ATEX Resources Inc.

Management's Discussion & Analysis

Three Months Ended December 31, 2021

This management's discussion and analysis ("**MD&A**"), prepared as of February 24, 2022, reviews and summarizes the activities of ATEX Resources Inc. (the "**Company**") and compares the financial results for the three months ended December 31, 2021 with those of the previous periods. This information is intended to supplement the unaudited condensed interim consolidated financial statements for the three months ended December 31, 2021 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

The Qualified Person, as defined by National Instrument 43-101 of the Canadian Securities Administrators, for the Company's exploration activities in Chile, including the Valeriano copper gold property (the "**Valeriano Project**") is Sergio Diaz, a resident of La Senera, Chile. Mr. Diaz is a Public Registered Person for Reserves and Resources N° 51, in Chile and is also registered in the Colegio de Geólogos de Chile under N° 315. The September 29, 2020 Valeriano 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 Project; mine development prospects; and, potential for future metals production; 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. 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 involve known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, prediction, projection, forecast, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: risks related to international operations, changes in economic parameters and assumptions including but not limited to changes in taxes and royalties; the interpretation and actual results of current exploration activities; changes in project parameters as plans continue to be refined; the conversion of inferred resources to the measured and indicated category; the timing of metallurgical test results; the results of regulatory and permitting processes; future metals price; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; labour disputes and other risks of the mining industry; the results of economic and technical studies, delays in obtaining governmental approvals or financing or in the completion of exploration, as well as those factors disclosed in the Company's publicly filed documents.

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

COVID-19 Estimation Uncertainties:

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- demand for copper, gold and other metals and global commodity prices;
- the ability to carry out mineral exploration;
- the severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- availability of government supplies, such as water and electricity;
- exchange rates and the relative purchasing power of the Canadian dollar; and
- ability to obtain funding.

At the date of this MD&A, neither the Canadian governments or the Chilean governments have introduced measures that have significantly impeded the operational activities of the Company. Management believes the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Operations:

In August 2019 (as amended in January, 2020 and 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 large copper gold bearing porphyry system and a near surface gold oxide epithermal deposit. The copper gold porphyry deposit currently has a resource estimate of 297.3 million tonnes at 0.59% copper, 0.193 grams per tonne ("**g/t**") gold and 0.90 g/t silver (0.77% copper equivalent) in the inferred category (0.50% copper cut-off) containing 1.77 million tonnes copper, 1.84 million ounces gold and 8.62 million ounces silver for 2.30 million tonnes copper equivalent. The porphyry mineralization is open in all directions horizontally and to depth and the highest copper and gold grades are associated with a granodiorite porphyry and breccia bodies. The near surface Valeriano gold oxide epithermal deposit contains 0.585 million ounces of gold and 2.65 million ounces of silver for 0.623 million gold equivalent ounces hosted in an inferred resource estimate of 34.4 million tonnes at a grade of 0.528 g/t gold and 2.4 g/t silver, for a gold equivalent grade of 0.561 g/t, at a 0.275 g/t gold cut-off grade. In January 2022, the Company commenced a diamond drilling program to expand the existing copper gold porphyry resource and, potentially, convert a portion of inferred resources to the measured and indicated categories.

On December 2, 2021, the Company issued 59,800,000 units at $0.1425 per unit for gross proceeds of $8,521,500 pursuant to a brokered private placement. The agent for the offering was Desjardins Capital Markets. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share at $0.22 per common share until December 2, 2024. The Company is using the proceeds from this offering to advance the Valeriano Project and for general corporate purposes.

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.

Upon earning a 49% interest, the Company may increase its interest in the Valeriano Property to 100% by undertaking 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 to SBX Asesorías e Inversiones Limitada ("**SBX**") under an agreement dated August 29,2019, as amended May 21, 2020 . 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 from vesting. 1.0 million of the units vested and were 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. Under the SBX agreement the Company issued 600,000 units to SBX on December 31, 2020 and a further 400,000 units to SBX on December 10, 2021. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.40 per common share until December 31, 2024.

Generative Projects

The Company’s generative projects are properties, located in the Atacama Region, Chile, staked by the Company for early-stage exploration for minerals, primarily for gold. Currently, the Company, through its wholly-owned Chilean subsidiary, ATEX Chile SpA (“**ATEX Chile**”), has staked five properties.

