ATEX Resources Inc.

(Formerly – Colombia Crest Gold Corp.)

Management's Discussion & Analysis

Year Ended September 30, 2020

This management's discussion and analysis ("**MD&A**"), prepared as of January 28, 2021, reviews and summarizes the activities of ATEX Resources Inc. (the "**Company**") and compares the financial results for the year ended September 30, 2020 with those of the previous year. This information is intended to supplement the audited annual consolidated financial statements for the year ended September 30, 2020 and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. All dollar amounts in this MD&A are stated in Canadian dollars unless otherwise indicated.

The Company's common shares trade on the TSX Venture Exchange ("**TSXV**") under the symbol "ATX" and its most recent filings are available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and can be accessed at www.sedar.com.

Qualified Person

David Hopper, a Chartered Geologist of the Geological Society of London, Fellow No. 1030584, is the independent Qualified Person ("**QP**"), as defined by as defined by National Instrument 43-101 Standards for Disclosure for Mineral Projects ("**NI 43-101**"), for the Valeriano copper gold property (the "**Valeriano Project**"). The September 29, 2020 resource estimate was prepared by Joled Nur, Civil Mining Engineer, SRK Consulting (Chile) ("**SRK**"), a member of the Public Register of Competent Persons in Mining Resources and Reserves of Chile, No. 181 and an independent QP as defined by NI 43-101.

Forward-Looking Statements

Except for the historical statements contained herein, this MD&A presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, plans for the evaluation of the Valeriano property; statements with respect to the future price of gold and other minerals and metals, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to international operations, risks related to the integration of acquisitions; actual results of current or future exploration activities; actual results of current or future reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and other minerals and metals; possible variations in ore reserves, resources, grade or recovery rates; failure of equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry.

Although the Company's management and officers believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Overview

Corporate:

On February 8, 2019, the Company completed a three for one (3:1) consolidation of its outstanding common shares. In connection with the share consolidation, a name change from Colombia Crest Gold Corp. to ATEX Resources Inc. was also effected with a new trading symbol of “ATX” on the TSXV.

On January 31, 2020, the Company closed the first tranche of a non-brokered private placement by issuing 3,616,333 units at $0.30 per unit for gross proceeds of $1,084,900. On February 20, 2020, the Company closed the second tranche of non-brokered private placement by issuing 2,756,333 units at $0.30 per unit for gross proceeds of $826,900. Subsequent to year end, on November 23, 2020, the Company completed a brokered private placement of units at a price of $0.20 per unit for gross proceeds of $3,300,000.

COVID-19 Estimation Uncertainty:

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. The Company may incur significant delays in planned exploration activity, impacting its ability to meet obligations under current regulations or its agreements and may reduce its ability to source financing for future activities. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Company in future periods at this time.

Operations:

In July 2019, the Company entered into option agreements to acquire the Alicia, Roma and Condor properties, referred to collectively as the Apolo Concessions, located within the northern extension of the Maricunga Mineral Belt, Region III, Chile. The Company subsequently conducted surface examinations of the Apolo Concessions and, based on the results of this work, determined that the properties were of no further interest in light of the operational difficulties resulting from the “COVID-19” coronavirus. Accordingly the Company terminated the option agreement on the Apolo Concessions on May 31, 2020.

In August 2019 (as amended on January 15, 2020 and January 14, 2021), the Company entered into an option agreement to acquire the 3,705 hectare Valeriano Project, located in Region III in the northern portion of Chile’s prolific El Indio Belt, that hosts a near surface gold oxide epithermal deposit and a large copper-gold bearing porphyry system.

Mineral Projects

The Company’s primary exploration properties are located Chile in South America. Its interest in resource properties are primarily maintained pursuant to agreements with the titleholders.

Chile

Valeriano Project

In August, 2019, the Company, through its wholly-owned Chilean subsidiary, ATEX Valeriano SpA (“**ATEX Valeriano**”), entered into an option agreement to acquire up to a 100% interest in the 3,705 hectare Valeriano Project located in the northern portion of Chile’s El Indio Belt, 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 by January 14, 2021 (paid);
  - US$250,000 by August 30, 2022; and
  - US$3.5 million by August 29, 2023 (50% of which may be paid via the issuance of common shares, at the Company's discretion).

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

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

After earning the initial 49% property interest, to acquire a further 51% property interest, increasing the Company's interest to 100%, the Company is required to do the following:

- Pay US$8.0 million by August 29, 2025 (50% of which may be paid via the issuance of common shares, at the vendor's discretion); and,
- Incur a further US$5.0 million in exploration expenditures on the property by August 29, 2025.

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

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 2.0 million units and shall grant a 0.25% NSR to SBX. Each unit is to consist of one common share and one share purchase warrant exercisable at $0.40 per common share for four years. 1.0 million of the units vest and are issuable on December 31, 2020 such that SBX does not become an insider of the Company and a further 1.0 million units vest and are issuable upon the Company making the US$3.5 million option payment due by August 29, 2023. On December 31, 2020 600,000 of the 1.0 million units were issued to SBX.

Apolo Concessions

In July 2019, the Company, through its wholly-owned Chilean subsidiary, ATEX Chile SpA ("**ATEX Chile**"), entered into an option agreement to acquire a 100% interest in the Alicia, Roma and Condor gold properties, referred to collectively as the Apolo Concessions, covering a total area of 14,900 hectares located within the northern extension of the Maricunga Mineral Belt, Region III, Chile.

