**Condensed Interim Consolidated Financial Statements**

**For the Three and Six Months Ended March 31, 2024 and 2023**

**(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 | March 31, 2024 | September 30, 2023 |
|---|---|---|---|
| **Assets** | | | |
| **Current** | | | |
| Cash | | 11,459,533 | 13,168,474 |
| Tax recoverable and other receivables | | 474,344 | 275,237 |
| Prepaid expenses | 10 | 274,997 | 757,160 |
| Total current assets | | 12,208,874 | 14,200,871 |
| **Non-Current** | | | |
| Restricted cash | | 33,550 | 33,520 |
| Other investments | 6 | 1,538,868 | 1,538,868 |
| Property and equipment | 5 | 1,723,553 | 1,594,132 |
| **Total assets** | | **15,504,845** | **17,367,391** |
| **Liabilities** | | | |
| **Current** | | | |
| Accounts payable and accrued liabilities | 10 | 3,413,225 | 1,354,983 |
| Current portion of lease obligation | 7 | 35,856 | 46,499 |
| Total current liabilities | | 3,449,081 | 1,401,482 |
| **Non-Current** | | | |
| Long-term lease obligation | 7 | - | 12,175 |
| Credit facility | 8 | 16,203,230 | 9,599,411 |
| **Total Liabilities** | | 19,652,311 | 11,013,068 |
| **Shareholders' Equity (Deficiency)** | | | |
| Share capital | 9 | 125,989,209 | 119,038,245 |
| Share purchase warrants | 9 | 7,631,273 | 9,072,501 |
| Contributed surplus | 9 | 3,708,224 | 3,887,537 |
| Accumulated deficit | | (141,476,172) | (125,643,960) |
| **Total shareholders' equity (deficiency)** | | (4,147,466) | 6,354,323 |
| **Total liabilities and shareholders' equity (deficiency)** | | **15,504,845** | **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 — *(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
For the Three and Six months ended March 31,
(Unaudited - Expressed in Canadian Dollars)

| | Notes | Three months ended March 31, 2024 $ | Three months ended March 31, 2023 $ (Restated – Note 3) | Six months ended March 31, 2024 $ | Six months ended March 31, 2023 $ (Restated – Note 3) |
|---|---|---|---|---|---|
| **Expenses:** | | | | | |
| Exploration and evaluation expenses | 6 | 7,704,989 | 7,828,934 | 14,345,789 | 12,003,313 |
| Consulting | | - | 37,154 | 20,336 | 107,185 |
| Salaries and management fees | 10 | 370,919 | 247,501 | 640,920 | 470,001 |
| General and administrative costs | | 39,077 | 86,133 | 111,236 | 152,088 |
| Professional fees | | 83,569 | 40,858 | 104,844 | 55,241 |
| Travel and shareholder relations | | 189,151 | 107,165 | 337,172 | 205,223 |
| Stock-based compensation | 9 | 694,648 | 162,950 | 815,896 | 895,500 |
| Depreciation and amortization | 5 | 13,757 | 17,088 | 27,514 | 17,088 |
| Foreign exchange (gain) loss | | (39,334) | 15,110 | (486,974) | 133,362 |
| Interest income | 8 | (68,882) | (128,887) | (240,635) | (175,608) |
| Interest on lease liability | 7 | 735 | - | 1,682 | - |
| Accretion | 8 | 999,514 | 2,123 | 1,861,898 | 2,123 |
| Other income | | (121,374) | - | (121,374) | - |
| **Net loss and comprehensive loss for the period** | | **(9,866,769)** | **(8,416,129)** | **(17,418,304)** | **(13,865,516)** |
| Basic and diluted loss per share | | ($0.05) | ($0.07) | ($0.10) | ($0.11) |
| Weighted average number of common shares outstanding | | 180,868,123 | 147,874,738 | 178,159,604 | 143,058,804 |

