Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

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)

	June 30, 2023	September 30, 2022
Assets		
Current		
Cash	4,724,128	15,622,682
Tax recoverable and other receivables	48,376	66,036
Prepaid expenses	114,386	47,181
	4,886,890	15,735,899
Non-Current		
Restricted cash	20,000	20,000
Value-added tax (Note 12)	3,414,178	1,053,768
Property Plant and Equipment (Note 5)	105,763	-
Exploration and evaluation assets (Note 6)	28,331,868	11,010,443
Total assets	**36,758,699**	**27,820,110**
Liabilities		
Current		
Accounts payable and accrued liabilities	1,423,336	195,060
Current portion of lease obligation	45,644	-
	1,468,980	195,060
Non-Current		
Long-term lease obligation (Note 7)	24,125	-
Total Liabilities	1,493,105	195,060
Shareholders' Equity		
Share capital (Note 8)	120,196,898	110,905,684
Contributed surplus (Note 8)	10,135,843	9,445,826
Accumulated deficit	(95,067,147)	(92,726,460)
	35,265,594	27,625,050
Total liabilities and shareholders' equity	**36,758,699**	**27,820,110**

Nature of operations (Note 1)
Going concern (Note 2(d))
Subsequent events (Note 13)

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 condensed interim consolidated financial statements.

ATEX Resources Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Three months ended June 30,		**Nine months ended June 30,**	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Expenses:				
Salaries and management fees	243,289	130,146	713,290	297,634
Consulting	12,900	15,000	120,085	51,994
General and administrative costs	106,610	53,534	258,698	112,129
Professional fees	26,222	29,449	81,463	31,313
Travel and shareholder relations	72,811	29,481	278,034	69,259
Stock-based compensation	62,734	700,614	958,234	1,603,656
Depreciation and amortization	13,757	-	30,845	-
Interest income	(59,193)	-	(234,801)	-
Foreign exchange (gain) loss	(2,005)	(172,876)	131,357	(98,748)
Accretion	1,359	-	3,482	-
Write off of exploration and evaluation assets	-	-	-	150,708
Net loss and comprehensive loss for the period	**(478,484)**	**(785,348)**	**(2,340,687)**	**(2,217,945)**
Basic and diluted loss per share	($0.00)	($0.01)	($0.02)	($0.03)
Weighted average number of common shares outstanding	**157,590,690**	**105,038,871**	**147,881,012**	**83,364,809**

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
For the Three and Nine months ended June 30, 2023
(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Contributed		
	Number of Common Shares	Amount $	Surplus $	Deficit $	Total $
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)	59,800,000	8,521,500	-	-	8,521,500
Share issue costs (Note 8(b))	-	(513,578)	-	-	(513,578)
Shares issued for mineral property (Note (6))	400,000	160,000	-	-	160,000
Exercise of broker warrants (Note 8(b))	1,220,000	372,498	(128,498)	-	244,000
Exercise of warrants (Note 8(c))	12,113,930	3,316,924	-	-	3,316,924
Exercise of stock options (Note 8(d))	220,000	78,772	(15,522)	-	63,250
Stock-based compensation	-	-	1,603,656	-	1,603,656
Net loss for the period	-	-	-	(2,217,945)	(2,217,945)
Balance – June 30, 2022	110,429,191	98,181,012	9,464,556	(92,650,289)	14,995,279
Shares issued pursuant to private placements (Note 8b)	20,013,261	12,408,222	-	-	12,408,222
Share issue costs (Note 8(b))	-	(979,957)	200,923	-	(779,034)
Exercise of warrants (Note 8(c))	3,075,693	879,254	-	-	879,254
Exercise of stock options (Note 8(d))	640,000	417,153	(219,653)	-	197,500
Net loss for the period	-	-	-	(76,171)	(76,171)
Balance – September 30, 2022	134,158,145	110,905,684	9,445,826	(92,726,460)	27,625,050
Exercise of warrants (Note 8(c))	31,874,769	8,374,207	-	-	8,374,207
Exercise of stock options (Note 8(d))	1,335,000	917,007	(412,557)	-	504,450
Stock-based compensation (Note 8(d))	-	-	1,102,574	-	1,102,574
Net loss for the period	-	-	-	(2,340,687)	(2,340,687)
Balance – June 30, 2023	167,367,914	120,196,898	10,135,843	(95,067,147)	35,265,594

ATEX Resources Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the Nine months ended June 30
(Unaudited - Expressed in Canadian Dollars)