Valeriano Project Geology

The Valeriano Project is located in an emerging copper gold porphyry mineral belt linking the prolific El Indio High-Sulphidation Belt to the south with the Maricunga Gold Porphyry Belt to the north. Referred to internally as the Link Belt, it hosts a number of copper gold porphyry deposits at various stages of development including:

- Filo del Sol, Filo Mining.
- Josemaria, Josemaria Resources.
- Los Helados, NGEX Minerals/Nippon Caserones Resources.
- El Morro, Teck Resources/Newmont.
- El Encierro, Antofagasta/Barrick Gold.

The Valeriano Project, located 125 kilometres southeast of the City of Vallenar, Atacama Region, northern Chile, at an elevation between 3,800 to 4,400 metres above sea level, sits adjacent to the south of the El Encierro Project, owned by Antofagasta/Barrick Gold.

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, covering an area of approximately 13 by 4.5 kilometres, extends from the Valeriano Project northward over Antofagasta/Barrick Gold's El Encierro Project (see figure 1).

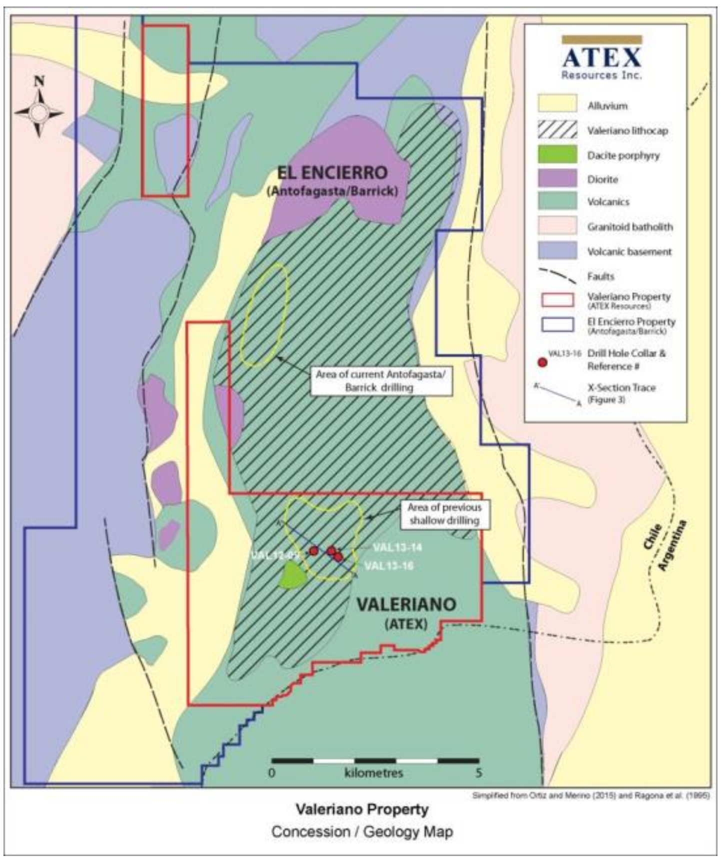

Figure 1 – Valeriano Property Outline

Valeriano Project - Previous Exploration Activities

During the mid-1990's, Phelps Dodge, and later Barrick Gold, explored the Valeriano property for near surface gold mineralization drilling 47 holes to a maximum depth of 550 metres. The drill programs outlined zones of near-surface high sulphidation, epithermal gold mineralization over an area of approximately 600 metres by 400 metres to depths of approximately 100 metres below surface based on the 0.275 g/t gold resource outline. Drill intercepts included 89 metres grading 1.50 g/t gold (drill hole RDH-V27) and 0.62 g/t gold over 170 metres (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 metres. 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 metres apart, to depths of up to 1,878 metres 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 metres grading 0.52% copper, 0.24 g/t gold and 36 parts per million molybdenum or 0.73% copper equivalent and included 416 metres of granodiorite porphyry which graded 0.67% copper, 0.32 g/t gold and 31 parts per million molybdenum for 0.94% copper equivalent. The drill hole ended in mineralization. A third diamond drill hole cut a long interval of breccia associated copper gold mineralization related to the porphyry system. Hochschild terminated its option agreement over the Valeriano concessions in 2014 due to market-related conditions.

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:

Copper Gold Porphyry Deposit

- Maiden copper gold porphyry inferred resource estimate of 297.3 million tonnes at 0.59% copper, 0.193 g/t gold and 0.90 g/t silver (0.77% copper equivalent) at a cut-off grade of 0.50% copper.
- Contained metal totals 1.77 million tonnes copper, 1.84 million ounces gold and 8.62 million ounces silver for 2.30 million tonnes copper equivalent.
- Porphyry mineralization is open in all directions horizontally and to depth.
- Highest copper and gold grades are associated with a granodiorite porphyry and breccia bodies. Drill testing extensions of these bodies is a priority.

