ATEX Resources Inc.

Management's Discussion & Analysis

For the Three and Six Months Ended March 31, 2024

May 22, 2024

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This management's discussion and analysis (this "**MD&A**"), prepared as of May 22, 2024, reviews and summarizes the activities of ATEX Resources Inc. (the "**Company**" or "**ATEX**") and constitutes management's review of the factors that affected the Company's financial and operating performance as at and for the three and six months ended March 31, 2024. This discussion should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended September 30, 2023 and 2022 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 and interpretations of the IFRS Interpretations Committee ("**IFRIC**"). All amounts in this MD&A are stated in Canadian dollars unless otherwise indicated.

This Interim MD&A has been prepared with reference to the MD&A disclosure requirements established under National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators. Additional information regarding the Company is available on its website at www.atexresources.com or through the Company's SEDAR+ (as defined below) profile at www.sedarplus.com.

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 under the Company's profile at www.sedarplus.com.

Description of the Business

The Company was incorporated under the laws of the Province of British Columbia and its common shares are listed for trading on the TSXV under the symbol "ATX". The Company is engaged in the acquisition, exploration, and discovery of mineral properties in South America. The Company's primary exploration properties are located in Chile. Its interest in resource properties is primarily maintained pursuant to agreements with the titleholders.

The Company has an option agreement to acquire up to 100% interest in the 3,795-hectare Valeriano Project, located in Region III, Chile (the "**Valeriano Project**" or "**Valeriano**"). As of the date of this MD&A, the Company has earned a 49% interest in the Valeriano Project and has one final payment of US$8.0M to be made in Q3 2025 in order to earn 100% of the project subject to a 2.5% royalty.

The Company's strategy is to create value for its shareholders by expanding and increasing the confidence and continuity of defined resources and eventually reserves at the Valeriano Project. The Company intends to do this through further exploration, study and marketing of the Project which management believes represents a globally significant discovery within an emerging porphyry district.

The Company's most recent Mineral Resource estimate ("**MRE**") for the Valeriano Project, with an effective date of September 1, 2023, that includes a copper-gold bearing and a near surface gold-oxide epithermal inferred resource, is summarized in the following table:

Classification	Cut-off Grade	Quantity	Grade						Contained Metal					
		tonnes (millions)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (g/t)	CuEq[13] (%)	AuEq[14] (g/t)	Cu tonnes (millions)	Au Ounces (000s)	Ag Ounces (000s)	Mo tonnes (000s)	CuEq tonnes (millions)	AuEq Ounces (000s)
Inferred Resource														
Au-Epithermal oxide (*Open Pit*)	0.28 g/t Au	32.1	-	0.54	2.43	-	-	0.56	-	557	2,511	-	-	578
Cu-Au Porphyry (*Underground*)	0.40 % Cu	1413.0	0.50	0.20	0.96	63.80	0.67	-	7.1	9,014	43,602	90.1	9.4	-
Total		**1445.1**	**0.49**	**0.21**	**0.99**	**62.40**	**0.67**	**0.01**	**7.1**	**9,571**	**46,114**	**90.1**	**9.4**	**578**

The key assumptions, parameters, and methods used to estimate the mineral resources are contained in the 43-101 technical report for the Valeriano Project, entitled "Independent Technical Report for the Valeriano Copper-

Gold Project, Atacama Region, Chile", dated October 18,2023, a copy of which is available under the Company's profile at SEDAR+ at www.sedarplus.com.

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

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

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

The Valeriano Project is underlain by altered felsic volcanics which at depth have been intruded by a multi-phase granodiorite porphyries. 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 (Valeriano-El Encierro Lithocap).

Exploration

The Company continues to demonstrate exploration success by:

- An increased understanding of the Valeriano Porphyry system. Specifically, results from the Phase IV program have led to an increase in the target size for the Early Porphyry ("EP") component of the resource through demonstrating continuity of this unit along a 1.2 km strike length within an evolving conceptual geological model suggesting that the Central, West and East trends that were previously modelled are likely to be connected.

