ATEX Resources Inc.

Management's Discussion & Analysis

For the Year Ended September 30, 2024

January 22, 2025

This management's discussion and analysis (this "**MD&A**"), prepared as of January 22, 2025, 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 year ended September 30, 2024. This discussion should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended September 30, 2024 and 2023, and the related notes thereto (the "**2024 Annual Financial Statements**"). All financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. All amounts in this MD&A are stated in Canadian dollars unless otherwise indicated.

This 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, including its annual information form (if any), 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 (the "**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 the 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. On December 19, 2024, the Company completed the acquisition of a 100% interest in the Valeriano Copper Gold Project located in Region III, Chile (the "**Valeriano Project**" or "**Valeriano**"), its only material property for purposes of applicable Canadian securities laws.

The Company's strategy is to create value for its shareholders by expanding and increasing the confidence and continuity of defined resources leading to an initial economic study at the Valeriano Project. The Company intends to do this through further exploration, study and marketing of the Valeriano 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 porphyry and a near surface gold-oxide epithermal Inferred Mineral 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 (the "**2023 Valeriano Technical Report**"), 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”. The Link 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
- Lunahuasi, NGEx Minerals
- La Fortuna, Teck Resources / Newmont
- Relincho, 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 Valeriano 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 porphyry. The mineralized system displays a classic porphyry-style alteration pattern from high-level advanced argillic alteration through to a well-developed potassic alteration zone close to the porphyry with associated stockwork and disseminated copper-gold mineralization. A large surface alteration zone, covering an area of approximately 13 by 4.5 kilometres, extends from the Valeriano Project northward over Antofagasta/Barrick Gold’s El Encierro Project (Valeriano-El Encierro Lithocap).

Exploration

Through the year ended September 30, 2024, the Company has demonstrated exploration success by delivering the highest-grade drill intercepts at the Valeriano Project to date. The Phase IV drill campaign, totaled approximately 12,000m of diamond drilling. Results from the Phase IV drill campaign provided the Company’s with key geological information necessary for an improved understanding of the Valeriano porphyry system. This comprises a new conceptual and evolving geological model confirming the continuity and size potential of the Early Porphyry (“**EP**”) units along a strike length of 1.2km and a width of approximately 0.5km.

During the twelve months ended September 30, 2024, and up to January 22, 2025, highlights included:

- The following drill holes were completed: ATXD16A (1,221.65 metres), ATXD17A (1,555.65 metres), ATXD12A (1,395.75 metres), ATXD25 (2,208.20 metres), AXTD17B (1,203.10 metres) and ATXD26 (1,565.40 metres). Additionally, the following partial holes were recorded: ATXD25A (824.64 metres), ATXD26A (133.64 metres), and ATXD27 (944.30 metres). Assay results received, analyzed and released by the Company in relation to the Phase IV drill campaign and the foregoing drill holes are summarized as follows:

Hole ID	From	To	Interval	Cu	Au	Ag	Mo	CuEq(1)	Drilled	Comment
	(m)	*(m)*	*(m)*	*(%)*	*(g/t)*	*(g/t)*	*(g/t)*	*(%)*	*(m)*	
ATXD12A	864.00	1,986.00	1,122.00	0.37	0.14	0.97	57	0.48	1,395.75	Daughter hole from VALDD12-012. Expanded Early Porphyry corridor to along southwest.
incl.	1,500.00	1,986.00	486.00	0.36	0.17	1.40	21	0.49		
Also incl.	1,648.00	1,682.00	34.00	0.48	0.22	2.60	44	0.65		
and	1,890.00	1,924.00	34.00	0.48	0.25	2.02	5	0.65		
ATXD16A	950.00	1,802.00	852.00	0.60	0.28	0.98	72	0.82	1,221.65	Daughter hole from VALDD13-016.

Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (g/t)	CuEq[(1)] (%)	Drilled (m)	Comment
incl.	1,168.00	1,762.00	594.00	0.67	0.32	1.13	71	0.92		Intersected EP confirming continuity between previously modeled trends and expanded southeastern extents of high-grade trend. Remains open to southeast along strike below existing drill holes.
incl.	1,616.00	1,728.00	112.00	1.01	0.57	2.06	46	1.42		
ATXD17A	1,052.00	1,976.00	924.00	0.45	0.17	0.88	99	0.61	1,555.65	Daughter hole from ATXD17. Drilled over top of porphyry contact into mineralized wall rock, proximal to projected southern porphyry extents.
incl.	1,062.00	1,555.00	493.00	0.50	0.21	0.82	113	0.69		
incl.	1,216.00	1,314.00	98.00	0.56	0.28	0.90	103	0.79		
ATXD25	1,346.00	2,208.20	862.20	0.42	0.27	1.72	26	0.62	2,208.20	Significantly expanded western extent of EP corridor and confirmed continuity of EP in previously modeled gap.
incl.	1,550.00	2,208.20	658.20	0.42	0.33	2.09	7	0.66		
And incl.	1,858.00	2,208.20	350.20	0.45	0.42	2.60	3	0.75		
And incl.	2,084.00	2,198.00	114.00	0.54	0.48	2.95	6	0.88		
ATXD17B	750.00	1,254.00	504.00	0.42	0.17	0.96	51	0.56	1,203.10	Daughter hole from ATXD17. Deviated outside of porphyry corridor and intersected sporadic high-grade intervals indicative of deeper porphyry mineralization below.
ATXD26	586.00	1,564.00	978.00	0.54	0.21	1.26	145	0.75	1,565.40	A high-grade, copper, gold and silver enriched low breccia system, overprinting existing mineralization was intersected above projected porphyry target. Porphyry target below remains untested for Phase V follow-up.
Incl.	1,010.00	1,366.00	356.00	0.70	0.29	1.49	180	0.98		
And incl.	1,086.00	1,208.00	122.00	1.11	0.49	2.71	348	1.60		
And incl.	1,100.00	1,168.00	68.00	1.39	0.60	3.81	473	2.02		
ATXD25A	1,230.00	1,454.20	224.20	0.37	0.07	0.57	112	0.47	824.64	Drill hole paused in mineralization, proximal to intrusive contact inferred from ATXD25, and to be completed in Phase V.

Hole ID	From	To	Interval	Cu	Au	Ag	Mo	CuEq(1)	Drilled	Comment
	(m)	*(m)*	*(m)*	*(%)*	*(g/t)*	*(g/t)*	*(g/t)*	*(%)*	*(m)*	
ATXD26A	791.85	823.30	31.45	0.45	0.13	1.31	175	0.62	133.64	Drill hole paused in mineralization, as in ATXD26, and to be completed in Phase V.
ATXD27	0	944.3	Incomplete						944.30	Drill hole paused in host rock with over 1,000m to be completed.

(1) CuEq calculated using recoveries assumed in the 2023 MRE (90% Cu, 70% Au, 80% Ag and 60% Mo) (See the Company's news release 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 drill results is disclosed in the Company's press releases.

- In December 2024, the Company announced the results of its second metallurgical program completed at the Valeriano Project. The program was conducted by Base Metallurgical Laboratories in Kamloops, BC using mineralized sample material selected from drill core collected during the Phase III and Phase IV drill campaigns. Total copper and gold recoveries ranged from 92% to 95% and 90% to 97% respectively, at a coarser grind size. The testing showed Valeriano is capable of producing a clean and highly marketable copper concentrate product, with potential for a separate saleable molybdenum concentrate. ATEX's second metallurgical test work program continues to demonstrate that the conceptual process flowsheet being developed for the Valeriano Project is robust and comparable with other world class copper porphyry projects.

- In October 2023, the Company filed the 2023 Valeriano Technical Report which 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 and 63.8 g/t Mo) reported at a cut-off grade above 0.4%.