Gold Oxide Epithermal Deposit

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

NI 43-101 Compliance

The resource estimation methodology and the quality assurance and quality control programs are explained in the NI 43-101 report title "Valeriano Project Inferred Resource Estimates" and filed on the SEDAR website on November 13, 2020. Given the current drill density for the copper gold porphyry resource, partial lack of data for complete QA/QC analyses in the gold oxide resource and absence of specific gravity data, both resource estimates have been classified as inferred. The Valeriano Project resource estimates have been prepared under Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards (2014). The inferred mineral resources were not confined by economic or mining parameters. Cut-off grades used were for reporting purposed only and no economic conditions were or are implied. Metal prices used in the calculation of equivalent grades were $1,800 per ounce gold, $25.00 per ounce silver and $3.00 per pound copper. The formula used to calculate the gold equivalent grade was: Au eq. (g/t) = Au (g/t) + ((Ag (g/t) * Ag $/oz)/(Au $/oz)). The formula used for the copper equivalent calculation was: Cu Eq% = (Cu ppm/10,000) + (Au g/t * Au $/oz/ 22.0462 * 31.1035*Cu $_{price}$) + (Ag g/t * Ag $_{price}$ / 22.0462 * 31.1035*Cu $_{price}$)

Current Work

The Company's near-term focus is on outlining an economically viable copper gold porphyry resource at the Valeriano Project. The initial porphyry resource estimate together with the recent relogging program and surface mapping suggests that Valeriano Project has the potential to host a significant copper gold porphyry deposit. Currently, the porphyry copper gold mineralization is open horizontally in all directions and to depth. The Company is undertaking an exploration program commencing in January 2022 entailing magnetotelluric (MT) and ground magnetics geophysical surveys over the entire property and has commenced a 6,000 metre diamond drilling program with the goal of expanding the current copper gold porphyry resource.

Recent Results

In February 2021, the Company commenced a reverse circulation drilling program to expand the existing near surface oxide gold resource and convert a portion of inferred gold resources to the measured and indicated categories. On July 6, 2021, the Company reported results from the exploration program at the Valeriano Project. The reverse circulation drill program comprised 1,708 metres in twelve drill holes. Ten holes were drilled into the gold oxide epithermal deposit and two drill holes focused on exploration targets including the newly discovered GBV zone. All drill holes returned significant intervals of greater than 0.2 g/t gold mineralization hosted within the volcaniclastic upper unit including 40 metres grading 1.25 g/t gold and 4.06 g/t silver (drill hole ATXR08) and 50 metres grading 0.68 g/t gold and 2.18 g/t silver (drill hole ATXR03).

In conjunction with the 2021 drilling program, a detailed surface mapping program was undertaken resulting in the discovery of a new zone of gold mineralization, the GBV zone, comprising mineralized grey banded quartz veins cutting brecciated rhyolite with characteristics of gold mineralization seen within the Maricunga Gold District. Sampling along surface trenches cut through the GBV zone returned significant intervals of gold mineralization including 0.80 g/t gold over 60 metres and 0.45 g/t gold over 60 metres. Drill hole ATXR12, lost at a depth of 72 metres, returned 36 metres grading 0.49 g/t gold and 0.41 g/t silver and ended in mineralization where the hole was lost. The GBV zone is open to the northeast where the mineralization extends under talus cover.

On July 14, 2021, the Company reported an updated interpretation of the geology of the Valeriano Project prepared by a team of geologists with expertise in El Indio Belt porphyry systems. The new interpretation, developed after months of detailed relogging of 26,848 metres of historic drill core and reverse circulation drill chips, combined with results from the recent mapping and drilling programs, suggests that the Valeriano copper gold porphyry mineralization may trend closer to surface to the southwest of the main area of the previous drilling campaigns. This new interpretation provides a significant exploration opportunity and represents a high priority target for the expansion of the Valeriano copper gold porphyry deposit.

The extensive relogging program resulted in the identification of six distinctive porphyry intrusives with five related to the development of the porphyry copper gold mineralization (VP1 to VP5) and one post mineral, dacitic intrusive that cuts all stages of mineralization both copper gold porphyry and gold oxide epithermal (see figure 2). Intrusives VP1 and VP2 have the highest copper and gold grades and intensity of veining and intrusives VP3 to VP5 display diminished grades and quartz veining. The recent surface mapping identified an outcropping VP4 and VP5 intrusives, to the southwest of the historical focus of drilling, which cut the GBV gold zone. Relogging of historical holes also defined the presence of porphyries, not previously recognized, at shallow depths. This evidence supports the interpretation that the Valeriano porphyry system may extend to the southwest of previous area of drilling and the copper gold mineralization may also occur closer surface in this unexplored area. This opens an exploration opportunity for a major copper gold porphyry cluster.