- Due to the early onset of seasonal storms in the region, the Phase IV program has been concluded totaling approximately 12,000 metres of diamond drilling. Three diamond drill holes were underway when the program was suspended targeting to test the continuity of mineralized porphyry between the currently modelled EP trends and extending mineralization further along strike to the northwest.

- Assay results have been announced for six complete holes, ATXD12A, ATXD16A, ATXD17A, ATXD25, AXTD17B and ATXD26 totaled approximately 9,400 metres.

During the three and six months ended March 31, 2024, and up to May 22, 2024, the Company announced the following results from the ongoing drill program:

- Phase IV drill campaign kicked off in October 2023 with the initial holes targeting the high-grade Central and Western porphyry trends The Phase IV objectives are to further define and extend the high-grade porphyry trends intersected in previous drilling phases. Phase IV was completed with 12,000 metres of diamond drilling.

- In October 2023, the Company filed a technical report on SEDAR+ for the Valeriano Project pursuant to National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). The technical report contains an Inferred MRE" of 1.4 billion tonnes at a grade of 0.67% CuEq(1) (0.50 % Cu, 0.20 g/t

Au, 0.96 g/t silver ("**Ag**") and 63.8 g/t Mo) reported at a cut-off grade above 0.4%.

- ATEX released the results of metallurgical test work using core from the Phase II and III programs undertaken by ATEX in conjunction with Libertas Metallurgy and Base Met Labs of Kamloops, BC. The metallurgical program demonstrated copper recoveries ranging from 91% to 95% and gold recoveries ranging from 83% to 94%, using a combination of flotation (Cu, Au) and cyanidation of cleaner tails (Au) demonstrating that Valeriano mineralized material is amenable to SAG and ball milling.

  Assay results received, analyzed and released by the Company in relation to Phase IV are summarized as follows:

Hole ID	**From**	**To**	**Interval**	**Cu**	**Au**	**Ag**	**Mo**	**Cu Eq**[(1)]
	(metres)	*(metres)*	*(metres)*	*(%)*	*(g/t)*	*(g/t)*	*(g/t)*	*(%)*
ATXD12A	864.0	1,986.0	1,122.0	0.37	0.14	0.97	57	0.50
Incl.	1,500.0	1,986.0	486.0	0.36	0.17	1.40	21	0.53
Also incl.	1,648.0	1,682.0	34.0	0.48	0.22	2.60	44	0.70
and	1,890.0	1,924.0	34.0	0.48	0.25	2.02	5	0.71
ATXD16A	950.0	1,802.0	852.0	0.60	0.28	0.98	72	0.82
Incl.	1,168.0	1,762.0	594.0	0.67	0.32	1.13	71	0.92
Incl.	1,616.0	1,728.0	112.0	1.01	0.57	2.06	46	1.42
VAL16/ATXD16A	567.0	1802.0	1,226	0.52	0.25	0.91	68	0.72
ATXD17A	1,052.0	1,976.0	924.0	0.45	0.17	0.88	99	0.61
Incl.	1,062.0	1,555.0	493.0	0.50	0.21	0.82	113	0.69
Incl.	1,216.0	1,314.0	98.0	0.56	0.28	0.90	103	0.79
ATXD25	1,346.0	2,208.2	862.2	0.42	0.27	1.72	26	0.62
Incl.	1,550.0	2,208.2	658.2	0.42	0.33	2.09	7	0.66
And Incl.	1,858.0	2,208.2	350.2	0.45	0.42	2.60	3	0.75
And Incl.	2,084.0	2,198.0	114.0	0.54	0.48	2.95	6	0.88
ATXD17B	750.0	1,254.0	504.0	0.42	0.17	0.96	51	0.56
ATXD26	586.0	1,564.0	978.0	0.54	0.21	1.26	145	0.75
Incl.	1,010.0	1,366.0	356.0	0.70	0.29	1.49	180	0.98
And Incl.	1,086.0	1,208.0	122.0	1.11	0.49	2.71	348	1.60
And Incl.	1,100.0	1,168.0	68.0	1.39	0.60	3.81	473	2.02

(1) CuEq calculated using recoveries assumed in the 2023 MRE (90% Cu, 70% Au, 80% Ag and 60% Mo) (See Company news dated September 12, 2023) using the formula: CuEq % = Cu % + (6,481.488523 * Au g/t /10,000) +(94.6503085864* Ag g/t /10,000) + (4.2328042328 * Mo g/t /10,000)

Additional information on these drilling results is disclosed in the Company's press releases. Assay results for completed holes will be released as they are received, analyzed, and validated by the Company.