Pursuant to the option agreement, to acquire the 100% property interest, the Company was required to do the following:

- Pay US$7.5 million, including:
  - US$45,000 upon signing (paid);
  - US$85,000 by May 31, 2020;
  - US$85,000 by May 31, 2021;
  - US$85,000 by May 31, 2022; and,
  - US$7.2 million by December 31, 2022.

- Complete the following work commitments:
  - 3,000 metres of test boring/exploration drilling by May 31, 2020;
  - 5,000 metres of test boring/exploration drilling by May 31, 2021; and,
  - 5,000 metres of test boring/exploration drilling by May 31, 2022.

Upon acquisition of a 100% ownership interest in the Apolo Concessions, ATEX Chile was to grant a 1.5% NSR to the vendor. The option was originally granted by the property owner to SBX. Under a transfer and assignment agreement with SBX, the Company paid US$100,000 and was to grant SBX a 0.50% NSR.

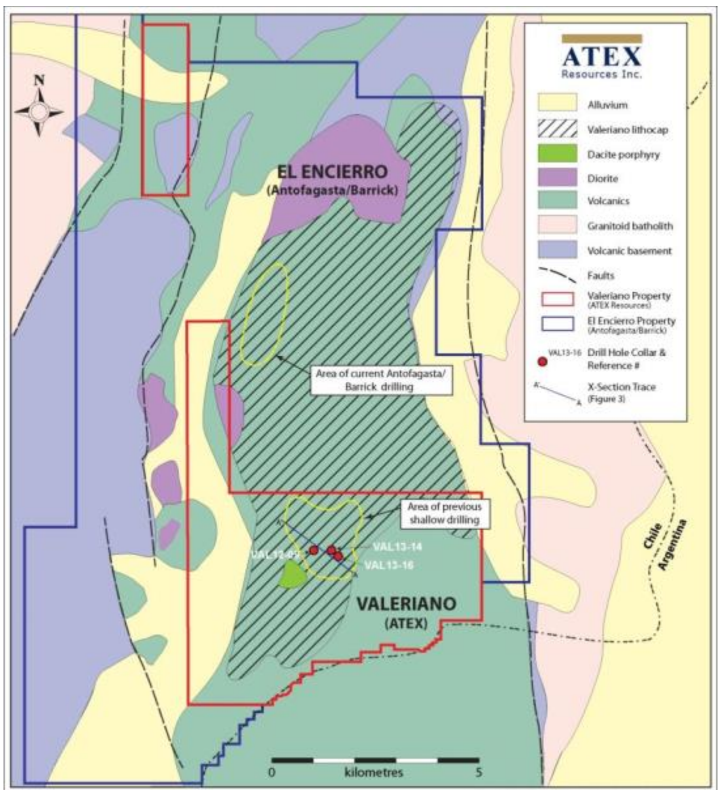
The Company conducted surface examinations of the Apolo Concessions and, based on the results of this work, determined that the properties were of no further interest in light of the operational difficulties resulting from the "COVID-19" coronavirus. Accordingly, the Company terminated the option agreement on the Apolo Concessions on May 31, 2020 and wrote off the related exploration and evaluation assets of $670,350 in the three months ended June 30, 2020.

Colombia

In 2010, the Company executed two agreements to earn up to a 75% interest in the mineral titles of the Fredonia and Venecia properties, both located in the department of Antioquia, near the City of Medellin, in Colombia. The Company terminated both of its Colombian options in 2013. The Company retains an earned 50% interest in the Fredonia property. Currently, the Company has no intention to incur any further exploration or concession expenditures and any future expenditure incurred by the optionor and/or other third parties may have the effect of diluting the Company's earned interest. In 2013, when management provided notice to the optionor of the Company's intention to cease exploring, the Fredonia property consisted of three concessions totaling 4,563 hectares. The optionor has subsequently dropped two of the concessions and the remaining concession covers 1,967 hectares.

Valeriano Project Geology

The Valeriano Project is underlain by altered felsic volcanics which at depth have been intruded by a multi-phase granodiorite porphyry. The mineralized system displays a classic porphyry-style alteration pattern from high-level advanced argillic alteration through to a well- developed potassic alteration zone close to the porphyry with associated stockwork and disseminated copper-gold mineralization. A large surface alteration zone (lithocap), covering a surface area of approximately 13 by 4.5 kilometres, extends from the Valeriano Project northward over Antofagasta/Barrick's El Encierro project.