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 and Six months ended March 31, 2024 and 2023
(Unaudited - Expressed in Canadian Dollars)

| | Notes | Share Capital<br>Number of Common Shares | Share Capital<br>Amount<br>$ | Share purchase warrants<br>$ | Contributed surplus<br>$ | Deficit<br>$ | Total<br>$ |
|---|---|---|---|---|---|---|---|
| **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 | 17,014,053 | 6,209,921 | (1,337,446) | - | - | 4,872,475 |
| Exercise of stock options | 9d | 1,170,000 | 840,084 | - | (376,884) | - | 463,200 |
| Stock-based compensation | 9d | - | - | - | 1,102,574 | - | 1,102,574 |
| Net loss for the period | | - | - | - | - | (13,865,516) | (13,865,516) |
| **Balance – March 31, 2023 (Restated – Note 3)** | | **152,342,198** | **110,049,084** | **6,770,083** | **2,756,713** | **(110,789,227)** | **8,786,653** |
| 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 | 18,778,348 | 5,594,440 | (1,230,829) | - | - | 4,363,611 |
| Exercise of stock options | 9d | 330,000 | 153,846 | - | (71,346) | - | 82,500 |
| Cancelled options | | - | - | (200,923) | (20,349) | 221,272 | - |
| Stock-based compensation | 9d | - | - | - | 1,222,519 | - | 1,222,519 |
| Net loss for the period | | - | - | - | - | (15,076,005) | (15,076,005) |
| **Balance – September 30, 2023** | | **175,386,295** | **119,038,245** | **9,072,501** | **3,887,537** | **(125,643,960)** | **6,354,323** |
| Discounting of debt provided by shareholders | 8 | - | - | - | - | 1,586,092 | 1,586,092 |
| Exercise of warrants | 9c | 21,362,331 | 6,571,601 | (1,441,228) | - | - | 5,130,373 |
| Exercise of stock options | 9d | 595,000 | 379,363 | - | (179,313) | - | 200,050 |
| Net loss for the period | | - | - | - | - | (17,418,304) | (17,418,304) |
| **Balance – March 31, 2024** | | **197,343,626** | **125,989,209** | **7,631,273** | **3,708,224** | **(141,476,172)** | **(4,147,466)** |

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 Six months ended March 31,
(Unaudited - Expressed in Canadian Dollars)

| | Notes | 2024<br>$ | 2023<br>$<br>(Restated – Note 3) |
|---|---|---|---|
| **Operating Activities:** | | | |
| Net loss for the period | | (17,418,304) | (13,865,516) |
| Adjusted for the following items: | | | |
| Depreciation and amortization | 5 | 94,508 | 49,111 |
| Stock-based compensation | 9 | 815,896 | 1,102,574 |
| Accretion | | 1,861,898 | 2,123 |
| Dividend received from other investments | | (121,374) | - |
| Accrued interest | | 1,682 | - |
| Foreign exchange | | (419,955) | - |
| | | (15,185,649) | (12,711,708) |
| Net change in non-cash working capital items: | | | |
| Tax recoverable and other receivables | | (199,107) | (5,428) |
| Prepaid expenses | | 482,163 | 13,472 |
| Accounts payable and accrued liabilities | | 1,242,346 | 3,251,288 |
| **Net cash used in operating activities** | | (13,660,247) | (9,452,376) |
| **Investing Activities:** | | | |
| Other investments | | - | (1,538,868) |
| Dividend received from other investments | | 121,374 | - |
| Additions to property and equipment, net | 5 | (223,929) | (37,654) |
| **Net cash used in investing activities** | | (102,555) | (1,576,522) |
| **Financing Activities:** | | | |
| Proceeds from credit facility | | 6,747,938 | - |
| Payment of lease financing | | (24,500) | (16,333) |
| Exercise of stock options | | 200,050 | 463,200 |
| Exercise of warrants | | 5,130,373 | 4,872,475 |
| **Net cash provided by financing activities** | | 12,053,861 | 5,319,342 |
| **Net change in cash** | | (1,708,941) | (5,709,556) |
| Cash – beginning of period | | 13,168,474 | 15,622,682 |
| **Cash – end of period** | | 11,459,533 | 9,913,126 |

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 March 31, 2024.

These condensed interim financial statements were authorized for issue by the Board of Directors on May 22, 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 March 31, 2024. The Company had not yet achieved profitable operations, has an accumulated deficit of $141,476,172 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 March 31, 2024. 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**

<u>Exploration and evaluation expenditures</u>

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 and six months ended March 31, 2023 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.

