ATEX Resources Inc.

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Management's Discussion & Analysis

Six Months Ended March 31, 2021

This management's discussion and analysis ("**MD&A**"), prepared as of May 27, 2021, reviews and summarizes the activities of ATEX Resources Inc. (the "**Company**") and compares the financial results for the six months ended March 31, 2021 with those of the previous year. This information is intended to supplement the unaudited condensed interim consolidated financial statements for the six months ended March 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

David Hopper, a Chartered Geologist of the Geological Society of London, Fellow No. 1030584, is the 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; 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 ATEX'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 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:

- global commodity prices;
- demand for gold and 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;
- purchasing power of the Canadian dollar; and
- ability to obtain funding.

At the date of this MD&A, neither the Canadian federal government, the Canadian provincial governments or the Chilean government have introduced measures that have signficiantly 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 January, 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. As announced on February 1, 2021, the Company had commenced the mobilization of drilling and related support equipment to the Valeriano Project. The goal of the planned 3,000 metre reverse circulation drilling program is to expand the existing near surface oxide gold resource and convert a portion of inferred gold resources to the measured and indicated categories. The Valeriano epithermal oxide gold 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 grams per tonne ('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.

On November 23, 2020, the Company issued 16,500,000 Units at $0.20 per Unit for gross proceeds of $3,300,000 (the "Offering") pursuant to a brokered private placement. The agents for the Offering were Mackie Research Capital Corporation and Canaccord Genuity Corp. Each Unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share at $0.30 per common share until November 23, 2022.

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 2020 and January 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 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. On December 31, 2020 600,000 of the 1.0 million units were issued to SBX.

Generative Projects

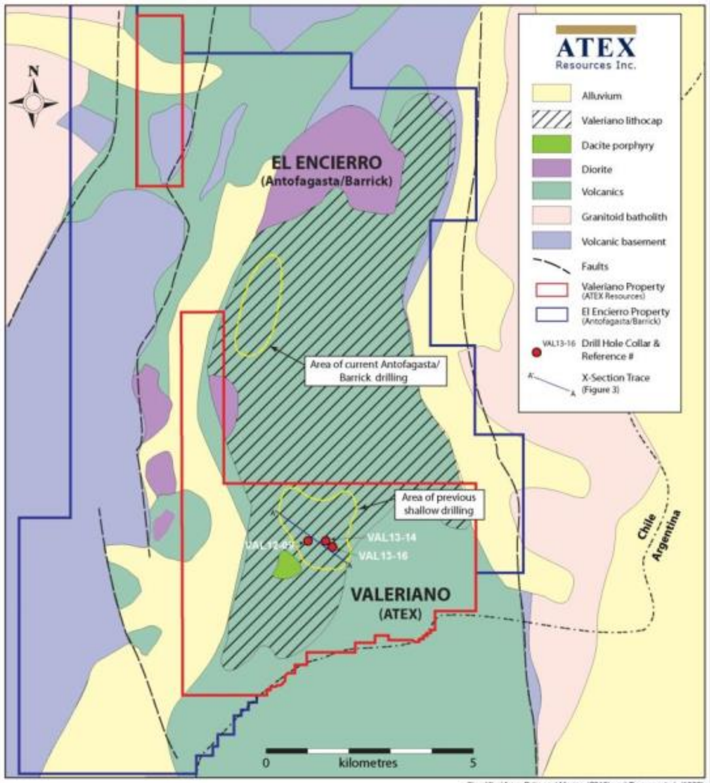
ATEX Chile's generative projects are properties in Chile in the Copiapo region staked by the Company for early stage exploration for minerals, primarily for gold. Currently, ATEX Chile has staked five properties.

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. 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.

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.