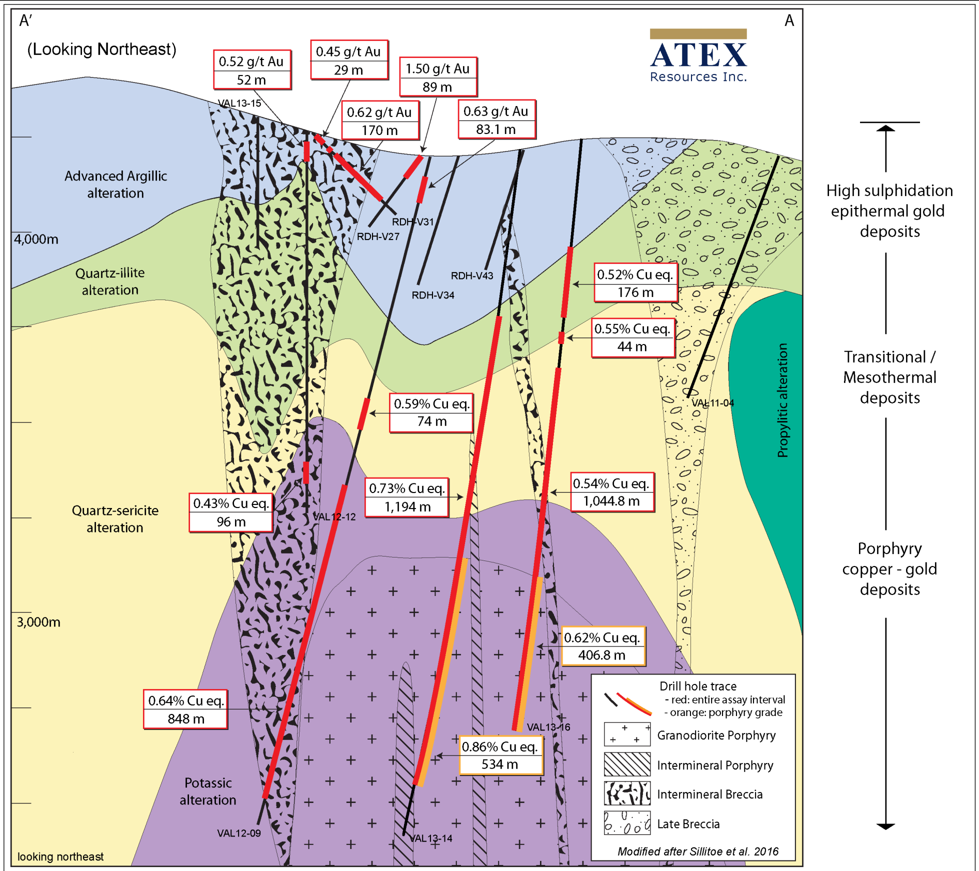


Valeriano Property
Concession / Geology Map

Valeriano Project - Previous Exploration Activities

During the mid-1990's, Phelps Dodge, and later Barrick Gold, explored the Valeriano property for near surface gold ("**Au**") mineralization drilling 47 holes to a maximum depth of 550 metres ("**m**"). The drill programs outlined zones of near-surface high sulphidation, epithermal Au mineralization over an area of approximately 600 m by 400 m to depths of approximately 100 m below surface based on the 0.275 g/t Au resource outline. Drill intercepts included 89 m grading 1.50 grams per tonne Au ("**g/t Au"**) (drill hole RDH-V27) and 0.62 g/t Au over 170 m (RDH-V31). Barrick Gold terminated its option agreement in 1997.

In 2010, Hochschild optioned Valeriano property drilling 16 diamond drill holes in three campaigns for a total of 14,270 m. During the second drill campaign, Hochschild recognized porphyry-style alteration at depth and in the third season they drilled three holes, approximately 225 to 375 m apart, to depths of up to 1,878 m intersecting well-defined mineralized advanced argillic and phyllic alteration zones before entering a chalcopyrite and bornite-bearing, potassic-altered granodiorite porphyry. In 2013, Hochschild drilled two diamond drill holes which intersected a mineralized, potassic altered, granodiorite porphyry including drill hole VAL13-14 which returned 1,194 m grading 0.52% copper ("**Cu"**), 0.24 and 36 parts per million ("**ppm**") molybdenum ("**Mo**") or 0.73% Cu equivalent ("**Cu eq.**") and included 416 m of granodiorite porphyry which graded 0.67% Cu, 0.32 g/t Au and 31 ppm Mo for 0.94% Cu eq. The drill hole ended in mineralization. A third diamond drill hole cut a long interval of breccia associated Cu Au mineralization related to the porphyry system. Hochschild terminated its option agreement over the Valeriano concessions in 2014 due to market-related conditions.



SCHEMATIC CROSS SECTION THROUGH THE VALERIANO PORPHYRY SYSTEM

Valeriano Project - Epithermal Gold Potential

In July 2020 the Company updated its plans for the evaluation of the economic potential of the near surface, oxide Au mineralization at its Valeriano Project. These plans included a review of all historical data to determine what further work, if any, was required to complete a resource estimate and the initiation of a program of metallurgical testing to determine the heap leaching potential of the Au mineralization.

Valeriano Project - Resource Estimates

On September 29, 2020 the Company reported initial resource estimates for the two deposits on the Valeriano Project. Both resource estimates were completed by SRK on behalf of the Company and were prepared in accordance with the Canadian Institute of Mining and Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves (2014). A NI 43-101 technical report was filed on SEDAR on November 13, 2020. Highlights include the following:

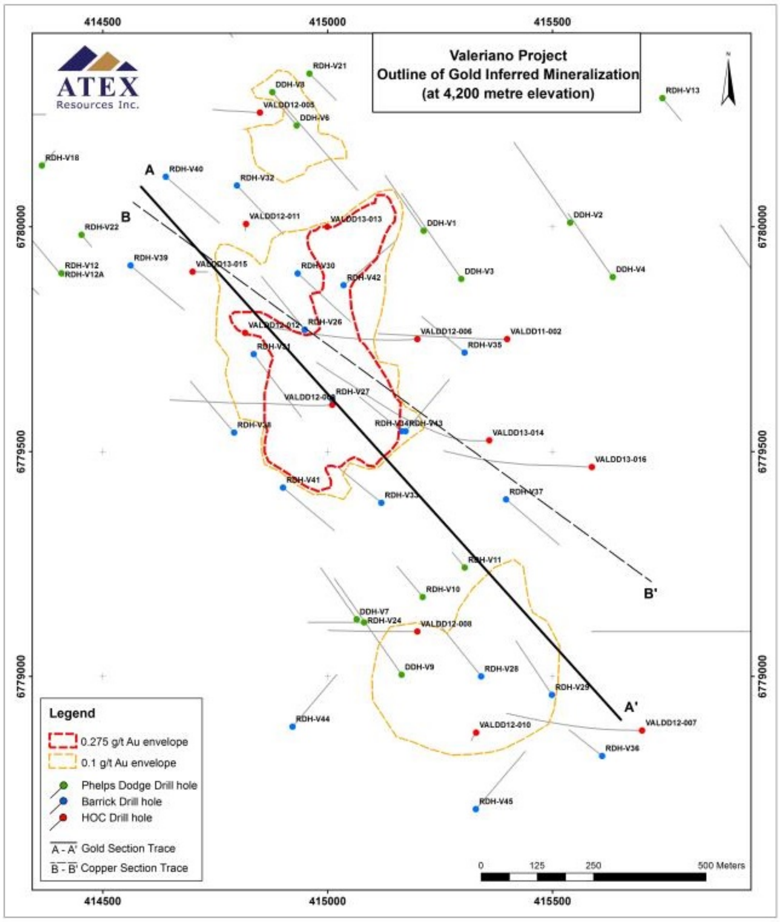
Gold Oxide Epithermal Deposit

- Maiden Au oxide resource estimate totals 34.4 Mt at 0.528 g/t Au and 2.4 g/t Ag (0.561 g/t Au eq.) in the Inferred Category at a 0.275 g/t Au cut-off grade.
- Contained metal totals 584,684 oz Au and 2,653,895 oz Ag for 621,539 Au eq. oz.
- Resource measures approximately 600 m by 400 m in plan extending to an average depth of 100 m from surface.
- Potential exists for additional near surface Au mineralization.

Copper Gold Porphyry Deposit

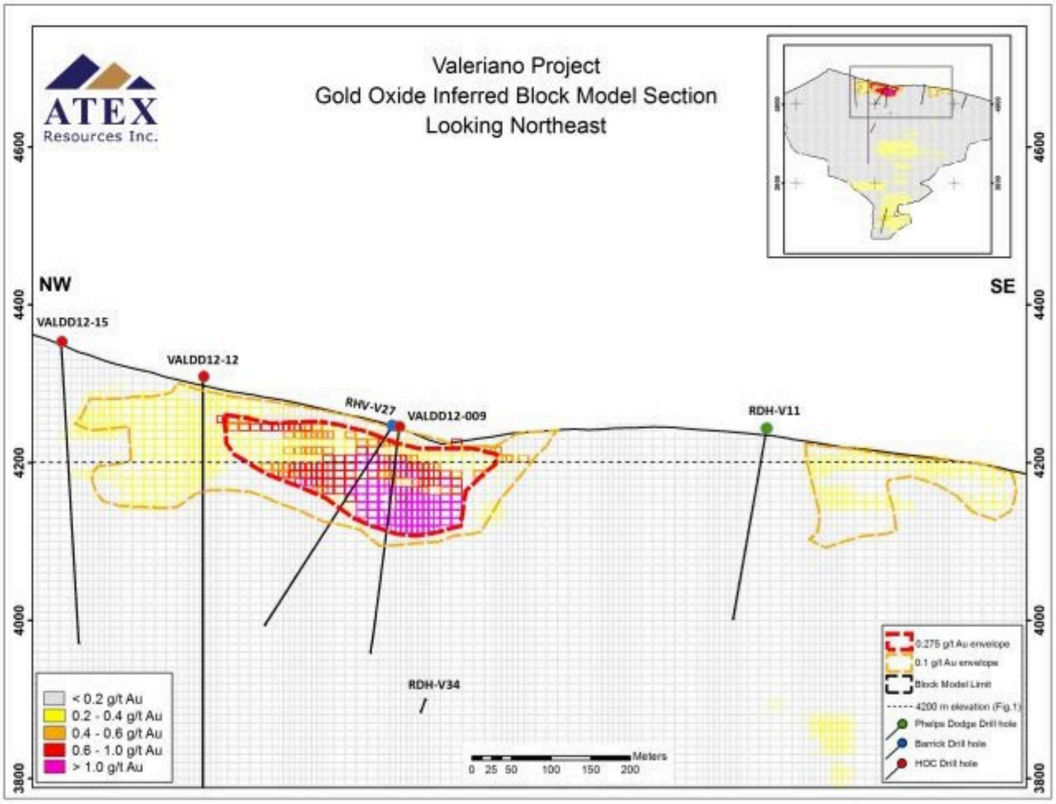
- Maiden Cu Au porphyry resource estimate of 297.3 Mt at 0.59% Cu, 0.193 g/t Au and 0.90 g/t Ag (0.77% Cu eq.) in the Inferred Category at a cut-off grade of 0.50% Cu.
- Contained metal totals 1.77 Mt Cu, 1.84 M oz Au and 8.62 M oz Ag for 2.30 Mt Cu eq.
- Porphyry mineralization is open in all directions horizontally and to depth.
- Highest Cu & Au grades are associated with a granodiorite porphyry and breccia bodies. Drill testing extensions of these bodies is a priority.