<u>Private placement financing</u>

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 and six months ended March 31, 2023.

**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 March 31, 2023**

| | As previously reported | Adjustment | Restated |
|---|---|---|---|
| | $ | $ | $ |
| **Expenses:** | | | |
| Exploration and evaluation expenses | - | 7,828,934 | 7,828,934 |
| Consulting | 37,154 | - | 37,154 |
| Salaries and management fees | 247,501 | - | 247,501 |
| General and administrative costs | 86,133 | - | 86,133 |
| Professional fees | 40,858 | - | 40,858 |
| Travel and shareholder relations | 107,165 | - | 107,165 |
| Stock-based compensation | 162,950 | - | 162,950 |
| Depreciation and amortization | 17,088 | - | 17,088 |
| Interest income | (128,887) | - | (128,887) |
| Foreign exchange loss | 15,110 | - | 15,110 |
| Accretion | 2,123 | - | 2,123 |
| **Net loss and comprehensive loss for the period** | **(587,195)** | **(7,828,934)** | **(8,416,129)** |
| Basic and diluted loss per share | ($0.00) | ($0.05) | ($0.06) |
| Weighted average number of common shares outstanding | 147,874,738 | | 147,874,738 |

(Unaudited - Expressed in Canadian Dollars)

**Condensed Interim Consolidated Statement of Loss and Comprehensive Loss**
**For the Six months ended March 31, 2023**

| | As previously reported<br>$ | Adjustment<br>$ | Restated<br>$ |
|---|---|---|---|
| **Expenses:** | | | |
| Exploration and evaluation expenses | - | 12,003,313 | 12,003,313 |
| Consulting | 107,185 | - | 107,185 |
| Salaries and management fees | 470,001 | - | 470,001 |
| General and administrative costs | 152,088 | - | 152,088 |
| Professional fees | 55,241 | - | 55,241 |
| Travel and shareholder relations | 205,223 | - | 205,223 |
| Stock-based compensation | 895,500 | - | 895,500 |
| Depreciation and amortization | 17,088 | - | 17,088 |
| Interest income | (175,608) | - | (175,608) |
| Foreign exchange loss | 133,362 | - | 133,362 |
| Accretion | 2,123 | - | 2,123 |
| **Net loss and comprehensive loss for the period** | **(1,862,203)** | **(12,003,313)** | **(13,865,516)** |
| Basic and diluted loss per share | ($0.01) | ($0.09) | ($0.10) |
| Weighted average number of common shares outstanding | 143,058,804 | | 143,058,804 |

(Unaudited - Expressed in Canadian Dollars)

**Condensed Interim Consolidated Statement of Cash Flows**
**For the six months ended March 31, 2023**

| | As previously reported $ | Adjustment $ | Restated $ |
|---|---|---|---|
| **Operating Activities:** | | | |
| Net loss for the period | (1,862,203) | (12,003,313) | (13,865,516) |
| Items not involving cash: | | | |
| Depreciation and amortization | 17,088 | 32,023 | 49,111 |
| Stock-based compensation | 1,102,574 | - | 1,102,574 |
| Accretion | 2,123 | - | 2,123 |
| | (740,418) | (11,971,290) | (12,711,708) |
| Net change in non-cash working capital items: | | | |
| Tax recoverable and other receivables | (6,851) | 1,423 | (5,428) |
| Prepaid expenses | 13,472 | - | 13,472 |
| Accounts payable and accrued liabilities | (153,034) | 3,404,322 | 3,251,288 |
| **Net cash used in operating activities** | (886,831) | (8,565,545) | (9,452,376) |
| **Investing Activities:** | | | |
| Value-added tax | (1,359,695) | 1,359,695 | - |
| Other Investments | - | (1,538,868) | (1,538,868) |
| Additions to plant and equipment | (37,654) | - | (37,654) |
| Mineral property expenditures | (8,744,718) | 8,744,718 | - |
| **Net cash used in investing activities** | (10,142,067) | 8,565,545 | (1,576,522) |
| **Financing Activities:** | | | |
| Payment of lease financing | (16,333) | - | (16,333) |
| Exercise of stock options | 463,200 | - | 463,200 |
| Exercise of warrants | 4,872,475 | - | 4,872,475 |
| **Net cash provided by financing activities** | 5,319,342 | - | 5,319,342 |
| **Net change in cash** | (5,709,556) | - | (5,709,556) |
| Cash – beginning of period | 15,622,682 | - | 15,622,682 |
| **Cash – end of period** | 9,913,126 | - | 9,913,126 |

**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 March 31, 2024.

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.