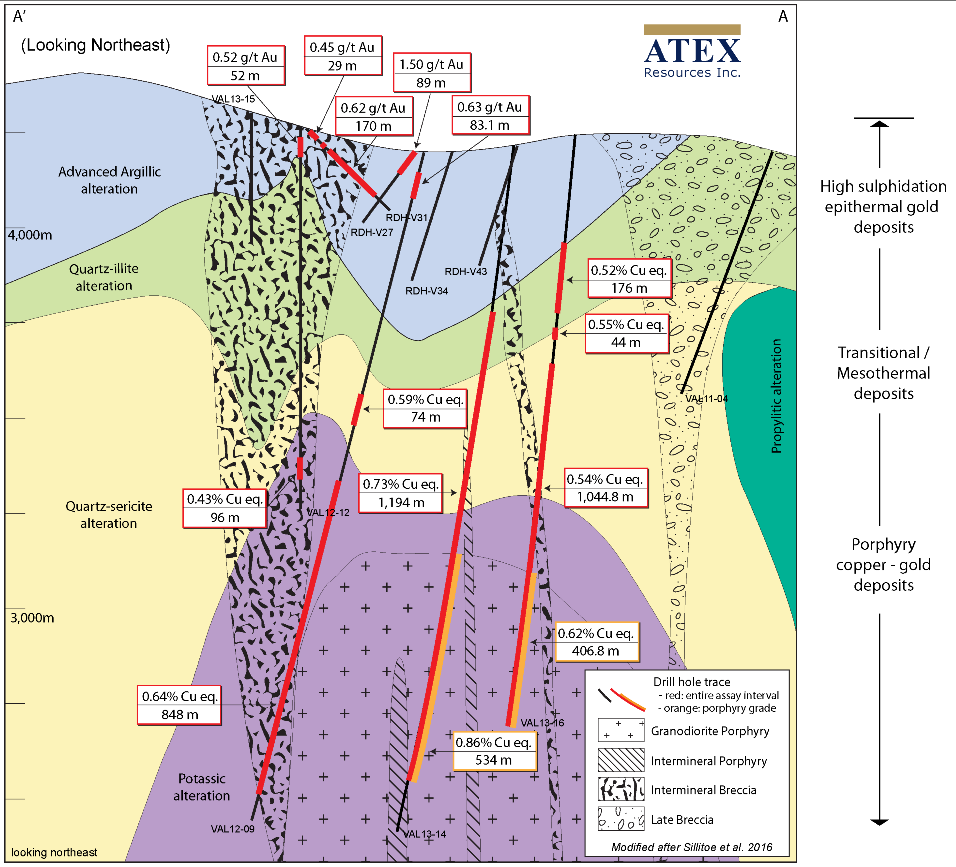


Valeriano Property
Concession / Geology Map

Valeriano Project - Previous Exploration Activities

During the mid-1990's, Phelps Dodge, and later Barrick Gold, explored the Valeriano property for near surface gold mineralization drilling 47 holes to a maximum depth of 550 metres. 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 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 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 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 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.



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 gold 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 gold 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

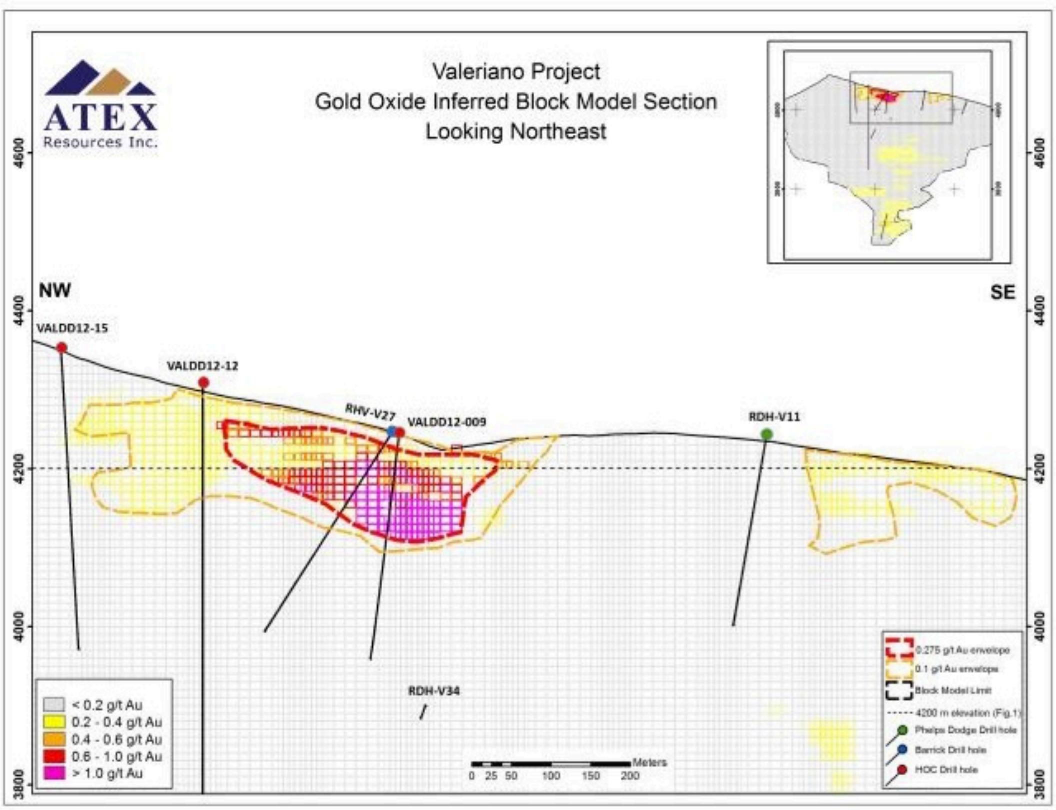
- Maiden gold oxide resource estimate totals 34.4 million tonnes at 0.528 g/t gold and 2.4 g/t silver (0.561 g/t gold equivalent) in the Inferred Category at a 0.275 g/t gold cut-off grade.
- Contained metal totals 584,684 ounces gold and 2,653,895 ounces silver for 621,539 gold equivalent ounces.
- 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.