Gold Oxide Resource Estimate



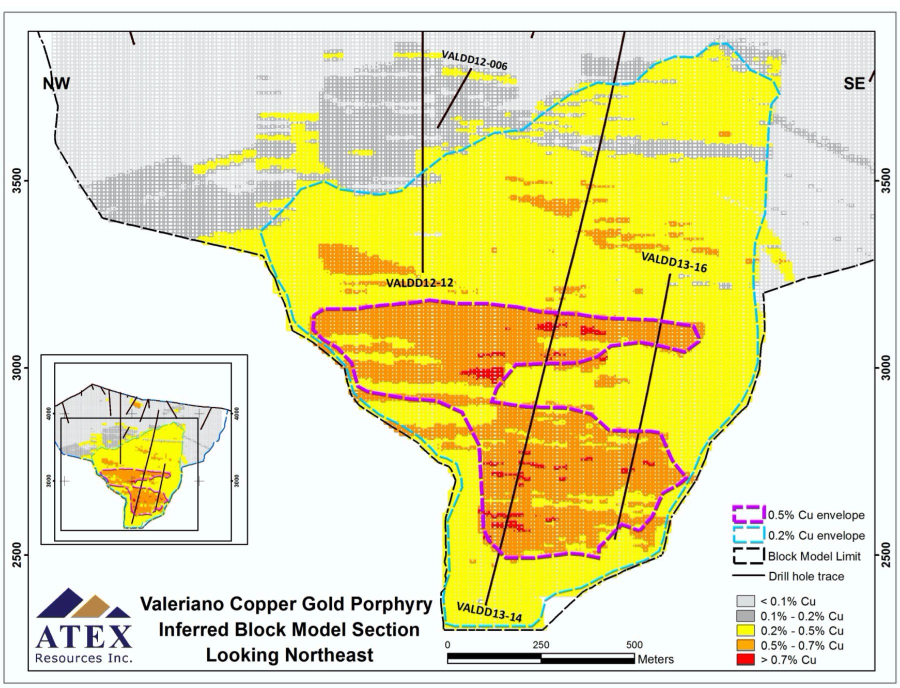
An inferred resource of 34.4 million tonnes (“**Mt**”) grading 0.528 g/t Au and 2.40 g/t silver (“**Ag**”) for a combined Au equivalent (“**Au eq.**”) grade of 0.561 g/t has been estimated for a total of 584,684 ounces (“oz”) of Au and 2,653,895 Ag oz or 621,539 Au eq. oz. The Au oxide resource is associated with high-sulphidation style, epithermal Au and silver mineralization developed within volcanic and volcaniclastic host rocks overlying the Valeriano Cu Au porphyry system.

A preliminary metallurgical testing program, comprising up to 6 bottle roll tests undertaken on available coarse rejects of sampled drill core from previous drill programs, has commenced. The metallurgical test work will determine preliminary Au recoveries, leaching time (leach kinetics) and approximate amount of consumables required. It is expected that the initial results from the test work will be available early in 2021.



Copper Gold Porphyry Resource Estimate

Underlying and separate from the Au oxide resource and below the high-sulphidation style alteration, lies the Valeriano Cu Au porphyry mineralization which has been estimated to host an initial inferred resource of 297.30 Mt grading 0.59% Cu, 0.193 g/t Au and 0.90 g/t Ag (Cu eq grade of 0.77%) for an estimated 1.77 Mt of contained Cu, 1.844 million oz of contained Au and 8.62 million oz of contained Ag or 2.3 Mt Cu eq. The porphyry resource has been tested by four drill holes and is open horizontally in all directions and to depth.



NI 43-101 Report

The resource estimation methodology and the quality assurance / quality control program is explained in the SEDAR filed NI 43-101 report. Given the current drill density for the Porphyry Resource, partial lack of data for complete QA/QC analyses in the Oxide Resource and absence of specific gravity data, both resource estimates have been classified as inferred. The Valeriano resource estimates have been prepared under Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards (2014).

Planned Work:

The Company's near-term focus is on outlining an economically viable, heap leachable Au resource close to surface and the maiden Au oxide resource is a strong step in this direction. This season, the Company is planning on additional drilling to confirm and expand on the current near surface Au resource and preliminary metallurgical testing of the oxide mineralization has commenced. The drilling and metallurgical test work are the first steps towards evaluating the possibility of initiating a preliminary economic assessment.

While the current focus is moving the Au oxide resource forward, the initial porphyry resource estimate suggests that Valeriano property has the potential to host a significant underground Cu Au porphyry deposit. Currently, the porphyry Cu Au mineralization is open horizontally in all directions and to depth.

Mineral Project Expenditures

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

		Expenditures During the Period			
	Balance Sept. 30, 2019 $	Acquisitions $	Exploration $	Assets Written Off $	Balance Sep. 30, 2020 $
ATEX Chile:					
Apolo - Alicia	124,067	-	103,501	(227,568)	-
Apolo - Roma	123,876	-	101,879	(225,755)	-
Apolo - Condor	119,333	-	97,694	(217,027)	-
	367,276	-	303,074	(670,350)	-
ATEX Valeriano:					
Valeriano	614,076	-	417,039	-	1,031,115
Total	981,352	-	720,113	(670,350)	1,031,115

Selected Annual Information

	Year ended Sept. 30, 2018	Year ended Sept. 30, 2019	Year ended Sept. 30, 2020
	$	$	$
Net income	(97,400)	(703,453)	(1,870,271)
Basic loss per share	(0.03)	(0.09)	(0.11)
Total assets	221,445	1,331,152	1,416,592
Current liabilities	17,128	64,922	163,609
Working capital	202,552	264,878	201,868
Dividends	Nil	Nil	Nil

The Company has not earned any revenues from its past projects.

The Company's accounting policy is to record its mineral projects at cost. Exploration and development expenditures are deferred until properties are brought into production, at which time they will be amortized on a unit of production basis. In the event that properties are sold, impaired or abandoned, the deferred cost will be written off.