Corporate

- On February 21, 2024, the Company announced that it has drawn down and received the second and final installment of US$5 million in funding under the Credit Facility ("Facility"). All amounts outstanding under the Facility will bear interest at a rate of 6.0% per annum and all outstanding principal and accrued interest amounts are due and payable at maturity on July 17, 2025. On February 21, 2024 the Company drew down the second and final installment of US$5 million in funding under the Credit Facility.

- The Company has completed its succession plan, and effective May 1, 2024, Ben Pullinger was appointed President and Chief Executive Officer of ATEX and appointed to the Board of Directors. Raymond Jannas remains as a member of the Board.

- Strengthened the management team with the appointment of Aman Atwal as Vice President of Business Development and Investor Relations, and Owen Hatton as Director of Exploration based in Chile, both effective May 1, 2024

Outlook

Exploration

With the early onset of seasonal storms affecting many operators in the region, ATEX is currently executing a staged shut down of the Phase IV program to safely demobilize personnel and equipment, marking the end of the Phase IV program. The Phase V program, which will follow on from the success of Phase IV, is anticipated to commence in H2 2024.

Final drill results from the remaining Phase IV drill holes are expected to be released through June of 2024. These results and the associated geological information will be integrated into planning for Phase V. The success of this drill program has positively impacted the Company's understanding of the Valeriano Porphyry system. Specifically, results from the Phase IV program have led to an increase in the target size for the EP component through demonstrating continuity along a 1.2 km strike length and proving that the three previously modelled trends are likely to be connected. The Phase V program is expected to focus on drilling within the EP trend to confirm continuity of the higher-grade corridor within the larger EP target and on significant step-outs to the northwest and southeast where the EP trend remains open. ATEX believes this program could continue to grow the deposit significantly and provide the foundation for an eventual preliminary economic study.

Through the continued support of its shareholders, ATEX remains adequately financed through to the commencement of the Phase V drill program.

Permitting *(preparation of an Environmental Impact Declaration)*

On behalf of ATEX Valeriano, Minería y Medio Ambiente Ltda., a Santiago-based firm specializing in environmental services to the Chilean mining industry, commenced baseline studies in February 2022 in preparation of an Environmental Impact Declaration to be presented early 2025, to allow for continued exploration activities at the Valeriano Project beyond 2024.

Selected Financial Information

	Three Months Ended		Six Months Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Net loss	$ (9,866,769)	$ (8,416,129)	$(17,418,304)	$(13,865,516)
Basic and diluted loss per share	(0.05)	(0.07)	(0.10)	(0.11)

	March 31, 2024	September 30, 2023
Balance sheet:		
Cash	$ 11,459,533	$ 13,168,474
Total assets	15,504,845	17,367,391
Current liabilities	3,449,081	1,401,482
Working capital	8,759,793	12,799,389

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

The Company's accounting policy is to record its mineral projects at cost. Exploration, evaluation 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.

Results of Operations

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Six months Ended March 31, 2024	Six months Ended March 31, 2023
Expenses				
Exploration and evaluation expenses	$ 7,704,989	$ 7,828,934	$ 14,345,789	$ 12,003,313
Consulting	-	37,154	20,336	107,185
Salaries and management fees	370,919	247,501	640,920	470,001
General and administrative costs	39,077	86,133	111,236	152,088
Professional fees	83,569	40,858	104,844	55,241
Travel and shareholder relations	189,151	107,165	337,172	205,223
Stock-based compensation	694,648	162,950	815,896	895,500
Depreciation and amortization	13,757	17,088	27,514	17,088
Foreign exchange (gain) loss	(39,334)	15,110	(486,974)	133,362
Interest income	(68,882)	(128,887)	(240,635)	(175,608)
Interest on lease liability	735	-	1,682	-
Accretion	999,514	2,123	1,861,898	2,123
Other income	(121,374)	-	(121,374)	-
Net loss for the period	$ 9,866,769	$ 8,416,129	$ 17,418,304	$ 13,865,516

Salaries and management fees in the second quarter of 2024 and year to date reflect an increase of $123,418 and $170,919, respectively due to the increase in headcount and salaries associated with additional management positions and Board members.

