**
At December 31, 2023	**30,751**	**47,497**	**1,068,655**	**523,581**	**40,951**	**51,804**	**1,763,239**

(Unaudited - Expressed in Canadian Dollars)

6. Exploration and Evaluation Expenditures

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.

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

	Three months ended December 31, 2023	Three months ended December 31, 2022
Drilling	$ 3,723,929	$ 2,329,981
Value-added tax	759,221	241,901
Camp costs	750,362	294,144
Salaries, geological consultants, travel	574,798	410,102
Land holding and access costs	245,654	-
Community relations, environmental and permitting	199,163	49,397
Consultants and administrative	135,663	165,914
Assay and analysis	112,132	47,876
Core handling and storage	106,630	277,707
Depreciation and amortization	33,248	-
Share-based compensation	-	185,170
Total Valeriano Project	**6,640,800**	**4,002,192**
Other exploration projects	**-**	**172,185**
Total exploration and evaluation expenditures in Valeriano Project	**$ 6,640,800**	**$ 4,174,377**

Valeriano Project

In August 2019, the Company, through its wholly-owned Chilean subsidiary, ATEX Valeriano, entered into an option agreement with Sociedad Contractual Minera Valleno ("Valleno") to acquire up to a 100% interest in the 3,705-hectare Valeriano Project located in Region III, Chile.

During the year ended September 30, 2023, the Company acquired 49% interest in Valeriano Project, for a total consideration of US$4.25 million, with a final payment made of US$3.5 million on August 28, 2023 (50% via the issuance of common shares and 50% in cash approximately $2,380,875) (Note 8).

In connection with earning its 49% interest in Valeriano Project, ATEX Valeriano and Valleno agreed to amend certain administrative and structural terms of the option agreement. Pursuant to the 2023 amendment, ATEX Valeriano is able to acquire a 100% interest in the Valeriano Project, subject to a 2.5% royalty, by:

- 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.

If ATEX Valeriano does not exercise the option to acquire the 100% interest in the Valeriano Project, ATEX Valeriano and Valleno will incorporate a new Chilean joint stock company owned by both parties proportionate to each party's respective property ownership interest.

The option was originally granted by the optionor to SBX Asesorías e Inversiones Limitada ("SBX"). Under a transfer and assignment agreement with SBX (the "SBX Agreement"), the Company paid US$150,000 and granted 0.25% net smelter return royalty and agreed to issue 2 million unit. As at December 31, 2022, 1 million units have been issued and the remaining 1 million units were issued on August 28, 2023 (Note 8).

(Unaudited - Expressed in Canadian Dollars)

Upon the Company earning a full 100% property interest in the Valeriano Project, ATEX Valeriano shall also grant a 2.0% and 0.25% net smelter return royalty to the optionor and SAFAX Investments Limited Partnership, an associate of SBX, respectively.

On January 23, 2023, the Company, through ATEX Valeriano, acquired a 10% interest in Valleno, the optionor of the Valeriano Project, for a purchase price of $1,538,868 (US$1,150,000). As a result of this acquisition, the Company became an owner of 10% of the outstanding shares of Valleno. The Company recognized the cost as being the fair value at the time of acquisition and it is recognized as other investments in the statement of financial position. At the end of each financial reporting period, the Company's estimates the fair value of its investment. As at December 31, 2023, there was no change in the estimated fair value based on company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies.

7. Leases

The Company recorded ROU asset in plant and equipment (Note 5) and corresponding lease liability of $98,954. The ROU asset is being amortized over the term of the lease, including the estimated extension of the lease terms. During the three months ended December 31, 2023, the Company recognized amortization in the amount of $11,875 (2022 - $Nil).