During fiscal 2018, the Company incurred a loss of $97,400 as management continued curtailing overhead. During fiscal 2019 and 2020, the Company incurred a loss of $703,453 and $1,870,271 as consulting, professional and management fees increased as management was active in fund raising and acquiring new mineral projects. Fiscal 2020's results were also adversely affected by the write off the Apolo Concession exploration and evaluation assets of $670,350.

Results of Operations:

	Three Months Ended Sep. 30 2020 $	**Three Months Ended Sep. 30 2019** $	**Year Ended Sep. 30 2020** $	**Year Ended Sep. 30 2019** $
Expenses:				
Consulting	40,029	31,250	228,779	41,667
Depreciation	-	-	-	132
Filing and transfer agent	2,299	2,163	30,326	36,136
Management and administration	76,259	81,016	304,381	164,612
Office and general	15,245	14,970	91,815	75,178
Professional fees	4,475	51,564	131,730	114,404
Travel and shareholder relations	-	150	27,134	4,005
Foreign exchange loss (gain)	18,711	(1,665)	(5,424)	320
Stock-based compensation	-	7,033	29,800	265,366
General exploration expenses	361,380	-	361,380	-
Write off of exploration and evaluation assets	-	-	670,350	
Write off of property, plant and equipment	-	-	-	1,633
Net loss and comprehensive loss for the period	518,398	186,461	1,870,271	703,453
Basic and diluted loss per share	$0.03	$0.01	$0.11	$0.09
Weighted number of common shares outstanding	19,575,261	13,202,595	17,238,008	7,421,773

Three Months Ended September 30, 2020:

For the three months ended September 30, 2020, the Company recorded a net loss of $518,398 as compared to a net loss of $186,461 for the three months ended September 30, 2019.

Consulting, management and administration costs were comparable to the prior year. Professional fees were higher in the prior year due to fund raising activities. The Company also incurred $361,380 of general exploration expenses during 2020. In the prior year a higher stock based compensation expense was recorded due to a larger stock option grant.

Year Ended September 30, 2020:

For the year ended September 30, 2020, the Company recorded a net loss of $1,870,271 as compared to a net loss of $703,453 for the year ended September 30, 2019.

Consulting expenses, management and administration costs and professional fees increased in 2020 as management was active in fund raising and acquiring and managing new mineral projects after several years of relative inactivity. The Company also incurred $361,830 of general exploration expenses during 2020. Travel expenses increased due to fund raising activities and site visits in the period. In the prior year a higher stock based compensation expense was recorded due to a larger stock option grant. In the current year a $670,350 charge was recorded to reflect the Company's termination of the option agreement on the Apolo Concessions on May 31, 2020.

Summary of Selected Highlights for the Last Eight Quarters

	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020
	$	$	$	$
Balance Sheet:				
Current assets	107,718	1,382,139	939,332	365,477
Current liabilities	278,849	184,371	129,722	163,609
Shareholders' Equity	1,062,978	2,616,010	1,771,381	1,252,983
Working capital (deficiency)	(171,131)	1,197,768	809,610	201,868
Operations:				
Total revenues	Nil	Nil	Nil	Nil
Net loss	(203,252)	(274,192)	(874,429)	(518,398)
Basic loss per share	(0.02)	(0.02)	(0.04)	(0.03)

	Dec. 31, 2018	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019
	$	$	$	$
Balance Sheet:				
Current assets	188,583	145,238	1,495,344	329,800
Current liabilities	25,869	35,880	77,303	64,922
Shareholders' Equity	164,346	109,358	1,445,678	1,266,230
Working capital	162,714	109,358	1,418,041	264,878
Operations:				
Total revenues	Nil	Nil	Nil	Nil
Net loss	(39,971)	(54,988)	(422,013)	(186,481)
Basic earnings per share	(0.02)	(0.03)	(0.03)	(0.01)

The Company was relatively inactive until May 2019. The results from May 2019 to June 2020 reflect management's activities focused on fund raising and acquiring and managing new mineral projects. The results for the three months ended June 30, 2020 reflect a $670,350 charge that was recorded to reflect the Company's termination of the option agreement on the Apolo Concessions on May 31, 2020. In the three months ended September 30, 2020 the Company incurred $361,830 of general exploration expenses.

Liquidity and Solvency

The Company has no operating revenues and does not anticipate any in the near term. Historically, the Company has raised funds primarily through private placements common share issuances.

As at September 30, 2020, the Company had working capital of $201,868.

In April 2019, the Company closed a non-brokered private placement by issuing 10,000,000 units at $0.15 per unit for gross proceeds of $1,500,000. On January 31, 2020, the Company closed the first tranche of a non-brokered private placement by issuing 3,616,333 units at $0.30 per unit for gross proceeds of $1,084,900. On February 20, 2020, the Company closed the second tranche of non-brokered private placement by issuing 2,756,333 units at $0.30 per unit for gross proceeds of $826,900. Subsequent to year end, on November 23, 2020, the Company completed a brokered private placement of units at a price of $0.20 per unit for gross proceeds of $3,300,000.

The new financing in 2020 is sufficient to support the present level of overhead and also allows management to commence certain exploration activities relating to the mineral projects. However, further financing will be required to maintain the commitments pertaining to the mineral projects that the Company has acquired.

The Company has incurred losses since inception and the Company's long-term survival depends on the ability of management to continue raising capital. Management believes the Company can raise new funds and that the Company will be able to fulfill its financial commitments. However, there are no assurances that this will be achieved. If management is unsuccessful in raising further funds, the Company's survival as a going concern beyond fiscal 2021 may be in doubt.