Consulting services amounts reflect part time consultants and recruitment services. Consulting services decreased in the second quarter of 2024 and year to date, as expenses incurred with human resources, recruitment services and other consultants were not incurred as the company's headcount increased.

Travel and shareholder relations expenses are for attendance at investor conferences, meetings and tradeshows, in addition includes consulting fees with respect to business development, shareholder relations and investor relations and the increase between year ends reflect the increase in in-person events and conferences available to attend.

General and administrative costs include general office expenses plus costs in relation to corporate governance requirements, filing, listing fees, and insurance. Variations in costs between quarters tend to be based on timing of payments for annual filing and listing requirements.

Stock-based compensation represents the long-term incentive programs compensation granted to directors, executives and management and includes amortization on equity settled plans and mark to market adjustments on the value of Restricted Share Units ("RSUs"). During the second quarter of 2024, the Company granted 775,929 RSUs to its non-executive directors as part of their annual performance award, with a two-year vesting period. The year-to-date expense of $815,896 reflects the portion vested and the increase in the share price of the 2023 grants. During the second quarter of 2023 and the year-to-date 2023 the Company granted 275,000 options to new hires and 2,530,000 stock options to management and directors. The RSU Plan was implemented in April of 2023.

Accretion comprises the accrued interest and accretion associated with the credit facility. The increase 2024 includes the full six months of interest and accretion as the credit facility was closed in July, 2023.

The Company's current year foreign exchange gain and prior year foreign exchange loss represents the strengthening/weakening of the US dollar relative to the Canadian dollar. During the three months end December

31, 2023 the Canadian dollar strengthened relative to the US dollar resulting in exchange gain mainly attributable to the cash balances and debt held in US dollars.

Summary of Selected Highlights for the Last Eight Quarters

	2024		2023				2022	
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Net loss previously reported	$9,866,769	$7,551,535	$6,988,505	$478,484	$587,195	$1,275,008	$76,171	$785,348
Exploration and evaluation expenditures[(1)]	-	-	1,534,217	6,074,801	7,828,934	4,174,377	1,351,165	1,845,668
Net loss	$9,866,769	$7,551,535	$8,522,722	$6,553,285	$8,416,129	$5,449,385	$1,427,336	$ 2,631,016
Loss per share - basic and diluted	$0.05	$0.04	$0.04	$0.04	$0.07	$0.04	$0.01	$0.03

(1) the Company changed its accounting policy from capitalizing exploration and evaluation expenditures to expensing them, refer to Note 3 of the consolidated financial statements.

The results reflect management's activities focused on fund raising and acquiring and managing mineral projects. Quarterly results are affected by the timing of grants of stock options and the recording of the related stock-based compensation.

Due to the geographic location of the Company's mineral properties, the Company's business activities generally fluctuate with the seasons, through increased exploration activities during the summer months in Chile. As a result, a general recurring trend is the increase in exploration expenditures, and therefore net losses, for the first quarter and second quarter of a fiscal year, relative to the third and fourth quarters. In addition, other relevant factors, such as the acquisition costs, other corporate initiatives, as well as the type and scope of planned exploration/project work, could affect the level of exploration activities and net loss in a particular period. For the three and six months ended March 31, 2024, exploration and evaluation expenses accounted for 78% and 82%, respectively (three and six months ended March 31, 2023 – 93% and 86%, respectively) of the loss of the period, they increased relative to the comparative as the exploration project had three rigs in full operation compared to two rigs average for the six months ended March, 2023. The increase in exploration expenses for the three months ended on September 30, 2023, includes acquisition cost of $6.3 million. Refer to Mineral Properties - Valeriano Project for further information.

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.