On January 6, 2022, the Company announced that it is undertaking a diamond drilling program in the next three months to confirm and expand on the current copper gold porphyry resource and expand geophysical information on the entire property. The Company has signed a contract with Atacama Perforaciones for two diamond drill rigs which were mobilized to the Valeriano Project in mid-January 2022. A third rig has been contracted for late February in order to expedite the exploration campaign.

The planned 6,000 metre drill program will follow up on the results from the 2013 historical drilling which returned three diamond drill intersections from the Valeriano copper gold porphyry with a 1,194 metre interval from drill hole VAL13-14 grading 0.73% copper equivalent (0.52% copper, 0.24 grams per tonne gold and 36 ppm molybdenum) including 493 metres grading 0.94% copper equivalent (0.67% copper, 0.32 grams per tonne gold and 31 ppm molybdenum).

In preparation for the current drilling campaign, Southern Rock Geophysics conducted 102 stations of magnetotelluric and 330 line-kilometres of ground magnetics covering the entire Valeriano property. The magnetotelluric (“**MT**”) survey, which uses natural time variations of the Earth's magnetic and electric fields to measure the subsurface electrical resistivity, has been designed to take measurement to depths of 2,000 metres with the goal of confirming the trend of the mineralized system and approximate boundaries of the Valeriano copper gold deposit. The MT survey was successful in establishing a clear correlation between the mineralization comprising the Valeriano Copper Gold Deposit, a sub-circular chargeability anomaly three kilometres in diameter and an extensive resistivity anomaly extending significantly to depth. The resistivity anomaly, the focus of the current drilling campaign, is associated with higher grade copper gold drill intersections from the historical drilling.

Modelling of the MT survey data resulted in the identification of a zone of low resistivity coincident with the chargeability anomaly outlined by a historical induced polarization (“IP”) survey. Figure 2, below, shows a series of elevation level plans illustrating the low resistivity anomaly coalescing beneath the 3,700 metre level. A zone of higher resistivity, associated with the more quartz dominated epithermal gold system, occurs above the 3,700 metre level (Figure 2a).

Below 3,700 metres, the elevation plan maps (Figures 2b, 2c and 2d) show a well-defined zone of low resistivity extending to at least the 2,000 metre level (Figures 3 and 4) which may be associated with more conductive stockwork porphyry mineralization at depth as suggested by three historic deep drill holes. The modeled MT low resistivity bodies extending to depth correlated well with the near surface resistivity outlined from the historic IP survey.