Copper Gold Porphyry Deposit

- Maiden copper gold porphyry 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) in the Inferred Category at a cut-off grade of 0.50% copper.
- Contained metal totals 1.77 Mt copper, 1.84 M ounces gold and 8.62 M 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.

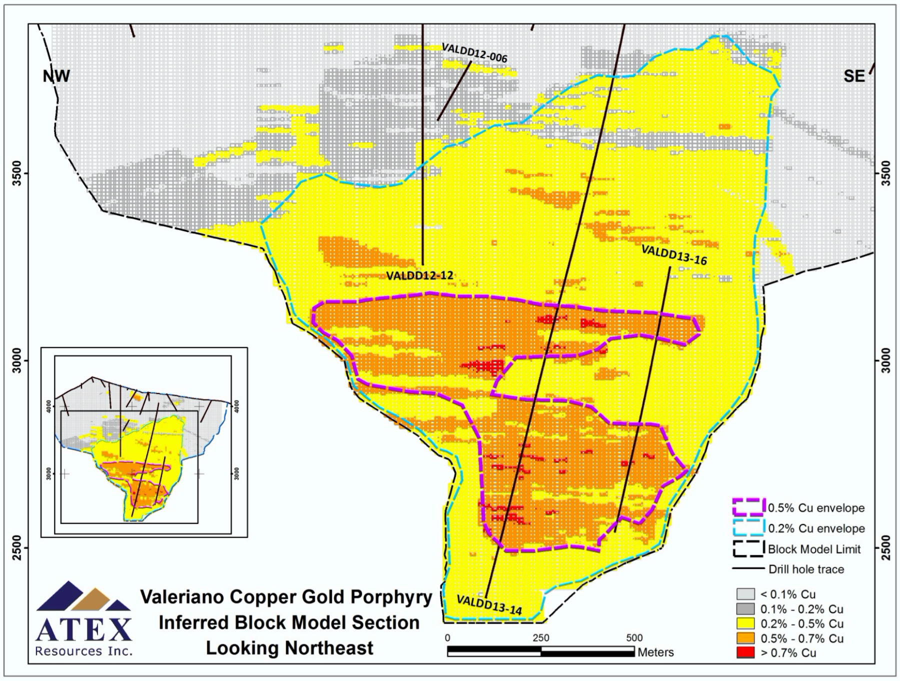
<u>Gold Oxide Resource Estimate</u>

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



<u>Copper Gold Porphyry Resource Estimate</u>

Underlying and separate from the gold oxide resource and below the high-sulphidation style alteration, lies the Valeriano copper gold porphyry mineralization which has been estimated to host an initial inferred resource of 297.30 million tonnes grading 0.59% copper, 0.193 g/t gold and 0.90 g/t silver (copper equivalent grade of 0.77%) for an estimated 1.77 million tonnes of contained copper, 1.844 million ounces of contained gold and 8.62 million ounces of contained silver or 2.3 million tonnes copper equivalent. 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 and quality control program are explained in the SEDAR filed NI 43-101 report. 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 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 gold resource close to surface and the maiden gold 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 gold 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 gold oxide resource forward, the initial porphyry resource estimate suggests that Valeriano Project has the potential to host a significant underground copper gold porphyry deposit. Currently, the porphyry copper gold mineralization is open horizontally in all directions and to depth.