The Company has a US$15 million Facility bearing interest at a rate of 6.0% per annum, the outstanding principal and accrued interest become due and payable on July 17, 2025. Proceeds from the Facility are used to fund the exploration and development of the Valeriano Project (and for general working capital and administrative purposes consistent with the Company's current practices).

Exploration and evaluation expenditures for the three and six months ended March 31, 2024 were $7.7 million and $14.3 million, respectively which increased relative to expenses of $7.8 million and $12.0 million incurred in the comparative period in 2023. The period-over-period increase is primarily the result of a larger drilling program being underway.

The Company's exploration and evaluation expenditures, all of which majority were spent on the Valeriano Project, are as follows:

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

As at March 31, 2024, the Company had working capital of $8,759,793, and has incurred losses since inception. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity or debt financing for continuing operations. Historically, capital requirements have been primarily funded through equity financing, and the use of credit facilities extended by its major shareholders. However, there are no assurances that this will be achieved. If management is unsuccessful in raising further funds, the Company may be required to curtail operations, exploration, and development activities. All of these outcomes are uncertain and taken together indicate the existence of material uncertainties that may cast significant doubt over the ability of the Company to continue as a going concern.

As a result, the Company is confident that additional funding will be secured to fund planned expenditures for at least twelve months from March 31, 2024. Factors that could affect the availability of financing include the progress and results of ongoing exploration at the Valeriano Project, the state of international debt and equity markets, as may be impacted by inflation and investor perceptions and expectations with respect to the global copper, gold, and/or silver markets. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. If necessary, depending on the amount of funding raised, the Company may explore opportunities to defer the timing of certain discretionary expenditures and the Company's planned initiatives and other work programs may be postponed, or otherwise revised.

Realization values may be substantially different from carrying values as shown and accordingly these consolidated financial statements do not give effect to adjustments, if any, which would be necessary should the Company be unable to continue as a going concern.

Commitments and Contingencies

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

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

The Company is party to certain management contracts and is committed to minimum payments upon termination or change of control of approximately $900,000 pursuant to the terms of these contracts as of March 31, 2024.

As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

Lease commitments are described in Note 7 of the consolidated financial statements and further commitments related to the Valeriano Project and royalties are described in the *Mineral Properties - Valeriano Project* section.

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'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, 2023.

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, 2023. 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.

Changes in accounting policies

<u>Exploration and evaluation expenditures</u>

During the year ended September 30, 2023, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes expensing such costs as incurred provides more reliable and relevant financial information. The cost of exploration properties, including the cost of acquiring prospective properties and exploration rights, and exploration and evaluation costs are expensed until it has been established that a mineral property is commercially viable and technically feasible. Previously, the Company capitalized these amounts. In effecting the change in policy, the Company determined certain amounts previously included in exploration and evaluation expenses related to property and equipment.

The consolidated financial statements for the year ended September 30, 2022 and as of October 1, 2021 have been restated to reflect adjustments made as a result of these changes in accounting policy. The accumulated effect of the change of $11,411,130 has been reflected in the ending deficit of the consolidated financial statements as at September 30, 2022.

<u>Private placement financing</u>

The Company has voluntarily changed its accounting policy with respect to the allocation of warrants on private placement financing of units from the residual approach to the relative value method, as estimated using the Black-Scholes Pricing model. The Company also redefined its equity reserves such that the share purchase warrant reserve is to reflect the value of outstanding warrants, and contributed surplus is to reflect the value of outstanding options. The value of exercised options and warrants is transferred to share capital on exercise. The value of expired options and warrants is transferred to deficit on expiry. As a result, as at September 30, 2022 and October

1, 2021, $5,616,576 and $2,290,029 was reclassified from share capital to share purchase warrants. Additionally, the value of expired options and warrants was reclassified to deficit, as at September 30, 2022 and October 1, 2021. A total of $4,234 and $7,209,555 was reclassified from contributed surplus to deficit.

Refer to note 3 to the annual consolidated financial statements.

Recently adopted accounting pronouncements

The Company adopted the following amendments. These new standards and changes did not have any material impact on the Company's consolidated financial statements.
IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.

IAS 8 – In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after October 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded.