	2023 $	2022 $
Operating Activities:		
Net loss for the period	(2,340,687)	(2,217,945)
Items not involving cash:		
Depreciation and amortization	30,845	-
Stock-based compensation	958,234	1,603,656
Accretion	3,482	-
Write off of exploration and evaluation assets	-	150,708
	(1,348,126)	(463,581)
Net change in non-cash working capital items:		
Tax recoverable and other receivables	17,660	(29,482)
Prepaid expenses	(71,290)	19,182
Accounts payable and accrued liabilities	(41,639)	28,086
Net cash used in operating activities	(1,443,395)	(445,795)
Investing Activities:		
Value-added-tax	(2,360,410)	(910,652)
Additions to exploration and evaluation assets (Note 6)	(15,907,170)	(5,705,779)
Additions to plant and equipment (Note 5)	(37,654)	-
Net cash used in investing activities	(18,305,234)	(6,616,431)
Financing Activities:		
Issuance of common shares	-	8,521,500
Share issue costs	-	(513,578)
Payment of lease financing	(28,583)	-
Exercise of broker warrants	-	244,000
Exercise of stock options	504,450	63,250
Exercise of warrants (note 8(b))	8,374,207	3,316,925
Net cash provided by investing activities	8,850,074	11,632,097
Net change in cash	(10,898,555)	4,569,871
Cash – beginning of period	15,622,682	166,086
Cash – end of period	4,724,127	4,735,957
Non-cash investing activity:		
Exploration expenditures included in accounts payable	1,207,180	67,569

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.
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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, 2022, 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 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 annual consolidated financial statements are disclosed in Note 4.

These condensed interim 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 unaudited condensed interim consolidated financial statements are based on IFRS issued as of June 30, 2023.

These consolidated financial statements were authorized for issue by the Board of Directors on August 23, 2023.

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 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 generally envisions the realization of assets and meeting of liabilities for the foreseeable future. As at June 30, 2023, the Company had not yet achieved profitable operations, has an accumulated deficit of $95,067,147 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. 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 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 condensed interim consolidated financial statements.

3. Summary of Significant Accounting Policies

The financial framework and accounting policies applied in the preparation of the condensed interim consolidated financial statements are consistent with the policies disclosed in Notes 2 and 3 of the audited annual consolidated financial statements for the year ended September 30, 2022.

There were no accounting policy changes during the three months ended June 30, 2023, except as mentioned below.

Leases

The Company recognizes a lease liability with a corresponding right-of-use ("ROU") asset on the date at which the leased asset is available for use by the Company. The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date, discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used, being the rate that it would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost and decreased by lease payments made over the lease period. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the Company's estimate of any residual amount payable, or if applicable, the Company changes its assessment of whether it will exercise a purchase, extension, or termination option.

The ROU asset is depreciated using the straight-line method from the recognition date to the earlier of the end of the useful life of the asset or the end of the lease term.

Payments associated with short-term leases and leases of low-value assets are expensed as they are incurred in profit or loss. Short-term leases have a lease term of 12 months or less.

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:

(Expressed in Canadian Dollars)

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 June 30, 2023.

5. Plant and Equipment

	Leasehold improvements	ROU asset	Total
Nine months ended June 30, 2023			
Balance – beginning of period	$ -	$ -	$ -
Additions	37,654	98,954	136,608
Depreciation and amortization	(3,138)	(27,707)	(30,845)
Balance – June 30, 2023	**$ 34,516**	**$ 71,247**	**$ 105,763**

On October 25, 2022, the Company entered into an agreement for office space in Toronto through to January 15, 2025.

6. 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.

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

	Valeriano Project	Generative Projects	Total
Nine months ended June 30, 2023			
Balance – beginning of period	$ 10,825,260	$ 185,183	$ 11,010,443
Acquisition	1,555,428	-	1,555,428
Exploration	15,558,923	-	15,558,923
Stock based compensation (Note 8d)	207,074	-	207,074
Balance – June 30, 2023	**$ 28,146,685**	**$ 185,183**	**$ 28,331,868**
Year ended September 30, 2022			
Balance – beginning of period	$ 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**

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 SAFAX Investments Limited Partnership (associate of 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. As at June 30, 2023, 1 million units have been issued (Note 8(b)). 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.

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.

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.

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 nine months ended June 30, 2023 the Company recognized amortization in the amount of $27,707 (2022 - $Nil).