The lease obligation associated with the ROU asset is summarized as follows:

	Maturity	Currency	Interest rate	December 31, 2023	September 30, 2023
Total lease obligations	2025	CAD	7.45%	$ 47,371	$ 58,674
Less: current portion				47,371	46,499
Non-current portion				**$ -**	**$ 12,175**

The table below summarizes the changes in lease obligations during the three months ended December 31, 2023:

	Amount
As at September 30, 2022	**$ -**
Additions	94,870
Accretion	4,637
Lease payments	(40,833)
As at September 30, 2023	**$ 58,674**
Additions	-
Accretion	947
Lease payments	(12,250)
As at December 31, 2023	**$ 47,371**

(Unaudited - Expressed in Canadian Dollars)

The undiscounted and discounted future lease payments are as follows:

	As at December 31, 2023	As at September 30, 2023
Within one year	$ 49,000	$ 49,000
More than one year	-	12,250
Total undiscounted lease obligations	49,000	61,250
Amount representing interest	(1,629)	(2,576)
Lease obligations - discounted	$ 47,371	$ 58,674

During the three months ended December 31, 2023, the Company recognized total payments in the consolidated statement of cash flows in the amount of $12,250 (2022 - $Nil).

Scheduled future undiscounted lease payments, comprising principal and interest, are as follows:

	2024	2025	Total
Total payments	$ 36,750	$ 12,250	$ 49,000

8. Credit Facility

The Company entered into a credit agreement of a US$15 million unsecured credit facility (the “Credit Facility”) from a group led by existing strategic shareholders Firelight Investments LLC (“Firelight”) a company controlled by a shareholder of the Company, Beedie Investments Ltd. (“Beedie”) and Trinity Capital Partners Corporation (collectively the “Lenders”).

The Company will have access to up to US$15 million in two tranches, US$10 million on closing (“Frist Tranche”) and following the advancement of the First Tranche, the Company may then draw an additional US$5 million in a second tranche, provided such funds are drawn at least three months prior to the maturity date. All amounts outstanding under the Facility bear interest at a rate of 6.0% per annum and all outstanding principal and accrued interest are due and payable to the Lenders on July 17, 2025. In addition, the Company may repay any principal and interest outstanding under the Credit Facility in advance without penalty. On February 21, 2024 the Company announced that it has drawn down and received the second and final installment of US$5 million in funding under the Credit Facility.

In connection with funding of the First Tranche, the Company issued 15,000,000 non-transferable warrants to purchase an aggregate of 15,000,000 common shares of the Company to the Lenders (“Facility Warrants”), with each Facility Warrant entitling the holder to acquire one common share of the Company at an exercise price of $1.30 per Facility Warrant Share until the July 11, 2025.

Included in this arrangement is an amount of US$3,750,000 ($5,070,000) which was advanced from Firelight, and $143,333 of interest is payable to Firelight at December 31, 2023 under the terms of the credit agreement. In connection with this funding from Firelight, 5,625,000 warrants were issued.

As of December 31, 2023 the Company has drawn US$10 million under the Facility.

(Unaudited - Expressed in Canadian Dollars)

	Amount
Principal amount of the Credit Facility	**$ 13,188,797**
Transaction costs	(192,611)
Value allocated to the Facility Warrants	(4,116,148)
Value allocated to the Facility	8,880,038
Interest expense accrued	169,716
Accretion	496,496
Foreign exchange	53,161
As at September 30, 2023	**$ 9,599,411**
Interest expense accrued	212,504
Accretion	649,880
Foreign exchange	(439,860)
As at December 31, 2023	**$ 10,021,935**

The Facility was initially recognized at $8,880,038, which represents the difference between the fair value of the financial instrument as a whole and the fair value of Facility Warrants and transaction costs. Subsequently, the debt component is recognized at amortized cost using the effective interest rate method.

Transaction costs incurred on issuance of the Credit Facility totaling $132,091 have been offset against the carrying amount of the Credit Facility and are being amortized to net income using the effective interest method, resulting in an effective interest rate of 25%, including the 6% coupon.

Proceeds from the Facility will be used to fund the exploration and development of the Company's Valeriano Copper Gold Project (including drilling, assays and working capital needs related thereto), completion of an updated resource study, and for general working capital and administrative purposes consistent with the Company's current practices.

9. 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 and fully paid

On December 31, 2023, there were 175,521,470 common shares issued and outstanding (September 30, 2023 – 175,386,295).