Industry and Economic Factors

The Company's future performance is largely tied the outcome of those exploration programs on its current portfolio of projects, the ability of management to secure new projects and the overall health and stability of junior capital markets, particularly the TSXV. The precious metal financial markets upon which the Company has been reliant may continue to experience volatility, reflecting investor anxiety with regard to the strength and longevity of the global economy, global growth prospects, and their associated impact upon liquidity, security and return.

During the last several years, junior exploration companies worldwide have suffered through volatile markets. Accordingly, the Company has had difficulty raising equity financing for the purposes of mineral exploration. With continued market volatility, the Company's strategy is to manage its treasury in a planned, deliberate and prudent manner while attempting to proceed with any future offering at a point in time where the associated capital markets are favorable. The Company believes this strategy will enable it to meet the near-term challenges presented by the capital markets while maintaining the momentum on key initiatives.

Standards, Amendments and Interpretations adopted or Expected to be Adopted:

Standards, amendments and interpretations adopted or expected to be adopted by the Company are described in Note 3 (j) to the audited annual consolidated financial statements for the year ended September 30, 2020.

Critical Accounting Estimates

The Company's significant accounting policies are summarized in Note 4 of the audited annual consolidated financial statements for the year ended September 30, 2020. The preparation of the consolidated financial statements in accordance with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements.

The Company regularly reviews its judgements and estimates; however, actual amounts could differ and, accordingly, materially affect the Company's financial results.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Outstanding Share Capital

The following securities were outstanding as at January 28, 2021:

Securities	Number of Common Shares	Exercise Price	Expiry Date
Common shares	36,075,261	-	-
Share purchase warrants	10,000,000	$0.20	April 29, 2024
Share purchase warrants	3,186,333	$0.40	January 31, 2024 – February 20, 2024
Share purchase warrants	16,500,000	$0.30	November 23, 2022
Broker warrants	281,587	$0.30	January 31, 2021 – February 20, 2021
Broker warrants	1,080,000	$0.20	November 23, 2021
Share purchase options	2,885,000	$0.15 - $0.30	May 8, 2024 – January 4, 2026
Fully diluted common shares	70,008,181		

As at September 30, 2020, there were 19,575,261 common shares outstanding.

On January 31, 2020, the Company issued 3,616,333 units (each, a "Unit") at $0.30 per Unit for gross proceeds of $1,084,900 pursuant to a non-brokered private placement. Each Unit consists of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable to purchase one common share at a price of $0.40 per share for a period of three years from the closing date. In connection with the financing, the Company paid a finder's fee and other cash share issue costs of $84,576 and issued 229,810 finder's warrants, which entitle the holder to purchase 229,810 Units for a period of 12 months from the closing date at a purchase price of $0.30 per Unit

On February 20, 2020, the Company issued 2,756,333 units at $0.30 per Unit for gross proceeds of $826,900 pursuant to the second tranche of a non-brokered private placement. In connection with the financing, the Company paid an aggregate finder's fee of $15,533 and issued an aggregate of 51,777 finder's warrants, which entitle the holder to purchase an aggregate of 51,777 Units for a period of 12 months from the closing date at a purchase price of $0.30 per Unit.

Subsequent to year end, on November 23, 2020, the Company completed a brokered private placement of units at a price of $0.20 per unit for gross proceeds of $3,300,000. See Subsequent Events.

In June 2020, the Company granted 290,000 five year stock options with each stock option exercisable to purchase one common share at $0.15.

On January 4, 2021, the Company granted 1,400,000 options with each option exercisable at $0.30 per share for five years. See Subsequent Events.

Related Party Transactions

As described in Note 6 to the audited annual consolidated financial statements for the year ended September 30, 2020, key management personnel are persons responsible for the planning, directing and controlling activities of the entity. The Company's key management personnel are the CEO, CFO and a director and their compensations are included in the following:

	Year Ended September 30	
	2020 $	2019 $
Management and administration fees	304,601	164,612
Benefits and other	12,381	7,600
Administration fees	29,800	143,642
Total	346,782	315,854

Related party liabilities are included in trade and other payables. As at September 30, 2020, $28,073 was owed to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Subsequent Events

On November 23, 2020 the Company completed a private placement of 16,500,000 units (the "Units") at a price of $0.20 per Unit for gross proceeds of $3,300,000 (the "Offering"). The agents for the Offering were Mackie Research Capital Corporation and Canaccord Genuity Corp. (the "Agents"). Each Unit was comprised of one common share and one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall be exercisable to acquire one common share at a price of $0.30 per common share until November 23, 2022. The Agents received a cash fee equal to 6.0% of the gross proceeds from the Offering. In addition, the Company granted the Agents compensation options (the "Compensation Options") equal to 8.0% of the total number of Units sold under the Offering. Each Compensation Option entitles the Agent to purchase one Unit at an exercise price of $0.20 until November 23, 2021.

Under the original Valeriano Project transfer and assignment agreement with SBX, the Company issued 600,000 units to SBX on December 31, 2020. Each unit is consisted of one common share and one share purchase warrant exercisable at $0.40 per common share for four years.

On January 4, 2021, the Company granted 1,400,000 options to directors, officers and consultants of the Company, with each option exercisable at $0.30 per share for five years.