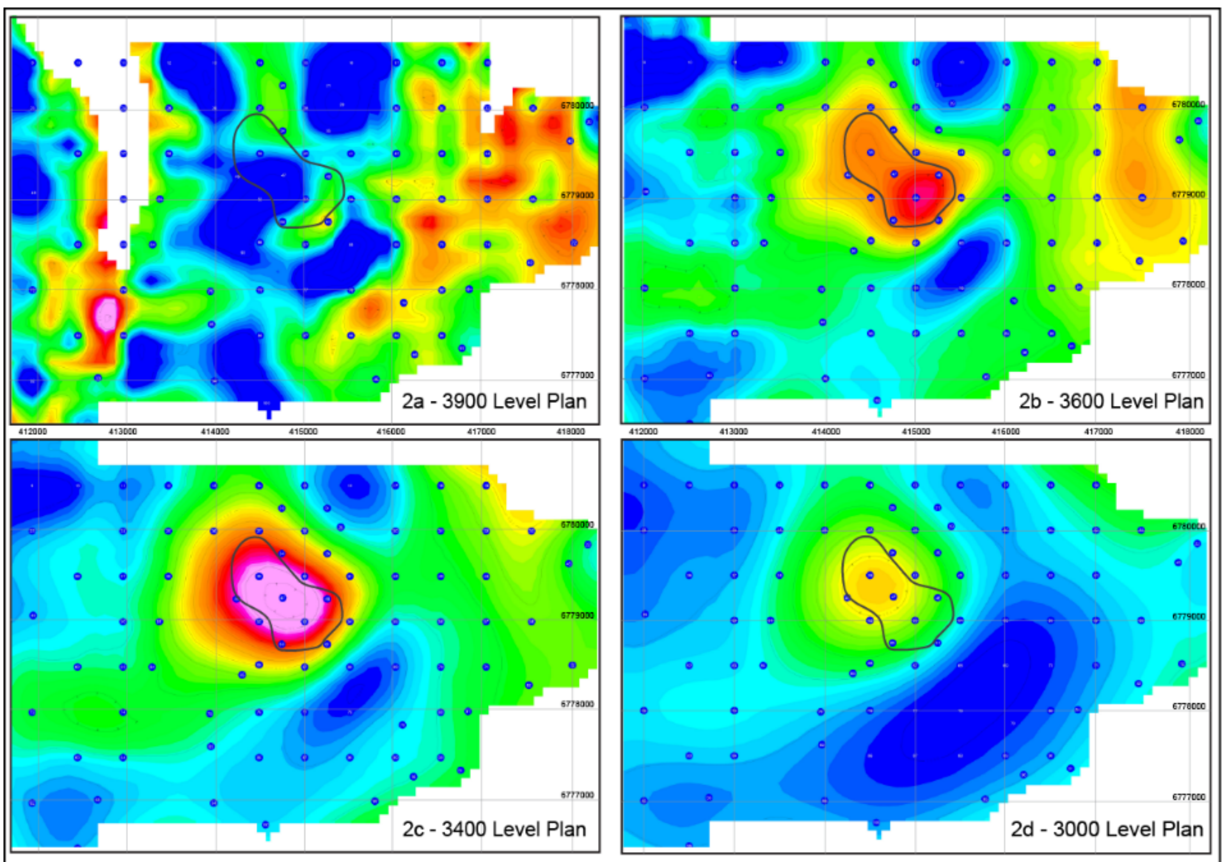

Figure 2
VALERIANO PROJECT
MAGNETOTELLURIC SURVEY
RESISTIVITY ELEVATION LEVEL PLANS

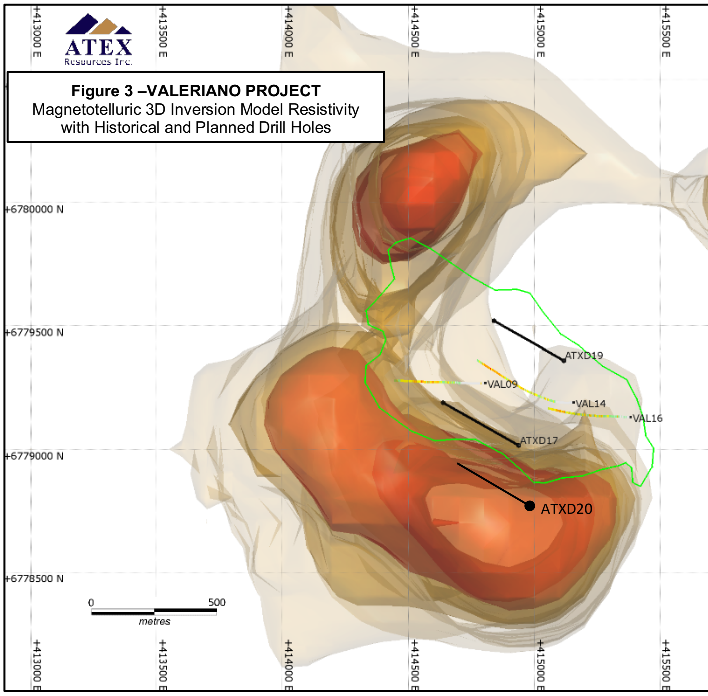

Figure 3 –VALERIANO PROJECT
Magnetotelluric 3D Inversion Model Resistivity with Historical and Planned Drill Holes

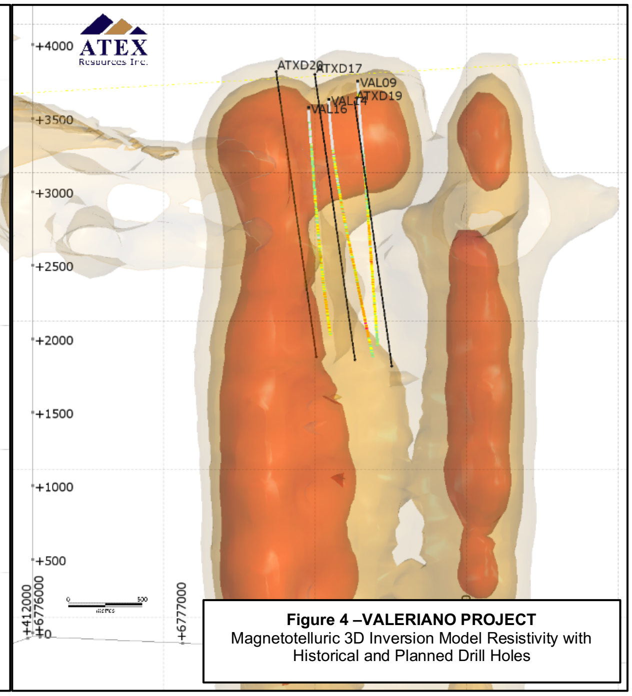

Figure 4 –VALERIANO PROJECT
Magnetotelluric 3D Inversion Model Resistivity with Historical and Planned Drill Holes