- In October 2023, the Company released the results of its initial metallurgical test work using core from the Phase II and III drill campaigns 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% at copper concentrate grades of 26-31% Cu 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.

Corporate

- On December 19, 2024, the Company completed its acquisition of a 100% interest in the Valeriano Project pursuant to pursuant to the terms of an option exercise agreement dated December 19, 2024 between ATEX Valeriano SpA, a wholly owned subsidiary of ATEX ("**ATEX Valeriano**"), and Sociedad Contractual Minera Valleno ("**SCMV**"), a Chilean private company and the vendor of Valeriano, that supports and amends the underlying option agreement dated August 29, 2019 between ATEX Valeriano and SCMV, as amended (collectively, the "**Option Agreement**"). ATEX was able to complete early achievement of 100% ownership of Valeriano by satisfying all the conditions set out under the Option Agreement, including the final payment due to SCMV of US$8 million, which was fully satisfied through the issuance of Common Shares. Prior to closing of the transaction, the Company held a 49% interest in Valeriano and under the terms of the Option Agreement, in exchange for ATEX earning the remaining 51% interest in the Valeriano Project, SCMV received approximately 7.5 million Shares at a deemed issue price of approximately $1.52 per Share, in full satisfaction of the final payment due to SCMV. At closing, ATEX granted to SCMV a 2.0% net smelter royalty ("NSR") on the Valeriano Project and ATEX will also grant two 0.25% NSRs to certain other holders entitled to such NSRs pursuant to the terms of the Option Agreement and ATEX's acquisition of its 100% interest in Valeriano. See the press release of the Company dated December 19, 2024, a copy of which is available under its profile on www.sedarplus.com, for additional details.

- On November 1, 2024, the Company received gross proceeds of $55.2 million through a non-brokered private placement with Agnico Eagle Mines Limited ("**Agnico**") with Agnico becoming a cornerstone shareholder of the Company. In connection therewith, the Company concurrently repaid in full its US$15 million credit facility to certain (the "**Facility**") and completed a $500,000 private placement with Rick McCreary who had joined the board of directors of the Company (the "**Board**") on September 30, 2024. See Liquidity and Solvency section below for additional details on the foregoing transactions.

- On June 3, 2024, Mr. Chris Beer joined the Board and was appointed Chair of the Company's Audit Committee. Also, on June 13, 2024, the Company closed a $500,000 private placement with Mr. Beer which included the issuance of 337,837 Common Shares at a price of $1.48 per Common Share.

- In May 2024, as part of the succession plan developed by the Board, Ben Pullinger was appointed as President and Chief Executive Officer of ATEX and a director, succeeding Raymond Jannas as an officer at such time. Dr. Jannas continued as a member of the Board until his retirement in September 2024.

- ATEX enhanced its management team by appointing 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. Additionally on August 19, 2024, Felipe Machado joined ATEX as General Manager of Chile and Director of Sustainability.

Outlook

Exploration

The Phase IV drill campaign improved the understanding of the geometry of the Valeriano system and demonstrated more continuity of the higher-grade core by intersecting the best grades seen on the Valeriano Project to date. At the end of the campaign, the system remained open in all directions and resulted in an increase in the strike length on the mineralized intrusive units to over 1.2 kilometers demonstrating potential for scalability of the deposit. The late-stage breccia system overprinting earlier porphyry alteration and mineralization that was intersected above the top of the porphyry units providing another exciting exploration target to follow up on in the Phase V drill campaign, expected to be completed during 2025. This newly discovered zone represents potential optionality as a separate high-grade domain higher up in the system within the greater resource envelope.

The Phase V drill campaign is expected to focus on drilling within the EP trend to confirm continuity of the higher-grade corridor within the larger porphyry target. Additionally, the campaign will focus on following up on the high-grade overprinting breccia system intersected in ATXD26 where it remains open to the north. Lastly, the Phase V drill campaign will continue to step-out to the northwest and southeast where the EP trend remains open. ATEX believes this campaign has the ability to continue to de-risk and grow the deposit as additional results are received and analyzed.