New and future accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after October 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. On initial recognition, financial assets are classified and measured at amortized cost, fair value through profit or loss ("**FVTPL**") or fair value through other comprehensive income ("**FVOCI**"). A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows, and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the statement of loss and comprehensive loss. The Company's financial instruments are classified and subsequently measured as follows:

Cash	Amortized cost
Other investments	FVTPL
Other receivables	Amortized cost
Restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
RSU liability	FVTPL
Credit facility	Amortized cost

Fair value hierarchy

The Company classifies financial assets and liabilities that are recognized in the statement of financial position at fair value in a hierarchy that is based on significance of the inputs used in making the measurements. The levels in the hierarchy are:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

With the availability of quoted prices in an active market, the RSU are classified as Level 1 in the fair value hierarchy as the fair values have been determined based on inputs, including volatility factors, risk-free rate, and stock price, which can be substantially observed or corroborated in the marketplace. As at September 30, 2023 and 2022, the financial instruments measured at fair value after initial recognition include RSU liability, which is estimated using Level 1 inputs, and other investments, which are estimated using Level 3 inputs.

Off-Balance Sheet Arrangements

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

Proposed Transactions

As at September 30, 2023, there is no proposed asset or business acquisition or disposition being considered that would affect the financial condition, financial performance or cash flows of the Company, other than the Company's continued expenditures to acquire a 100% interest in the Valeriano Project as otherwise described in this MD&A.

Mineral Properties - Valeriano Project

In August 2019, the Company, through its wholly-owned Chilean subsidiary, ATEX Valeriano, entered into an option agreement with Sociedad Contractual Minera Valleno (“Valleno”) to acquire up to a 100% interest in the 3,705-hectare Valeriano Project located in Region III, Chile.

During the year ended September 30, 2023, the Company acquired 49% interest in Valeriano Project, for a total consideration of US$4.25 million, with a final payment made of US$3.5 million on August 28, 2023 (50% via the issuance of common shares and 50% in cash approximately $2,380,875).

In connection with earning its 49% interest in Valeriano Project, ATEX Valeriano and Valleno agreed to amend certain administrative and structural terms of the option agreement. Pursuant to the 2023 amendment, ATEX Valeriano is able to acquire a 100% interest in the Valeriano Project, subject to a 2.5% royalty, by:

- Paying US$8.0 million by August 29, 2025 (50% of which may be paid via the issuance of common shares, at the optionor’s discretion); and

- Incurring a further US$5.0 million in exploration expenditures on the property by August 29, 2025.

If ATEX Valeriano does not exercise the option to acquire the 100% interest in the Valeriano Project, ATEX Valeriano and Valleno will incorporate a new Chilean joint stock company owned by both parties proportionate to each party's respective property ownership interest.

The option was originally granted by the optionor to SBX Asesorías e Inversiones Limitada ("SBX"). Under a transfer and assignment agreement with SBX (the “SBX Agreement”), the Company paid US$150,000 and granted 0.25% net smelter return royalty and agreed to issue 2 million units. As at December 31, 2022, 1 million units have been issued and the remaining 1 million units were issued on August 28, 2023.

Upon the Company earning a full 100% property interest in the Valeriano Project, ATEX Valeriano shall also grant a 2.0% and 0.50% net smelter return royalty to the optionor and SAFAX Investments Limited Partnership, an associate of SBX, respectively.

On January 23, 2023, ATEX Valeriano acquired a 10% interest in Valleno, the optionor of the Valeriano Project, for a purchase price of $1,538,868 (US$1,150,000). As a result of this acquisition, the Company now indirectly owns 10% of the outstanding shares of Valleno. The Company recognized the cost as being the fair value at the time of acquisition and the transaction is categorized as other investments in the statement of financial position. At the end of each financial reporting period, the Company estimates the fair value of its investment. As at September 30, 2023, there was no change in the estimated fair value based on company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies. In January 2024, the Company received dividends of US$90,000 ($121,374) which were recognized as other income.

Outstanding Share Capital

As at September 30, 2023, the Company had 175,386,295 common shares outstanding. The Company’s share capital is described in Note 9 to the interim consolidated financial statements for period ended March 31, 2024.