The Phase 2 diamond drilling will follow up on the historical work done by Hochschild in 2010 - 2013. In their second drill campaign, Hochschild recognized porphyry-style alteration at depth and in the third season they drilled three holes, approximately 225 to 375 metres apart, to depths of up to 1,878 metres intersecting well-defined mineralized advanced argillic and phyllic alteration zones before entering a chalcopyrite and bornite-bearing, potassic-altered granodiorite porphyry (see Figure 5).

Drill hole VALDD13-14 intersected 1,194 metres grading 0.73% copper equivalent in altered volcanics and porphyry dikes, starting at 614 metres downhole, with the mineralization increasing in intensity to the contact with the porphyry at 1,170 metres. The hole then cut potassic-altered VP1 and VP2 porphyries to 1808 metres.

Drill hole VALDD13-16, located 225 metres to the east of, and drilled roughly parallel to, VALDD13-14, intersected intervals of altered rhyolite cut by dioritic porphyry dikes before intersecting 1,044.8 metres grading 0.54% copper equivalent, in altered VP2 and VP3 porphyries. The hole ended in mineralization.

Drill hole VALDD12-09 is located 375 metres west of, and drilled roughly parallel to, VALDD13-14. The hole cut a copper gold mineralized inter-mineral breccia, related to the porphyry system, returning 848 metres grading 0.64% copper equivalent The hole did not intersect the mineralized VP1 and VP2 high-grade porphyries cut in VALDD13-14 and VALDD13-16.

Historic Drill Results from the Valeriano Copper Gold Porphyry (Hochschild)

Drill Hole	**From**	**To**	**Length**	**Cu**	**Au**	**Ag**	**Mo**	**Cu Eq**
	Metres			*%*	*(g/t)*	*(g/t)*	*(ppm)*	*%*
VALDD12-09	900	1,748	848	0.47	0.16	0.77	89.2	0.64
VALDD13-14	614	1,808	1,194	0.52	0.24	1.02	36.4	0.73
VALDD13-16	576	1,620	1,044	0.39	0.17	0.74	54.1	0.54

- *Intervals are composited at a 0.40 % Cu equivalent cut-off.*
- *Cu equivalent grades are calculated based upon a Cu price of $2.60 per pound, Au price of $1,450 per ounce and Mo price of $11.00 per pound (all prices in US$). Minor discrepancies may exist due to rounding. Metal recoveries were not considered.*
- *Formula for Cu Eq.% calculation: Cu Eq.%=(Cu %/100 * Cu $/tonne)+(Au g/t * Au $/gr.)+(Mo%/100 * Mo $/tonne) / Cu $/tonne*
- *Insufficient information is available to estimate the true widths of the drill hole intervals or mineralized zone*