On January 14, 2021, the Company and the optionor of the Valeriano Copper/Gold Property agreed to amend the Valeriano option agreement as follows:

- The US$300,000 payment originally due by the earlier of the commencement of drilling or August 29, 2021 was amended to be payable on January 14, 2021 (paid);
- The US$250,000 payment originally due by August 30, 2021 is now due by August 30, 2022;
- The US$3.5 million payment originally due by August 29, 2022 is now due by August 29, 2023;
- US$10.0 million in exploration expenditures on the property, including at least 8,000 metres of drilling, originally to be completed by August 29, 2022 are now to be completed by August 29, 2023;
- After earning an initial 49% property interest, the US$8.0 million originally payable by August 29, 2024 towards increasing the Company's property interest to 100% is now payable by August 29, 2025; and
- After earning an initial 49% property interest, a further US$5.0 million in exploration expenditures to be incurred on the property originally by August 29, 2024 are now to be incurred by August 29, 2025.

Disclosure Controls and Procedures

Management has assessed the effectiveness of the Company's disclosure controls and procedures used for the financial statements and MD&A as at September 30, 2020. Although certain weaknesses such as lack of segregation of duties are inherent with small office operations, management has implemented certain controls such as frequent reviews and regular preparations of reconciliations of transactions and budgets to ensure absence of material irregularities. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to it in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the annual filings. The disclosure controls and procedures are designed to ensure effective information required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Limitations of Controls and Procedures

It must be recognized that any implemented system of disclosure controls and procedures or internal controls over financial reporting can only provide reasonable and not absolute assurance that the objectives of the control system are met. While designing such control systems, resource constraints cannot be ignored and the benefits of controls must be considered relative to their costs. All control systems are subject to limitations and as such, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. Breakdowns within the system can occur due to simple human error or mistakes. Furthermore, controls can be circumvented by individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Risk Factors

The Company is subject to the risks and challenges similar to other companies in a comparable stage. Other than the risks relating to reliance on financing previously discussed, the risks include, but are not limited to, limited operating history, speculative nature of mineral exploration and development activities, operating hazards and risks, mining risks and insurance, no mineral reserves, environmental and other regulatory requirements, competition, stage of development, fluctuations in commodity prices, conflicts of interest, reliance on key individuals, no key man insurance and enforcement of civil liabilities.

Limited Operating History - An investment in the Company should be considered highly speculative due to the nature of the Company's business. The Company has no history of earnings, it has not paid any dividends and it is unlikely to enjoy earnings or be paying dividends in the immediate or foreseeable future.

Speculative Nature of Mineral Exploration and Development Activities - Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production.

No Mineral Reserves or Resources - Mineral reserves and resources are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves.

Operating Hazards and Risks - Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's past operations and future operations will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, such as unusual or unexpected formations, cave-ins or pollution, all of which could result in work stoppages, damage to property and possible environmental damage.

Fluctuations in Commodity Prices - The profitability, if any, in any mining operation in which the Company may have an interest is significantly affected by changes in the market price of precious and base metals which fluctuate on a daily basis and are affected by numerous factors beyond the Company's control.

Mining Risks and Insurance - The business of mining s generally subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, unusual or unexpected geological conditions, pressures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, blizzards and earthquakes. No assurance can be given that such insurance will continue to be available or that it will be available at economically feasible premiums. Mining operations will be subject to risks normally encountered in the mining business.

Environmental and Other Regulatory Requirements - the Company's activities have been subject to environmental regulations promulgated by government agencies from time to time. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving toward stricter standards and enforcement with more severe fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The Company's exploration interests and potential development and production on future properties, require permits from various federal and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Competition - Significant competition exists for the limited number of mineral project acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company The Company may be unable to acquire additional attractive mineral projects on terms it considers acceptable. Accordingly, there can be no assurance that the Company's exploration and acquisition programs will yield any reserves or result in any commercial mining operation.

Stage of Development - the Company is in the business of exploring for precious and base metals, with the ultimate goal of producing them from its mineral exploration properties. None of the Company's past properties had commenced commercial production and the Company has no history of earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that the Company will be able to develop any of its future properties profitably or that its future activities will generate positive cash flow.

The Company has not sufficiently diversified such that it can mitigate the risks associated with its planned activities. The Company has limited cash and other assets.

A prospective investor in the Company must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of the Company's management in all aspects of the development and implementation of the Company's business activities.

Reliance on Key Individuals - the Company's success depends to a certain degree upon certain key members of the management. These individuals are a significant factor in the Company's growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Company.

Enforcement of Civil Liabilities - As the Company's key major assets and certain of its management are or may be located outside of Canada, it may be difficult or impossible to enforce judgments granted by a court in Canada against the Company's assets, or the management of the Company, residing outside of Canada. By the same token, the Canadian court has no jurisdiction to enforce any claims made by the Company outside of Canada.

Political Risks - The Company operates in South America, in general, and currently, specifically in Chile. Operations in South American countries may be subject to risk due to the potential for social, political, economic, legal and fiscal instability.

Future political actions cannot be predicted and may adversely affect the Company. Changes, if any, in mining or investment policies or shifts in political attitude in the countries in which the Company holds property interests in the future may adversely affect the Company's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

Other risks may involve matters arising out of the evolving laws and policies pertinent to that country, any future imposition of special taxes or similar charges, as well as foreign exchange fluctuations and currency convertibility and controls, the unenforceability of contractual rights or the taking or nationalization of property without fair compensation, restrictions on the use of expatriates in the Company's operations, or other matters. The Company also bears the risk that changes can occur in the government and a new government may void or change the laws and regulations that the Company may be relying upon.

Mining Regulation - The mineral exploration and development activities which may be undertaken by the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters.

Exploration and development activities may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety. This may affect both the Company's ability to undertake exploration and development activities in respect of its properties, as well as its ability to explore and operate those properties in which it current holds an interest or in respect of which it obtains exploration and/or development rights in the future.

No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or future potential production. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.