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 in 2025, to allow for continued exploration activities at the Valeriano Project beyond 2026.

Selected Annual Financial Information

		Year Ended	
	September 30, 2024	September 30, 2023	September 30, 2022
Net loss	$(29,464,507)	$(28,941,521)	$ (10,057,070)
Basic and diluted loss per share	(0.15)	(0.19)	(0.11)
Balance sheet:			
Cash and cash equivalents	4,997,490	13,168,474	15,622,682
Total assets	9,862,486	17,367,391	27,820,110
Current liabilities	21,360,591	1,401,482	195,060
Working capital	(14,873,378)	12,799,389	15,609,775

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

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

The Company's financial statements for the years ended September 30, 2024, 2023 and 2022 were prepared in accordance with IFRS and the accounting principles described elsewhere in this MD&A.

Results of Operations

	Three Months Ended September 30,		Year Ended September 30,	
	2024	2023	2024	2023
Expenses				
Exploration and evaluation expenses	$ 2,388,051	$ 7,634,507	$ 21,709,141	$ 25,712,621
Consulting	45,000	26,176	98,770	146,261
Salaries and director's fees	37,642	270,001	1,070,081	983,291
General and administrative costs	64,202	102,613	243,352	361,311
Professional fees	73,108	53,162	233,691	134,625
Travel and shareholder relations	119,347	81,637	632,489	359,671
Stock-based compensation	941,173	1,012,724	2,428,744	1,970,958
Depreciation and amortization	13,757	109,825	55,028	140,670
Foreign exchange (gain) loss	(235,953)	(248,504)	(216,104)	(117,147)
Interest income	(49,092)	(95,788)	(386,206)	(330,589)
Interest on lease liability	299	1,155	2,500	4,637
Accretion	1,162,082	666,212	3,714,395	666,212
Dividend received from other investments	-	-	(121,374)	-
Net loss for the period	$ 4,559,616	$ 9,613,720	$ 29,464,507	$ 30,032,521

Salaries and directors' fees reflect a small increase between years due to the increase in corporate positions. Quarterly changes reflect the reclassification of salaries that provide support to the Project.

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.

Professional fees include legal, accounting and audit related fees, professional fees have increased between years in line with the growth of the Company.

Travel and shareholder relations expenses are for attendance at investor conferences, meetings and tradeshows, and 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.

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"). For the year ended September 30, 2024 the share-based compensation recorded from the RSUs granted was $2.1 compared to $0.1 million in 2023. Variations between years are a result of the Company's share price, timing of grant issuances and completion of vesting periods.

For the year ended September 30, 2024, $0.7 million (2023 - $2.5 million) was recognized as stock-based compensation from the stock options granted to employees and officers. During 2024 the Company granted 610,000 stock options only to new hires and during 2023 a total of 4,765,926 stock options to employees, management and directors were granted.

Accretion comprises the accrued interest and accretion associated with the Facility. The increase for the year ended September 30, 2024 was due to the inclusion of a full year of interest and accretion as the Facility was entered into initially 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.

Summary of Selected Highlights for the Last Eight Quarters

	2024				2023			
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Net loss	$4,559,616	$7,486,587	$9,866,769	$7,551,535	$8,522,722	$6,553,285	$8,416,129	$5,449,385
Loss per share - basic and diluted	$0.02	$0.04	$0.05	$0.04	$0.04	$0.04	$0.07	$0.04

The results reflect management's activities focused on fundraising 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. The accounting principles that the financial data has been prepared with are as described in this MD&A.

Due to the geographic location of the Valeriano Project, 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 twelve months ended September 30, 2024, exploration and evaluation expenses accounted for 52% and 74%, respectively (three and twelve months ended September 30, 2023 – 79% and 86%, respectively) of the loss of the period, the decrease in exploration and evaluation expenses for the three months ended September 30, 2024 is due to the acquisition of the 49% interest in Valeriano in August 2023. The year-over-year decrease is primarily due to higher financial costs incurred by the Company following the Facility being entered into July 2023.