(Unaudited - Expressed in Canadian Dollars)

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.

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 | 27,334 | 51,804 | 255,952 |
| Disposals | - | - | - | - | - | (42,598) | (42,598) |
| **At March 31, 2024** | **37,654** | **98,954** | **1,190,627** | **523,581** | **49,670** | **51,804** | **1,952,290** |
| **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 | 3,765 | 23,749 | 61,139 | - | 2,401 | 3,454 | 94,508 |
| Disposals | - | - | - | - | - | (10,575) | (10,575) |
| **At March 31, 2024** | **8,785** | **63,331** | **152,389** | **-** | **2,401** | **1,831** | **228,737** |
| **Net book value** | | | | | | | |
| At September 30, 2023 | **32,634** | **59,372** | **1,099,377** | **346,767** | **22,336** | **33,646** | **1,594,132** |
| **At March 31, 2024** | **28,869** | **35,623** | **1,038,238** | **523,581** | **47,269** | **49,973** | **1,723,553** |

(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 March 31, | | Six months ended March 31, | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Drilling | $ 4,424,912 | $ 3,761,124 | $ 8,148,841 | $ 6,263,290 |
| Value-added tax | 978,926 | 1,119,217 | 1,738,147 | 1,361,118 |
| Camp costs | 784,515 | 1,461,327 | 1,534,877 | 1,755,471 |
| Salaries, geological consultants, travel | 555,734 | 489,598 | 1,130,532 | 899,700 |
| Land holding and access costs | 266,417 | 168,890 | 512,071 | 168,890 |
| Community relations, environmental and permitting | 136,594 | 106,276 | 335,757 | 155,674 |
| Consultants and administrative | 183,895 | 74,667 | 319,558 | 240,582 |
| Assay and analysis | 216,880 | 241,005 | 329,012 | 288,881 |
| Core handling and storage | 123,370 | 352,903 | 230,000 | 630,610 |
| Depreciation and amortization | 33,746 | 32,023 | 66,994 | 32,023 |
| Share-based compensation | - | 21,904 | - | 207,074 |
| **Total Valeriano Project** | **$ 7,704,989** | **$ 7,828,934** | **$ 14,345,789** | **$ 12,003,313** |

### *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 units. As at March 31, 2023, 1 million units have been issued and the remaining 1 million units were issued on August 28, 2023 (Note 9b).

(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 0.50% 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 estimates the fair value of its investment. As at March 31, 2024, 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. In January 2024, the Company received dividends of US$90,000 ($121,374) which were recognized as other income.

## 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 six months ended March 31, 2024, the Company recognized amortization in the amount of $23,749 (2023 - $15,833).

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

| | **Maturity** | **Currency** | **Interest rate** | **March 31, 2024** | **September 30, 2023** |
|---|---|---|---|---|---|
| Total lease obligations | 2025 | CAD | 7.45% | $ 35,856 | $ 58,674 |
| Less: current portion | | | | 35,856 | 46,499 |
| **Non-current portion** | | | | **$ -** | **$ 12,175** |

The table below summarizes the changes in lease obligations during the six months ended March 31, 2024:

| | **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 | 1,682 |
| Lease payments | (24,500) |
| **As at March 31, 2024** | **$ 35,856** |

(Unaudited - Expressed in Canadian Dollars)

The undiscounted and discounted future lease payments are as follows:

| | As at March 31, 2024 | As at September 30, 2023 |
|---|---|---|
| Within one year | $ 36,750 | $ 49,000 |
| More than one year | - | 12,250 |
| Total undiscounted lease obligations | 36,750 | 61,250 |
| Amount representing interest | (894) | (2,576) |
| **Lease obligations - discounted** | $ 35,856 | $ 58,674 |

During the six months ended March 31, 2024, the Company recognized total payments in the consolidated statement of cash flows in the amount of $24,500 (2023 - $16,333).