(Expressed in Canadian Dollars)

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

	Maturity	Currency	Interest rate	June 30, 2023	September 30, 2022
Total lease obligations	2025	CAD	7.45%	$ 69,769	$ -
Less: current portion				45,644	-
Non-current portion				**$ 24,125**	**$ -**

The table below summarizes the changes in lease obligations during the nine months ended June 30, 2023:

	Amount
As at September 30, 2022	**$ -**
Additions	94,870
Accretion	3,482
Lease payments	(28,583)
As at June 30, 2023	**$ 69,769**

The undiscounted and discounted future lease payments are as follows:

	June 30, 2023	September 30, 2022
Within one year	$ 49,000	$ -
More than one year	24,500	-
Total undiscounted lease obligations	73,500	-
Amount representing interest	(3,731)	-
Lease obligations – discounted	$ 69,769	$ -

During the nine months ended June 30, 2023, the Company recognized total payments in the consolidated statement of cash flows in the amount of $28,583 (2022 - $Nil).

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

	2023	2024	2025	Total
Total payments	$ 12,250	$ 49,000	$ 12,250	$ 73,500

8. 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 June 30, 2023, there were 167,367,914 common shares issued and outstanding (September 30, 2022 - 134,158,145).

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.

(Expressed in Canadian Dollars)

Pursuant to the Valeriano Project transfer and assignment agreement with SBX, the Company issued 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 6.

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 $171,460 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.

During the nine months ended June 30, 2023, the Company received $504,450 from the exercise of 1,335,000 stock options exercisable at a range of $0.25 to $0.62 per common share. These options were originally valued at $412,557 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 nine months ended June 30, 2023, the Company received $8,374,207 from the exercise of 31,874,769 warrants, exercisable at a range of $0.20 to $1.00 per common share. These warrants were originally valued at $Nil.

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, 2021	**30,286,333**	**$ 0.30**
Issued pursuant to private placement – December 2, 2021(Note 6(b))	59,800,000	0.22
Issued pursuant to property agreement – December 31, 2021 (Note 6(b))	400,000	0.40
Issued pursuant to private placement – August 25, 2022 (Note 6(b))	10,006,630	1.00
Issued pursuant to exercise of Broker Warrants	1,220,000	0.20
Exercised	(15,189,623)	0.29
Balance, September 30, 2022	**86,523,340**	**$ 0.32**
Exercised	(31,874,769)	0.26
Balance, June 30, 2023	**54,648,571**	**$ 0.36**

(Expressed in Canadian Dollars)

Details of common share purchase warrants outstanding at June 30, 2023 are:

Expiry date	Outstanding warrants	Remaining contractual life in years	Exercise price ($/share)
April 29, 2024	3,818,717	0.8	0.20
December 2, 2024	40,270,279	1.4	0.22
December 31, 2024	1,000,000	1.5	0.40
August 25, 2025	9,559,575	2.2	1.00
	54,648,571		**$ 0.36**

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

	Outstanding number of Broker Warrants	Weighted average exercise price per common share
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 30, 2022	**979,958**	**$ 1.00**
Balance, June 30, 2023	**979,958**	**$ 1.00**

Details of Broker Warrants outstanding at June 30, 2023 are:

Expiry date	Outstanding warrants	Remaining contractual life in years	Exercise price ($/share)
August 25, 2023	979,958	0.2	$ 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) Share-based payments

The Company maintains a Stock option plan and a restricted share units (“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.

(Expressed in Canadian Dollars)

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

	Equity Settled plan – Stock option	Cash settled plan - RSU	Total
Stock based compensation expense	$ 895,500	$ 62,734	$ 958,234
Exploration and evaluation	207,074	-	207,074
Balance – June 30, 2023	**$ 1,102,574**	**$ 62,734**	**$ 1,165,308**
Stock based compensation expense	$ 1,603,656	$ -	$ 1,603,656
Exploration and evaluation	-	-	-
Balance – June 30, 2022	**$ 1,603,656**	**$ -**	**$ 1,603,656**

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, 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**
Granted – November 2, 2022	2,255,000	0.62
Granted – January 3, 2023	250,000	0.77
Granted – January 25, 2023	25,000	1.00
Exercised	(1,335,000)	0.38
Balance, June 30, 2023	**6,855,000**	**$ 0.48**

(Expressed in Canadian Dollars)