As announced on February 1, 2021, the Company commenced the mobilization of drilling and related support equipment to the Valeriano Project. The goal of the planned 3,000 metre reverse circulation drilling program is to expand the existing near surface oxide gold resource and convert a portion of inferred gold resources to the measured and indicated categories. The results of this drilling program will be available in mid-2021.

On March 8, 2021, the Company announced the metallurgical test results from 13 bottle roll leach tests from the Valeriano Project. Highlights from the metallurgical testing include: average gold recoveries of 70.8%; significant amounts of exposed gold at coarse sizes were visible; and average NaCN consumption of 0.29 kilograms per tonnes and average lime ($Ca(OH)_2$), consumption of 7.0 kilograms per tonnes. The lime consumption was impacted by elevated consumption associated with samples collected from drill hole VALDD012-010 which occurs adjacent to but outside the 0.275 g/t gold resource envelope. Removing the results from VALDD012-010 from the study decreases lime consumption to 1.45 kilograms per tonnes while gold recoveries increase to 75.3%. Core from VALDD012-010 will be examined to determine the cause of the elevated lime consumption. NaCN consumption averaged 0.29 kilograms per tonne. While bottle roll tests are not particularly useful in predicting actual NaCN consumption, the results are indicative of potential issues. No issues were noted during the test work.

Composite Sample	**Crush Size** *(P_{80} - mm)*	**Head Grade** *(g/t Au)*	**Gold Recovery** *(%)*	**NaCN Consumption** *(kg/t)*	**$Ca(OH)_2$** *(kg/t)*	**Sample Location** *(drill hole #)*
172488	2.68	0.695	**77**	0.30	1.04	VALDD12-009
172498	2.61	0.504	**67**	0.18	0.82	VALDD12-009
172499	2.58	0.600	**78**	0.20	2.77	VALDD12-009
172505	2.57	0.891	**89**	0.29	0.78	VALDD12-009
172528	2.79	0.727	**69**	0.39	0.71	VALDD12-009
173035	2.57	0.270	**66**	0.33	13.78	VALDD12-010
173036	2.80	0.540	**76**	0.47	25.74	VALDD12-010
173043	2.66	0.346	**59**	0.54	21.47	VALDD12-010
173048	2.80	0.328	**63**	0.45	6.31	VALDD12-010
173072	2.60	0.412	**52**	0.24	12.55	VALDD12-010
184069	2.27	0.550	**75**	0.19	2.13	VALDD12-011
184830	3.19	0.409	**60**	0.03	2.22	VALDD12-012
185536	2.77	0.200	**87**	0.18	1.16	VALDD13-013

Mineral Project Expenditures

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

		Expenditures During the Period			
	Sept. 30, 2020	**Acquisitions**	**Exploration**	**Written Off**	**Mar. 31, 2021**
Mineral Properties:	**$**	**$**	**$**	**$**	**$**
ATEX Chile:					
Generative Projects	-	-	115,600	-	115,600
ATEX Valeriano:					
Valeriano	1,031,115	535,980	1,029,313	-	2,596,408
Total	**1,031,115**	**535,980**	**1,144,913**	**-**	**2,712,008**

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 March 31, 2021	**Three Months Ended March 31, 2020**	**Six Months Ended March 31, 2021**	**Six Months Ended March 31, 2020**
	$	$	$	$
Expenses:				
Consulting	15,627	116,250	41,669	157,500
Filing and transfer agent	10,654	22,037	15,388	22,681
Management salaries (Note 5)	62,507	83,781	135,001	160,141
Office and general	18,527	26,630	31,575	48,675
Professional fees	31,429	66,043	52,929	122,582
Travel and shareholder relations	682	20,735	2,462	27,134
Stock-based compensation	379,177	-	379,177	-
Foreign exchange loss	13,981	(61,284)	55,107	(61,269)
Net loss and comprehensive loss for the period	**532,584**	**274,192**	**713,308**	**477,444**

Three Months Ended March 31, 2021

For the three months ended March 31, 2021, the Company recorded a net loss of $532,584 compared to a net loss of $274,192 for the three months ended March 31, 2020. In 2021, the Company recorded stock-based compensation of $379,177 on stock options issued in January 2021. The Company's foreign exchange loss on US dollar balances was $13,981 in 2021 compared to a foreign exchange gain in 2020. In 2020, the Company incurred higher consulting and professional fees associated with financings that closed in January and February 2020.