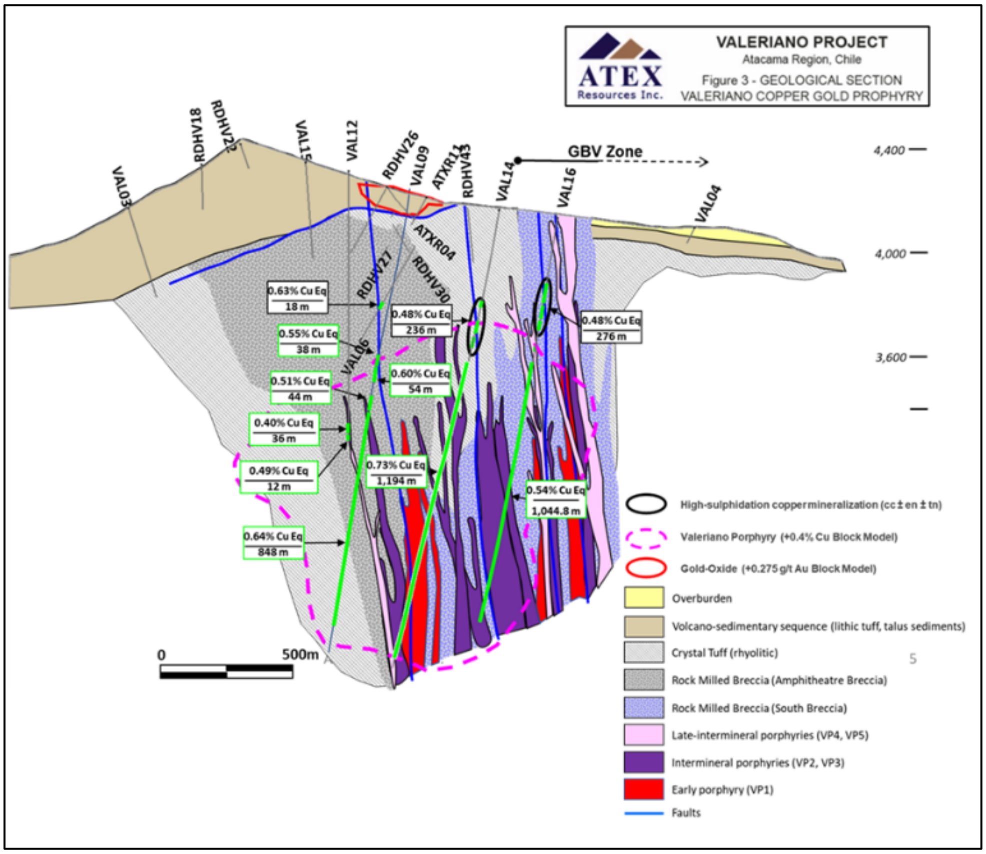

Figure 5 – Geological Section, Valeriano Copper Gold Porphyry

Mineral Project Expenditures

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

	Balance	Expenditures During the Period		Balance
	Sept. 30, 2021	**Acquisitions**	**Exploration**	**Dec. 31, 2021**
Mineral Properties:	**$**	**$**	**$**	**$**
ATEX Chile:				
Generative Projects	163,049	-	61,502	224,551
ATEX Valeriano:				
Valeriano	3,405,806	160,000	713,908	4,279,714
Total	**3,568,855**	**160,000**	**775,410**	**4,504,265**

Selected Annual Information

	Year Ended Sept. 30, 2019	Year Ended Sept. 30, 2020	Year Ended Sept. 30, 2021
	$	$	$
Net income	(703,453)	(1,870,271)	(944,108)
Basic loss per share	(0.09)	(0.11)	(0.03)
Total assets	1,331,152	1,416,592	3,907,792
Current liabilities	64,922	163,609	90,320
Working capital	264,878	201,868	149,296
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 the past three years, the Company incurred losses as consulting, professional and management fees increased as management was active in fund raising and acquiring new mineral projects. Fiscal 2020's results were adversely affected by the write off of the Apolo Concessions exploration and evaluation assets of $670,350.

Results of Operations:

			Three Months Ended Dec. 31, 2021	Three Months Ended Dec. 31, 2020
			$	$
Expenses:				
Consulting			15,627	26,042
Filing and transfer agent			5,509	4,734
Management fees (Note 5)			62,608	72,494
Office and general			13,626	13,048
Professional fees			-	21,500
Travel and shareholder relations			-	1,780
Foreign exchange loss			17,531	41,126
Stock-based compensation			903,042	-
Net loss and comprehensive loss for the period			**(1,017,943)**	**(180,724)**

Three Months Ended December 31, 2021

For the three months ended December 31, 2021, the Company recorded a net loss of $1,017,943 (2020 - net loss of $180,724). In general, expenses for the three months ended December 31, 2021 were limited and comparable to the prior year, reflecting low levels of activity in both periods due to cash constraints faced by the Company in those periods. In the three months ended December 31, 2021, the Company recorded stock-based compensation of $903,042 on stock options issued in December 2021. The Company's current year foreign exchange loss on US dollar balances was comparable to the prior year.

Summary of Selected Highlights for the Last Eight Quarters

	Mar. 31, 2021	Jun. 30, 2021	Sep. 30, 2021	Dec. 31, 2021
	$	$	$	$
Balance Sheet:				
Current assets	1,500,786	509,461	239,616	8,675,517
Current liabilities	217,882	112,151	90,320	603,849
Shareholders' Equity	4,048,272	3,876,861	3,817,472	12,678,070
Working capital	1,282,904	397,310	149,296	8,071,668
Operations:				
Total revenues	Nil	Nil	Nil	Nil
Net loss	532,584	171,411	59,389	1,017,943

	Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020	Dec. 31, 2020
	$	$	$	$
Balance Sheet:				
Current assets	1,382,139	939,332	365,477	2,925,954
Current liabilities	184,371	129,722	163,609	118,906
Shareholders' Equity	2,616,010	1,771,381	1,252,983	4,201,680
Working capital	1,197,768	809,610	201,868	2,807,048
Operations:				
Total revenues	Nil	Nil	Nil	Nil
Net loss	274,192	874,429	518,398	180,724

The results 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. Quarterly results are also affected by the timing of grants of stock options and the recording of the related stock based compensation.