The increase in exploration expenses for the three months ended on September 30, 2023, includes acquisition cost of $6.3 million. See Mineral Properties - Valeriano Project for further information.

As at September 30, 2024, the Company has its US$15 million Facility recognized at amortized cost using the effective interest rate method. During the three and twelve months ended on September 30, 2024, approximately $2.6 million and $3.7 million respectively, was recorded as an accretion, increasing the net loss for the respective periods.

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.

As at September 30, 2024, the Company had a negative working capital of $(14,873,378), primarily due to the US$15 million Facility which was then settled in November 2024, 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

As a result of the events described below, the Company is confident that additional funding will be secured to fund planned expenditures for at least twelve months from September 30, 2024.The Company has no current source of operating cash flow, and there can be no assurances that sufficient funding, including adequate financing, will be available to explore and develop its property and to cover general and administrative expenses necessary for the maintenance of a public company. 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. The Company's status as a going concern is contingent upon raising the necessary funds through the issuance of equity or debt. These consolidated financial statements do not include any adjustments that may result from the inability to continue as a going concern. Such adjustments could be material. See Note 16

On November 1, 2024, the Company closed a non-brokered private placement with Agnico and issued 33,869,939 units ("Units") for gross proceeds of $55,208,000 (the "Offering"). Each Unit consisted of one Common Share and one-half Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire one Common Share at a price of $2.50 until November 1, 2029 and is subject to acceleration in certain circumstances. On the same date, the Company issued 306,748 Units pursuant to a private placement with Rick McCreary, a member of the Board, for gross proceeds of $500,000, on the same terms as the Offering. Proceeds from both private placements will be allocated towards the Company's exploration activities at Valeriano and for general corporate purposes.

Concurrently with the transactions above, the Company settled its US$15 million Facility with Firelight Investments, Beedie Capital, Trinity Capital Partners and two arm's length parties (collectively, the "Lenders") through the issuance of 7,938,268 Units to the Lenders (other than Firelight Investments) on the same terms as the Offering and 5,467,432 Common Shares to Firelight Investments, each Common Share at a deemed issue price of $1.42 per share.

For the year ended September 30, 2024, the Company incurred in exploration and evaluation expenditures of $21,709,141 (2023 - $25,712,621), all of which were spent on the Valeriano Project. Excluding acquisition costs, exploration and evaluation expenditures were higher by $2.3 million than in 2023, primarily due to an increase in operating rigs during the Phase IV drill campaign.

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

	Three Months Ended September 30, 2024	2023	Year Ended September 30, 2024	2023
Expenses				
Drilling	$ 249,104	$ 173,008	$ 10,212,630	$ 8,956,959
Acquisition costs	-	6,281,572	-	6,281,572
Salaries, geological consultants, travel	900,685	402,167	2,872,702	2,242,917
Value-added tax	141,391	132,214	2,585,295	2,369,621
Camp costs	65,253	4,422	2,123,506	2,348,439
Land holding and access costs	76,083	-	835,543	426,501
Community relations, environmental and permitting	261,541	30,015	753,202	435,608
Assay and analysis	220,236	148,657	704,524	1,010,507
Consultants and administrative	150,465	63,339	631,797	536,308
Core handling and storage	96,563	121,908	430,808	555,865
Share-based compensation	192,835	245,182	423,889	452,256
Depreciation and amortization	33,895	32,023	135,245	96,068
Total exploration and evaluation expenditures In Valeriano Project	**$ 2,388,051**	**$ 7,634,507**	**$ 21,709,141**	**$ 25,712,621**

Commitments and Contingencies

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.

In the ordinary course of business, the Company is involved in and potentially subject to legal actions and proceedings. The Company records provisions for such claims when considered material and an outflow of resources is considered probable. The Company is subject to tax audits from various tax authorities on an ongoing basis. As a result, from time to time, tax authorities may disagree with the positions and conclusions taken by the Company in its tax filings or legislation could be amended or interpretations of current legislation could change, any of these events could lead to reassessments. The Company records provisions for such claims when an outflow of resources is considered probable.