On August 28, 2023, the Company secured a 49% interest in the Valeriano Project by issuing 2,935,749 common shares having a deemed aggregate value of $2,380,875 (US$ 1.75 million) determined based on an $0.81 market price representing the volume-weighted average market price of the Company’s common shares for the five business days preceding payment date. Common shares issued in conjunction with the Valeriano Project are subject to a four-month hold period under applicable securities laws (Note 6).

Additionally, on August 28, 2023, pursuant to the SBX Agreement (Note 6), the Company issued 1,000,000 units. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.86 per common share until August 27, 2027. The fair value of the warrants was estimated at $709,022 using the Black-Scholes option pricing method.

(Unaudited - Expressed in Canadian Dollars)

c) Share Purchase Warrants

The following table summarizes the change in the number of issued and outstanding share purchase warrants and the associated equity classified warrants during the three months ended December 31, 2023:

	Warrants	Amount $	Weighted average exercise price per common share
Balance, September 30, 2022	**87,503,298**	**8,107,529**	**$ 0.32**
Facility Warrants (Note 8)	15,000,000	3,025,148	1.30
Issued pursuant to option agreement – August 28, 2023	1,000,000	709,022	0.86
Exercised	(35,792,401)	(2,568,275)	0.26
Expired	(979,958)	(200,923)	1.00
Balance, September 30, 2023	**66,730,939**	**9,072,501**	**$ 0.59**
Exercised	(70,175)	(4,154)	0.22
Balance, December 31, 2023	**66,660,764**	**9,068,347**	**$ 0.59**

Details of common share purchase warrants outstanding at December 31, 2023 are:

Expiry date	Outstanding warrants	Carrying value	Remaining contractual life in years	Exercise price ($/share)
April 29, 2024	3,818,717	$ 268,903	0.3	0.20
December 2, 2024	36,282,472	2,147,721	0.9	0.22
December 31, 2024	1,000,000	139,766	1.0	0.40
August 25, 2025	9,559,575	2,777,787	1.7	1.00
July 11, 2025	15,000,000	3,025,148	1.5	1.30
August 28, 2027	1,000,000	709,022	1.5	0.86
	66,660,764	**$ 9,068,347**		**0.59**

d) Share-based payments

The share-based payments recognized in these financial statements are as follows:

	Three months ended December 31, 2023	Three months ended December 31, 2022
Stock-option expense- general and administration	$ -	$ 732,541
RSU expense	121,248	-
	121,248	**732,541**
Stock-option – exploration and evaluation	-	185,170
	$ 121,248	**$ 917,711**

The Company maintains a Stock option plan and a RSU plan for certain employees and officers of the Company, whereby the maximum number of common shares reserved for issue under the plans 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. 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.

(Unaudited - Expressed in Canadian Dollars)

Stock Options

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:

	Outstanding number of stock options	Weighted average exercise price per common share
Balance, September 30, 2022	**5,660,000**	**$ 0.39**
Granted	4,765,926	0.67
Exercised	(1,500,000)	0.36
Cancelled	(50,000)	0.62
Balance, September 30, 2023	**8,875,926**	**$ 0.54**
Exercised	(65,000)	0.68
Balance, December 31, 2023	**8,810,926**	**$ 0.54**

A summary of the inputs used in the determination of the fair values of the stock options granted in the periods ended December 31, 2023 and September 30, 2023, using the Black-Scholes option pricing model, is as follows:

Grant date	December 16, 2021	June 16, 2022	November 2, 2022	January 3, 2023	January 25, 2023	September 18, 2023	September 28, 2023
Number of stock options granted	2,520,000	1,035,000	2,255,000	250,000	25,000	125,000	2,110,926
Term	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Vesting	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate	Immediate
Share-based compensation expense	$ 903,042	$700,614	$ 917,711	$ 162,960	$ 21,904	$ 74,912	$1,147,607
Grant date fair value per option	$ 0.36	$ 0.68	$ 0.41	$ 0.65	$ 0.88	$ 0.60	$ 0.54
Weighted average Black-Scholes option pricing model inputs:							
Exercise price per common share	$ 0.36	$ 0.72	$ 0.62	$ 0.77	$ 1.00	$ 0.77	$ 0.70
Dividends expected	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility	153.0%	144.0%	124.3%	113.1%	130.8%	112.9%	113.1%
Risk-free interest rate	1.19%	3.31%	3.48%	3.34%	2.88%	4.04%	4.30%
Expected life of options	5 years	5 years	5 years	5 years	5 years	5 years	5 years

During three months ended December 31, 2023 and 2022, a total of Nil and 1,500,000 stock options were granted to directors and executive officers.

(Unaudited - Expressed in Canadian Dollars)

Details of stock options outstanding at December 31, 2023:

Expiry date	Outstanding and exercisable stock options	Vested stock Options	Remaining contractual life in years	Exercise price	Fair value
May 8, 2024	385,000	385,000	0.4	$ 0.25	$ 0.22
June 1, 2025	40,000	40,000	1.4	0.15	0.10
June 10, 2025	250,000	250,000	1.4	0.15	0.10
January 4, 2026	800,000	800,000	2.0	0.30	0.25
January 28, 2026	100,000	100,000	2.1	0.35	0.31
December 16, 2026	1,850,000	1,850,000	3.0	0.36	0.36
June 16, 2027	995,000	995,000	3.5	0.72	0.68
November 27, 2027	1,880,000	1,880,000	3.8	0.62	0.41
January 3, 2028	250,000	250,000	4.0	0.77	0.65
January 25, 2028	25,000	25,000	4.1	1.00	0.88
September 18, 2028	125,000	125,000	4.7	0.77	0.60
September 28, 2028	2,110,926	2,110,926	4.7	0.70	0.54
	8,810,926	**8,810,926**	**3.43**	**$ 0.54**	**$ 0.44**

Restricted Share Units ("RSU")

The Company has a RSU plan, under this plan, the participants are granted rights to receive fully paid common shares from the Company. The RSUs vest over a two-year period from the grant date. Each RSU has the same value as one ATEX common share and are expected to be settled in cash. A liability for RSUs is measured at fair value on the grant date and is subsequently adjusted for changes in fair value at each reporting date until settlement. The liability is included in accounts payable and accrued liabilities and recognized on a graded vesting basis over the vesting period, with a corresponding charge in the consolidated statement of comprehensive loss.

On April 5, 2025 the Company granted 601,300 RSUs to officers, employees and consultants as part of their annual performance award, with fair value of $1,022,210 based on the quoted price on the date of grant. 50% RSUs vest one year after the grant date and the remaining 50% vest two years after the grant date. Included in this grant were 425,900 RSU's issued to executive officers.

On September 28, 2023, the Company granted 642,857 RSUs to its non-executive directors with a fair value of $450,000 based on the quoted price on the date of grant, which will vest on the date of termination, provided that the non-executive director has continuously been a non-executive director for at least two years.

The changes to the number of restricted share units are:

	RSU
Balance, September 30, 2022	**-**
Granted	1,244,157
Forfeited	(8,000)
Balance, September 30, 2023	**1,236,157**
Balance, December 31, 2023	**1,236,157**

The fair value of RSUs recognized during the three months ended December 31, 2023 was $121,248 (December 31, 2022 - $Nil).

(Unaudited - Expressed in Canadian Dollars)

10. 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:

	Three months ended December 31, 2023	2022
Salaries and management fees	$ 225,000	$ 192,500
Directors' fees	15,000	15,000
Stock-based compensation (Note 9d)	94,364	610,450
	$ 334,364	**$ 817,950**

Amounts due to directors and officers of the Company are included in accounts payable, accrued liabilities and prepaid expenses. As at December 31, 2023, $4,665 (September 30, 2023 - $36,201) was owed to directors and officers and were paid subsequent to period-end. These amounts are unsecured, non-interest bearing. $8,760 is included in prepaid expenses (September 30, 2023 - $8,760) as an advance to a director for travel expenses.