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 December 31, 2021, the Company had working capital of $8,071,668.

On December 2, 2021, the Company issued 59,800,000 units at $0.1425 per unit for gross proceeds of $8,521,500 pursuant to a brokered private placement. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share at $0.22 per common share until December 2, 2024. The Company is using the proceeds from this offering to advance the Valeriano Project and for general corporate purposes. Further financing will be required to maintain the commitments pertaining to the mineral projects that the Company has acquired and to fund general operating expenses.

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 2022 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 exploration 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 2 and Note 3 to the audited consolidated financial statements for the year ended September 30, 2021.

Critical Accounting Estimates

The Company's critical accounting estimates are summarized in Note 4 of the audited consolidated financial statements for the year ended September 30, 2021. 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.

Off-Balance Sheet Arrangements

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

Outstanding Share Capital

As at December 31, 2021, there were 100,023,854 common shares outstanding. The Company's share capital is described in Note 4 to the unaudited condensed interim consolidated financial statements for the three months ended December 31, 2021.

On December 2, 2021, the Company issued 59,800,000 units at $0.1425 per unit for gross proceeds of $8,521,500 pursuant to a brokered private placement. The agent for the offering was Desjardins Capital Markets. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share at $0.22 per common share until December 2, 2024. The Company paid the agent a cash fee of $296,075 in respect of the Offering.

The following securities were outstanding as at February 24, 2021:

Securities	Number of Common Shares	Exercise Price	Expiry Date
Common shares	101,185,521	-	-
Share purchase warrants	9,583,333	$0.20	April 29, 2024
Share purchase warrants	3,186,333	$0.40	January 31, 2023 – February 20, 2023
Share purchase warrants	15,046,407	$0.30	November 23, 2022
Share purchase warrants	59,800,000	$0.22	December 16, 2024
Share purchase warrants	1,000,000	$0.40	December 31, 2024
Stock options	5,505,000	$0.15 - $0.36	May 8, 2024 – December 16, 2026
Fully diluted common shares	**195,306,594**		

Related Party Transactions

As described in Note 5 to the unaudited condensed interim consolidated financial statements for the three months ended December 31, 2021, 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 directors and their compensation was as follows:

	Three Months Ended September 30, 2021	**Three Months Ended September 30, 2020**
	$	**$**
Management fees	62,608	72,493
Stock-based compensation	645,030	-
Total	**707,638**	**72,493**

Subsequent Events

In addition to other events noted herein, the following has occurred during the period subsequent to December 31, 2021: 266,667 common share purchase warrants were exercised at $0.20 per common share and 895,000 common share purchase warrants were exercised at $0.30 per common share.

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 December 31, 2021. 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.

COVID-19 Estimation Uncertainty: Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- demand for copper, gold and other metals and global commodity prices;
- the ability to carry out mineral exploration;
- the severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- availability of government supplies, such as water and electricity;
- exchange rates and the relative purchasing power of the Canadian dollar; and
- ability to obtain funding.

At the date of this MD&A, neither the Canadian governments or the Chilean governments have introduced measures that have significantly impeded the operational activities of the Company. Management believes the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

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 - The Company's projects are all in the exploration stage and do not contain a known body of economically extractable ore. Mineral reserves 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 conducts exploration activities entirely in Chile. Although Chile has a mature and stable political system and enjoys one of the best country risk ratings of the region, there have recently been changes in mining policies or shifts in political attitude towards foreign investment, natural resources and taxation, among other things. Changes, even if minor in nature, may adversely affect the Company's operations. Further, the Company's Chilean mining investments are subject to the risks normally associated with the conduct of business in Chile. The occurrence of one or more of these risks could have a material and adverse effect on the Company's cash flows, earnings, results of operations and financial condition. These risks and uncertainties vary from time to time and include, but are not limited to: labour disputes, invalidation of governmental orders and permits, uncertain political and economic environments, high risk of inflation, sovereign risk, war (including in neighbouring states), military repression, civil disturbances and terrorist actions, arbitrary changes in laws or policies of particular countries, the failure of foreign parties or governments to honour contractual relations, consents, rejections or waivers granted, corruption, arbitrary foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits (including export and/or customs approvals), opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on silver or other metals exports, difficulty obtaining key equipment and components for equipment and inadequate infrastructure. These risks may limit or disrupt the Company's operations and exploration activities, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation.

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.