The following securities were outstanding as at May 22, 2024:

Securities	**Number**	**Shares Issuable**	**Exercise price per share**	**Expiry or maturity date**
Common shares	205,501,414			
Warrants	13,475,976	13,475,976	$0.22	December 2, 2024
	15,000,000	15,000,000	$1.30	July 11, 2025
	8,546,329	8,546,329	$1.00	August 25, 2025
	1,000,000	1,000,000	$0.86	August 28, 2027
	38,022,305	38,022,305		
Stock options	7,459,314	7,459,314	$0.15-1.00	March 8, 2024 – September 28, 2028

In connection with the Facility, the Company issued 15,000,000 non-transferable warrants to purchase an aggregate of 15,000,000 common shares of the Company to the Lenders (each, a “**Facility Warrant**”). Each Facility Warrant entitles the holder to acquire one common share of the Company at an exercise price of $1.30 per Facility Warrant Share until July 11, 2025.

April 5, 2023, the Company granted approximately 601,300 RSUs to certain officers, employees with a fair value of $1,022,210 based on the quoted price on the date of grant, which will vest over a two-year period from the grant date. Included in this grant was 425,900 RSU's issued to executive officers.

On September 28, 2023, the Company granted 642,857 RSUs to its non-executive directors with a fair value of $450,000 based on the quoted price on the date of grant, which will vest on the date of termination, provided that the non-executive director has continuously been a non-executive director for at least two years.

On March 11, 2024, the Company granted 775,929 RSUs to its non-executive directors with a fair value of $993,189 based on the quoted price on the date of grant. 50% RSUs vest one year after the grant date and the remaining 50% vest two years after the grant date. Included in this grant were 538,488 RSU's issued to executive officers.

Related Party Transactions

As described in Note 10 to the consolidated financial statements, for six months ended March 31, 2024 and 2023, key management personnel are persons responsible for the planning, directing and controlling activities of the entity. The Company's key management personnel are the executive management and directors, and their compensation was as follows:

	Six months ended March 31 2024	2023
Salaries and management fees	$ 455,001	$ 425,001
Directors' fees	30,000	30,000
Stock-based compensation	670,934	773,400
	$ 1,155,935	**$ 1,228,401**

Related party liabilities are included in accounts payable, accrued liabilities and prepaid expenses. As at March 31, 2024, $582 (September 30, 2023 - $36,201) was owed to directors and officers and were paid subsequent to period-end. These amounts are unsecured, non-interest bearing. $6,970 is included in other receivables and prepaid expenses (September 30, 2023 - $8,760) as an advance to a director and officers for travel expenses.

On July 1, 2023, ATEX Valeriano entered into a lease for office space in Santiago with a party related to the Chief Executive Officer of the Company for approximately US$1,000 per month, plus applicable taxes.

As per the terms of the Facility, the Company received from Firelight in the amount of US$5,625,000 ($7,595,000), recorded $239,172 of interest payable to Firelight as at March 31, 2024, and issued 5,625,000 warrants to Firelight.

During the three and six months ended March 31, 2024 there were no stock options grants to directors and executive offices. During the three and six months ended March 31, 2023, the Company granted Nil and 2,530,000 stock options to directors and executive officers, respectively.

Subsequent Events

In addition to other events noted herein, the following has occurred during the period subsequent to March 31, 2024:

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

Disclosure Controls and Procedures

Management has assessed the effectiveness of the Company's disclosure controls and procedures used for the financial statements and MD&A as at September 30, 2023. 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 collection and dissemination to management required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Disclosure controls and procedures and internal controls over financial reporting have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis.

TSXV listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, each as defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. In particular, the certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) processes to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement DC&P and ICFR on a cost-effective basis may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided pursuant to securities legislation.

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.

At the date of this MD&A, neither the Canadian governments nor 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 is 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.

Qualified Person

Benjamin Pullinger, Chief Executive Officer of the Company and a Qualified Person, as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"), has reviewed and approved the scientific and technical content contained in this MD&A. Mr. Pullinger is not considered independent for the purposes of NI 43-101 as he is a senior officer of the Company.

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 copper, 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; plans for exploration activities, the interpretation and actual results of 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.