During the nine months ended June 30, 2023 and 2022, 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	**December 16, 2021**	**November 2, 2022**	**January 3, 2023**	**January 25, 2023**
Number of stock options granted	2,520,000	2,255,000	250,000	25,000
Term	5 years	5 years	5 years	5 years
Vesting	Immediate	Immediate	Immediate	Immediate
Share-based compensation expense	$ 903,042	$ 732,540	$ 162,960	$ -
Share-based compensation capitalized (Note 8)	$ -	$ 185,170	$ -	$ 21,904
Grant date fair value per option	$ 0.36	$ 0.41	$ 0.80	$ 0.88
Weighted average Black-Scholes option pricing model inputs:				
Exercise price per common share	$ 0.36	$ 0.62	$ 0.77	$ 1.00
Dividends expected	Nil	Nil	Nil	Nil
Expected volatility	153.0%	124.0%	113.1%	130.8%
Risk-free interest rate	1.19%	3.48%	3.34%	2.88%
Expected life of options	5 years	5 years	5 years	5 years

Details of stock options outstanding at June 30, 2023:

Expiry date	**Outstanding and exercisable stock options**	**Vested stock Options**	**Remaining contractual life in years**	**Exercise price**	**Fair value**
May 8, 2024	550,000	550,000	0.9	$ 0.25	$ 0.22
June 1, 2025	40,000	40,000	1.9	0.15	0.10
June 10, 2025	250,000	250,000	1.9	0.15	0.10
January 4, 2026	800,000	800,000	2.5	0.30	0.25
January 28, 2026	100,000	100,000	2.6	0.35	0.31
December 16, 2026	1,850,000	1,850,000	3.5	0.36	0.36
June 16, 2027	1,035,000	1,035,000	4.0	0.72	0.68
November 27, 2027	1,955,000	1,955,000	4.3	0.62	0.41
January 3, 2028	250,000	250,000	4.5	0.77	0.65
January 25, 2028	25,000	25,000	4.6	1.00	0.88
	6,855,000	**6,855,000**	**3.44**	**$ 0.48**	**$ 0.40**

RSU

On April 5, 2023, the shareholders approved an 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.

(Expressed in Canadian Dollars)

The changes to the number of share units are:

	RSU
Balance, September 30, 2022	**-**
Granted – April 5, 2023	601,300
Forfeited	(8,000)
Balance, June 30, 2023	**593,300**

The fair value of RSUs recognized during the nine months ended June 30, 2023 was $62,734 (June 30, 2022 - $Nil).

9. 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 June 30, 2023	Three months ended June 30, 2022	Nine months ended June 30, 2023	Nine months ended June 30, 2022
Salaries and management fees	$ 225,000	$ 115,147	$ 650,001	$ 267,635
Directors' fees	15,000	15,000	45,000	30,000
Stock-based compensation (Note 8d)	44,632	406,153	818,032	1,051,183
	$ 284,632	**$ 536,300**	**$ 1,513,033**	**$ 1,348,818**

Related party liabilities are included in accounts payable and accrued liabilities. As at June 30, 2023, $nil (June 30, 2022 - $70,000) was owed to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

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

10. 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 nine months ended June 30, 2023.

(Expressed in Canadian Dollars)

11. Financial Instruments and Risk Management

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

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

a) Credit Risk

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

b) Liquidity Risk

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

As at June 30, 2023, 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 June 30, 2023:

	US Dollar	Chilean Peso
Financial assets:		
Cash	$ 1,377,972	$ 105,831
Financial liabilities:		
Accounts payable and accrued liabilities	(664,424)	(543,790)
Net financial assets	**$ 713,548**	**$ (437,959)**

As at June 30, 2023, with other variables unchanged, a 10% change in the value of the Canadian dollar against the US dollar would result in an approximate $65,000 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 $44,000 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.

12. Value-added Tax

The recovery of the June 30, 2023 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.

13. Subsequent Events

In addition to other events noted herein, the following has occurred during the period subsequent to June 30, 2023:

- On July 11, 2023, The Company entered into a US$15 million unsecured Credit Facility (“Facility”) with a group led by existing strategic shareholders and other arm’s length parties. Under the terms of the Facility, the Company will have access to the funds in two tranches. The Company received the first tranche of US$10 million on July 17, 2023 and 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 will bear interest at a rate of 6.0% per annum and all outstanding principal and accrued interest are due and payable at maturity on July 17, 2025. The Company may repay any principal and interest outstanding under the Facility in advance without penalty.
- In connection with the initial funding under the Facility, the Company issued 15,000,000 non-transferable warrants with each warrant entitling the holder to acquire one common share of the Company at $1.30 until July 11, 2025.
- Subsequent to June 30, 2023, 2,336,316 common share purchase warrants were exercised for proceeds of $513,990 and 165,000 stock options were exercised for proceeds of $41,250.