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

| | 2024 | 2025 | Total |
|---|---|---|---|
| Total payments | $ 23,606 | $ 12,250 | $ 35,856 |

## 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 Facility bears 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 the closing date, the Company received US$10 million (“First Tranche”) and 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.

On February 21, 2024 the Company drew down the second and final installment of US$5 million in funding under the Credit Facility and recognized an increase in its debt of $5,161,846 representing the discounted value of the second installment, the difference between the discounted value and cash consideration resulted from the Lenders acting in their capacity as owners and a gain of $1,586,092 which was recorded in Deficit.

Included in this arrangement is an amount of US$5,625,000 ($7,595,000) which was received from Firelight, and $239,172 of interest is payable to Firelight at March 31, 2024 under the terms of the credit agreement. In connection with this funding from Firelight, 5,625,000 warrants were issued.

(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** |
| Final installment received | 5,161,846 |
| Interest expense accrued | 468,077 |
| Accretion | 1,393,821 |
| Foreign exchange | (419,925) |
| **As at March 31, 2024** | **$ 16,203,230** |

The First Tranche of 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.

As of March 31, 2024, the Company has drawn US$15 million under the Facility which has been 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.

## 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 March 31, 2024, there were 197,343,626 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 six months ended March 31, 2024:

| | 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 | (21,362,331) | (1,441,228) | 0.24 |
| **Balance, March 31, 2024** | **45,368,608** | **7,631,273** | **$ 0.75** |

Details of common share purchase warrants outstanding at March 31, 2024 are:

| Expiry date | Outstanding warrants | Carrying value | Remaining contractual life in years | Exercise price ($/share) |
|---|---|---|---|---|
| April 29, 2024 | 965,717 | $ 68,003 | 0.1 | 0.20 |
| December 2, 2024 | 18,468,597 | 1,093,238 | 0.7 | 0.22 |
| December 31, 2024 | 1,000,000 | 139,766 | 0.8 | 0.40 |
| August 25, 2025 | 8,934,294 | 2,596,096 | 1.4 | 1.00 |
| July 11, 2025 | 15,000,000 | 3,025,148 | 1.3 | 1.30 |
| August 28, 2027 | 1,000,000 | 709,022 | 3.4 | 0.86 |
| | **45,368,608** | **$ 7,631,273** | | **0.75** |

### d) Share-based payments

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

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 | Six months ended March 31, 2024 | Six months ended March 31, 2023 |
|---|---|---|---|---|
| Stock option expense- general and administration | $ - | $ 141,055 | $ - | $ 688,426 |
| | | - | - | |
| RSU expense | 694,648 | - | 815,896 | - |
| | **694,648** | **141,055** | **815,896** | **688,426** |
| Stock option – exploration and evaluation | - | 21,904 | - | 207,074 |
| | **$ 694,648** | **$ 162,959** | **$ 815,896** | **$ 895,500** |

(Unaudited - Expressed in Canadian Dollars)

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. 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.

*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 30 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 | (595,000) | 0.34 |
| **Balance, March 31, 2024** | **8,280,926** | **$ 0.56** |

A summary of the inputs used in the determination of the fair values of the stock options granted in the periods ended March 31, 2024 and September 30, 2023, using the Black-Scholes option pricing model, is as follows:

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

During six months ended March 31, 2024 and 2023, a total of Nil and 2,530,000 stock options were granted to directors and executive officers.

(Unaudited - Expressed in Canadian Dollars)

Details of stock options outstanding at March 31, 2024:

| Expiry date | Outstanding and exercisable stock options | Vested stock Options | Remaining contractual life in years | Exercise price | Fair value |
|---|---|---|---|---|---|
| May 8, 2024 | 110,000 | 110,000 | 0.1 | $ 0.25 | $ 0.22 |
| June 1, 2025 | 40,000 | 40,000 | 1.2 | 0.15 | 0.10 |
| June 10, 2025 | 250,000 | 250,000 | 1.2 | 0.15 | 0.10 |
| January 4, 2026 | 720,000 | 720,000 | 1.8 | 0.30 | 0.25 |
| January 28, 2026 | 100,000 | 100,000 | 1.8 | 0.35 | 0.31 |
| December 16, 2026 | 1,675,000 | 1,675,000 | 2.7 | 0.36 | 0.36 |
| June 16, 2027 | 995,000 | 995,000 | 3.2 | 0.72 | 0.68 |
| November 27, 2027 | 1,880,000 | 1,880,000 | 3.6 | 0.62 | 0.41 |
| January 3, 2028 | 250,000 | 250,000 | 3.8 | 0.77 | 0.65 |
| January 25, 2028 | 25,000 | 25,000 | 3.8 | 1.00 | 0.88 |
| September 18, 2028 | 125,000 | 125,000 | 4.5 | 0.77 | 0.60 |
| September 28, 2028 | 2,110,926 | 2,110,926 | 4.5 | 0.70 | 0.54 |
| | **8,280,926** | **8,280,926** | **3.31** | **$ 0.56** | **$ 0.45** |

*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.

A summary of the change in the number of RSU is as follows:

| | RSU |
|---|---|
| **Balance, September 30, 2022** | **-** |
| Granted | 1,244,157 |
| Forfeited | (8,000) |
| **Balance, September 30, 2023** | **1,236,157** |
| Granted | 775,929 |
| Forfeited | (10,395) |
| **Balance, March 31, 2024** | **2,001,691** |

On April 5, 2023 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.

On March 11, 2024, the Company granted 775,929 RSUs to its non-executive directors with a fair value of $993,189 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 538,488 RSU's issued to executive officers.

(Unaudited - Expressed in Canadian Dollars)

The fair value of RSUs recognized during the six months ended March 31, 2024 was $815,896 (March 31, 2023 - $Nil).

## 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 March 31, 2024 | Three months ended March 31, 2023 | Six months ended March 31, 2024 | Six months ended March 31, 2023 |
|---|---|---|---|---|
| Salaries and management fees | $ 230,001 | $ 232,501 | $ 455,001 | $ 425,001 |
| Directors' fees | 15,000 | 15,000 | 30,000 | 30,000 |
| Stock-based compensation (Note 6d) | 576,570 | 162,950 | 670,934 | 773,400 |
| | **$ 821,571** | **$ 410,451** | **$ 1,155,935** | **$ 1,228,401** |

Amounts due to directors and officers of the Company are included in accounts payable, accrued liabilities and prepaid expenses. As at March 31, 2024, $582 (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. $6,970 is included in other receivables and prepaid expenses (September 30, 2023 - $8,760) as an advance to a director and officers 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.

The Company has a contract for the exploration camp expansion with a future commitment amount of CLP 135,555,000 ($186,900).

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 March 31, 2024. 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 six months ended March 31, 2024 and 2023.

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 March 31, 2024, 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.

(Unaudited - Expressed in Canadian Dollars)

### 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.

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 six months ended March 31, 2024, a 10% (decrease) increase in the price of other investments would result in an estimated increase (decrease) in net loss of $153,887 (2023 - $nil).

The following table reflects the Company's foreign currency exposure from US dollars and Chilean Pesos as of March 31, 2024:

| | US Dollar | Chilean Peso |
|---|---|---|
| Financial assets: | | |
| Cash | $ 4,907,307 | $ 137,692 |
| Other receivables | - | 506,135 |
| Financial liabilities: | | |
| Accounts payable and accrued liabilities | (548,219) | (1,794,289) |
| Credit Facility | (16,203,230) | - |
| **Net financial assets** | **$ (11,844,142)** | **$ (1,150,462)** |

As at March 31, 2024, with other variables unchanged, a 10% change in the value of the Canadian dollar against the US dollar would result in an approximate $1,600,000 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 $115,000 decrease or increase of loss and comprehensive loss.

(Unaudited - Expressed in Canadian Dollars)

**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.

**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 March 31, 2024** | **Level 1** | **Level 2** | **Level 3** |
|---|---|---|---|
| RSU Liability | $ 914,016 | $ - | $ - |
| Other investments | - | - | 1,538,868 |
| | $ 914,016 | $ - | $ 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 March 31, 2024. 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** | **March 31, 2024** | **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 March 31, 2024:

- 7,346,303 common share purchase warrants were exercised for proceeds of $2,155,609.
- 810,000 stock options for proceeds of $331,750.