On July 1, 2023 Atex Valeriano entered into a lease office space in Santiago with a party related to the Chief Executive Officer for approximately US$1,000 per month plus applicable taxes.

See additional related party transactions in Note 8.

11. Segmented information

The Company is principally engaged in the acquisition, exploration and development of mineral properties in South America. The information regarding property and equipment and exploration and evaluation costs presented in Notes 5 and 6, respectively, represent the manner in which management reviews its business performance, all Materially all of the Company's property and equipment and evaluation and exploration costs relate to Valeriano Project in Chile. Materially all of the Company's administrative costs are incurred by the Canadian parent, where materially all of the Company's cash is held in the normal course of business until it is required to be deployed to the Company's South American subsidiaries in support of ongoing and planned work programs.

12. Commitments and Contingencies

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

During the three months ended December 31, 2023, the Company entered into a contract for the exploration camp expansion with a future commitment amount of CLP 135,555,000 ($202,675).

The Company is party to certain management contracts, and is committed to minimum payments upon termination or change of control of approximately $900,000 pursuant to the terms of these contracts as of December 31, 2023. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed interim consolidated financial statements.

Property option payments and royalties - see Note 6.

Leases - see Note 7.

13. 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 or debt 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 three months ended December 31, 2023 and 2022.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

As of December 31, 2023, the Company believes it is compliant with the policies of the TSXV.

14. 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.

(Unaudited - Expressed in Canadian Dollars)

The Company's accounts payable and accrued liabilities are generally due within 30 days and are subject to normal trade terms. Refer to Notes 7 and 8 for repayment details on the Company's lease liability and credit facility.

c) Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, investment decisions by large holders of commodities including governmental reserves and stability of exchange rates can all cause significant fluctuations in commodities prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

d) Market Risk

Market risk consists of currency risk, interest rate risk and price risk related to investment. 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 Company is exposed to market risk in its other investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. For the three months ended December 31, 2023, a 10% (decrease) increase in the price of other investments would result in an estimated increase (decrease) in net loss of $153,887 (2022 - $nil).

The following table reflects the Company's foreign currency exposure from US dollars and Chilean Pesos as of December 31, 2023:

	US Dollar	Chilean Peso
Financial assets:		
Cash	$ 5,000,975	$ 202,543
Other receivables	-	419,444
Financial liabilities:		
Accounts payable and accrued liabilities	(1,055,590)	(1,479,944)
Credit Facility	(10,021,935)	-
Net financial assets	**$ (6,076,550)**	**$ (857,957)**

As at December 31, 2023, with other variables unchanged, a 10% change in the value of the Canadian dollar against the US dollar would result in an approximate $608,000 decrease or 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 $86,000 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.

(Unaudited - Expressed in Canadian Dollars)

e) Fair value of financial instruments

The following table provides information about financial assets and liabilities measured at fair value in the consolidated statements of financial position and categorized by level according to the significance of the inputs used in making the measurements.

As at December 31, 2023	**Level 1**	**Level 2**	**Level 3**
RSU Liability	$ 219,368	$ -	$ -
Other investments	-	-	1,538,868
	$ 219,368	$ -	$ 1,538,868
As at September 30, 2023			
RSU Liability	$ 98,120	$ -	$ -
Other investments	-	-	1,538,868
	$ 98,120	$ -	$ 1,538,868

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 as at December 31, 2023. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized and unrealized gain are recognized in the statements of loss.

Investments, fair value	**December 31, 2023**	**September 30, 2023**
Balance, beginning of period	$ 1,538,868	$ -
Purchase - shares	-	1,538,868
Balance - end of period	**$ 1,538,868**	**$ 1,538,868**

15. Subsequent Events

In addition to other events noted herein, the following has occurred during the period subsequent to December 31, 2023:

- 8,928,771 common share purchase warrants were exercised for proceeds of $1,911,263.

- The Company drew down and received the second and final instalment of US $5 million in funding under the Credit Facility (Note 8).