In August 2024, the Dirección General de Aguas issued a resolution assessing fines totaling approximately $87,000 related to the location of where water was extracted for the Phase IV drill campaign. The Company has engaged Chilean counsel to assist and advise it in this matter.

Commitments

The Company is party to certain management contracts and is committed to minimum payments upon termination or change of control of approximately $1,390,000 pursuant to the terms of these contracts as of September 30, 2024. As a triggering event has not taken place, the contingent payments have not been reflected in the 2024 Annual Financial Statements.

Lease commitments are described in Note 7 of the 2024 Annual 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 the exploration programs on and development of the Valeriano Project, the ability of management to secure new projects, the overall health and stability of junior capital markets, particularly the TSXV, and global commodity prices, specifically for gold and copper. 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 2024 Annual Financial Statements.

Critical Accounting Estimates

The Company's critical accounting estimates are summarized in Note 4 of the 2024 Annual Financial Statements. 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.

Refer to Note 3 to the 2024 Annual 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, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded.

New and Future Accounting Pronouncements

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

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.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI.

The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required, and early adoption is permitted.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

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 and cash equivalents	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 RSUs 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, 2024 and 2023, 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, 2024, 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 that were made to acquire its 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 SCMV to acquire up to a 100% interest in the 3,705-hectare Valeriano Project located in Region III, Chile. During the financial year ended September 30, 2023, the Company acquired a 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 2.0% NSR being retained by SCMV, 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). Subsequent to the financial year ended September 30, 2024, acquired the remaining 51% interest in the Valeriano through an option exercise agreement dated December 19, 2024, between ATEX Valeriano and SCMV. The agreement amends and supports the Option Agreement. ATEX issued approximately 7.5 Common Shares to SCMV at a deemed price of C$1.52 per share, fully satisfying the final US$8 million payment due to the vendors. The issue price of Common Shares was based on the five-day volume weighted average price of the shares on the TSXV prior to closing and were subject to a customary four month hold under applicable Canadian securities law.

On closing, SCMV transferred its ownership in the Valeriano Project to ATEX Valeriano and SCMV retained a 2.0% NSR. In connection with its early acquisition of its 100% interest in Valeriano, ATEX and SCMV have also agreed that the NSR to be retained by SCMV will be formalized within 60 days of the early exercise, rather than immediately upon closing of ATEX's full exercise of the option.

ATEX will also grant two 0.25% NSRs to certain other holders entitled to such NSRs pursuant to the terms of the Option Agreement and ATEX's acquisition of its 100% interest in Valeriano. ATEX will retain a right of first refusal on both such NSRs, as well as the NSR issuable to SCMV.

The option was originally granted by SCMV 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 one of the two 0.25% NSRs noted above and issued 2 million units as consideration thereunder.

Other investments - SCMV

On January 23, 2023, ATEX Valeriano acquired a 10% interest in SCMV, 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 SCMV. 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, 2024, there was no change in the estimated fair value based on company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies. In January 2024, the Company, through ATEX Valeriano, received dividends of US$90,000 ($121,374) which were recognized as other income. The Company estimates that as at September 30, 2024, the fair value of this investment is unchanged at $1,538,868.

Outstanding Share Capital

As at September 30, 2024, the Company had 208,135,304 Common Shares outstanding. The Company's share capital is described in Note 9 to the 2024 Annual Financial Statements.

The following securities were outstanding as at January 22, 2025:

Securities	Number	Shares Issuable	Exercise price per share	Expiry or maturity date
Common Shares	275,925,330			
Warrants	15,000,000	15,000,000	$1.30	July 11, 2025
	8,448,460	8,448,460	$1.00	August 25, 2025
	1,000,000	1,000,000	$0.86	August 28, 2027
	21,057,477	21,057,477	$2.50	November 1, 2029
	45,505,937	45,505,937		
Stock Options	9,202,949	9,202,949	$0.15-1.63	June 10, 2025 – October 28, 2029

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 Common Share until July 11, 2025.