Six Months Ended March 31, 2021

For the six months ended March 31, 2021, the Company recorded a net loss of $713,308 compared to a net loss of $477,444 for the six months ended March 31, 2020. In 2021, the Company recorded stock-based compensation of $379,177 on stock options issued in January 2021. The Company foreign exchange loss on US dollar balances was $55,107 in 2021 compared to a foreign exchange gain of $61,269 in 2020. Again in 2020, the Company incurred higher consulting and professional fees associated with financings that closed in January and February 2020.

Summary of Selected Highlights for the Last Eight Quarters

	Jun. 30, 2020	Sep. 30, 2020	Dec. 31, 2020	Mar. 31, 2021
	$	$	$	$
Balance Sheet:				
Current assets	939,332	365,477	2,925,954	1,500,786
Current liabilities	129,722	163,609	118,906	217,882
Shareholders' Equity	1,771,381	1,252,983	4,201,680	4048,272
Working capital	809,610	201,868	2,807,048	1,282,904
Operations:				
Total revenues	Nil	Nil	Nil	Nil
Net loss	874,429	518,398	180,724	532,584

	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020
	$	$	$	$
Balance Sheet:				
Current assets	1,495,344	329,800	107,718	1,382,139
Current liabilities	77,303	64,922	278,849	184,371
Shareholders' Equity	1,445,678	1,266,230	1,062,978	2,616,010
Working capital	1,418,041	264,878	(171,131)	1,197,768
Operations:				
Total revenues	Nil	Nil	Nil	Nil
Net loss	422,013	186,481	203,252	274,192

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 March 31, 2021, the Company had working capital of $1,282,904.

On November 23, 2020, the Company issued 16,500,000 Units at $0.20 per Unit for gross proceeds of $3,300,000 pursuant to a brokered private placement. The agents for the Offering were Mackie Research Capital Corporation and Canaccord Genuity Corp. Each Unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share at $0.30 per common share until November 23, 2022.

The new financing in 2020 is sufficient to carry out announced 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 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 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 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 annual consolidated financial statements for the year ended September 30, 2020.

Critical Accounting Estimates

The Company's critical accounting estimates 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.

Off-Balance Sheet Arrangements

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

Outstanding Share Capital

As at March 31, 2021, there were 36,675,261 common shares outstanding. The Company's share capital is described in Note 4 to the unaudited condensed interim consolidated financial statements for the six months ended March 31, 2021.

The following securities were outstanding as at May 27, 2021:

Securities	Number of Common Shares	Exercise Price	Expiry Date
Common shares	36,675,261	-	-
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
Share purchase warrants	600,000	$0.40	December 31, 2024
Broker warrants	1,080,000	$0.20	November 23, 2021
Share purchase options	2,985,000	$0.15 - $0.35	May 8, 2024 – January 28, 2026
Fully diluted common shares	**71,026,594**		

On November 23, 2020, the Company issued 16,500,000 Units at $0.20 per Unit for gross proceeds of $3,300,000 pursuant to a brokered private placement. The agents for the Offering were Mackie Research Capital Corporation and Canaccord Genuity Corp. Each Unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share at $0.30 per common share until November 23, 2022.

On January 4, 2021, the Company granted 1,400,000 options with each option exercisable at $0.30 per share for five years. On January 28 , 2021, the Company granted 100,000 options with each option exercisable at $0.30 per share for five years.

Related Party Transactions

As described in Note 5 to the unaudited condensed interim consolidated financial statements for the six months ended March 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 a Director and their compensations are included in the following:

	2021	**2020**
	$	**$**
Management fees	135,000	160,141
Total	**135,000**	**160,141**

Related party liabilities are included in trade and other payable. As at March 31, 2021, $21,845 (2020 - $115,031) was owed to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Subsequent Events

There were no material subsequent events.

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 March 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.

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.