On April 5, 2023, the Company granted approximately 601,300 RSUs to certain officers and 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.

On May 27, 2024, the Company granted 498,487 RSUs to certain directors and executive officers with a fair value of $712,836 based on the quoted price on the date of grant. Of the RSU's, 244,755 are subject to a two-year vesting period with the remaining 253,732 RSU's vesting over three years from grant date. On May 31, 2024, the Company granted 92,142 RSUs to a new director, this grant shall vest on the date of retirement of membership on the Board provided that on such date such director has been a continuous member of the Board for at least a two-year period, the fair value of this grant was $136,370 based on the quoted price on the date of grant.

As mentioned in the Liquidity and Solvency sections, on November 1, 2024, the Company received gross proceeds of $55.7 million from private placements and repaid the Facility entered in July 2023, in each case through the issuance of Units. As a result of the foregoing, the Company issued 47,582,297 Common Shares, 21,057,477 Warrants, each Warrant entitling the holder to purchase one Common Share at a price of $2.50 for a period of five years from the issue date. The total amount advanced by Firelight Investments under the Facility was settled through the issuance of 5,467,432 Common Shares with a deemed issue price of $1.42 per Common Share rather than through the issuance of Units.

The Company recorded share-based compensation expense related to RSUs of $2,163,033 for the year ended September 30, 2024 (September 30, 2023 - $98,121). During the year ended September 30, 2024, the Company settled a total of 495,315 RSUs with a value of $694,495.

Related Party Transactions

As described in Note 10 to the 2024 Annual Financial Statements, 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:

	Years ended September 30	
	2024	2023
Salaries and management fees	$ 910,987	$ 875,000
Directors' fees	65,516	60,000
Consulting fees	45,000	-
Stock-based compensation	1,691,311	1,673,064
	$ 2,712,814	**$ 2,608,064**

Related party liabilities are included in accounts payable, accrued liabilities and prepaid expenses. As at September 30, 2024, $2,275 (September 30, 2023 - $36,201) was owed to directors and officers and were paid subsequent to the financial year end. These amounts are unsecured, non-interest bearing. Nil is included in other receivables and prepaid expenses (September 30, 2023 - $8,760) as an advance to a director and officers for travel expenses.

On July 1, 2023, ATEX Valeriano entered into a lease office space in Santiago with a party related to Raymond Jannas, a then member of the Board, for approximately US$1,000 per month plus applicable taxes.

As per the terms of the Facility, the Company received from Firelight Investments US$5,625,000 ($7,595,000), recorded $424,540 of interest payable to Firelight Investments as at September 30, 2024, and issued 5,625,000 warrants to Firelight Investments. Firelight Investments is considered a related party of the Company by virtue of its shareholdings in the Company exceeding 10% of the issued and outstanding Common Shares.

On June 13, 2024, the Company issued 337,837 Common Shares at a price of $1.48 per Common Shares for gross proceeds of $500,000 pursuant to a private placement to Chris Beer, a director of the Company.

During the year ended September 30, 2024 a total of 200,000 stock options and 630,630 RSUs (2023 – 3,725,000 stock options and 1,068,757 RSUs) were granted to directors and executive officers of the Company.

Subsequent Events

In addition to other subsequent events described in this MD&A, the following events occurred during the period subsequent to September 30, 2024:

- 12,201,507 Common Share purchase warrants were exercised for proceeds of $2,750,759 and 455,983 stock options were exercised for proceeds of $279,588 with 70,175 warrants expiring on December 2, 2024.

- 2,290,870 stock options were granted to employees, of which 1,474,650 were granted to officers of the Company and 422,098 RSUs were granted to directors of the Company.

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, 2024. 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 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; 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; and 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 and commodity prices; 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.