ATEX Resources Inc.

Management's Discussion & Analysis

For the Year Ended September 30, 2022

This management's discussion and analysis ("**MD&A**"), prepared as of January 25, 2023, reviews and summarizes the activities of ATEX Resources Inc. (the "**Company**") 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, 2022. This discussion should be read in conjunction with the audited annual consolidated financial statements for the year ended September 30, 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.

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

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.

Qualified Person

Benjamin Pullinger, Senior Vice President Exploration and Business Development of the Company and a Qualified Person, as defined by National Instrument 43-101 of the 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.

The September 29, 2020 Valeriano resource estimate was prepared by Joled Nur, Civil Mining Engineer, SRK Consulting (Chile) (“**SRK**”), a member of the Public Register of Competent Persons in Mining Resources and Reserves of Chile, No. 181 and an independent Qualified Person as defined by NI 43-101.
Technical and scientific information in this MD&A has been extracted from, and is supported by, the Technical Report (as hereinafter defined).

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 Chile. Its interest in resource properties is primarily maintained pursuant to agreements with the titleholders.

In August 2019 (as amended in January, 2020 and 2021), the Company entered into an option agreement to acquire the 3,705 hectare Valeriano Project, located in Region III in the northern portion of Chile’s prolific El Indio Belt, that hosts a large copper-gold bearing porphyry system and a near surface gold-oxide epithermal deposit (the “**Valeriano Project**”). The copper-gold porphyry deposit currently has a resource estimate of 297.3 million tonnes at 0.59% copper, 0.19 grams per tonne (“**g/t**”) gold and 0.90 g/t silver (0.77% copper equivalent) in the inferred category (0.50% copper cut-off) containing 1.77 million tonnes copper, 1.84 million ounces gold and 8.62 million ounces silver for 2.30 million tonnes copper equivalent. The porphyry mineralization is open in all directions horizontally and the highest copper and gold grades are associated with a granodiorite porphyry and breccia bodies. In June 2022, the Company completed a Phase II diamond drilling program confirming mineralization within the footprint of the copper-gold porphyry system. In early October 2022 the Company commenced Phase III of its drilling program, consisting an initial 10,000 metres of directional diamond drilling. Please refer to “Ongoing Exploration Results” for further details.

Key Developments During the Year Ended September 30, 2022 and up to January 25, 2023

Exploration

- Assay results from the Phase II drilling program confirmed the porphyry mineralization to the northeast and southwest of the GBV zone outlining an 850 by 800 metre envelope of copper-gold mineralization which remains open. Please refer to “Ongoing Exploration Results” for further details.

- In October 2022, the Company commenced its Phase III drilling program which consists of an initial 10,000 metres of diamond drilling. The holes considered in this program includes new holes and plans to leverage existing holes that can be reentered, extended and finished in a different orientation. This is achieved using directional drilling equipment and establishing multiple daughter holes drilled in various orientations to test multiple targets.

- On January 17, 2023, the Company announced the completion of the first two drill holes of its Phase III program, ATXD-11A (daughter hole to historical VAL-11 mother hole) and ATXD-21. The press release described the geological nature of the rock encountered and associated visual copper mineralization. Daughter hole ATXD-11A started at a downhole depth of 855 metres of VAL-11, extending 1,275 metres to a final depth of 2,130 metres. Drill hole ATXD-21 reached a depth of 2,020 metres and had been designed to test the southwest extension of the porphyry mineralized corridor 200 metres to the south of hole ATXD-17. Please refer to “Ongoing Exploration Results” for further details.

- The Company had commenced a preliminary metallurgical testing which was due to be completed in January 2023. However, upon examination of the samples by the laboratory, it was noted that the finely crushed sample material had visible oxidization of copper minerals which had the potential to impact recovery results. In addition, an error occurred at a third-party laboratory resulting in insufficient sample material available to complete the assaying for this program. As a result, a decision was made by the Company to wait until fresh core samples could be collected before continuing metallurgical test work under the guidance of a consulting metallurgist.

- On January 23, 2023, the Company, through its wholly-owned Chilean subsidiary, ATEX Valeriano, acquired Hochschild Mining plc's 10% interest in Sociedad Contractual Minera Valleno (“Valleno”), the optionor of the Valeriano Project, for a purchase price of US$1,150,000. As result of this acquisition, the Company became an indirect owner of 10% of the outstanding shares of Valleno, whose only assets are the Valeriano Project mining concessions in Chile.

Financings

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

- On August 25, 2022, the Company issued 20,013,261 units at $0.62 per unit for gross proceeds of $12,408,222 pursuant to a brokered private placement. The agents for the offering were Desjardins Capital Markets and Paradigm Capital. Each unit consisted of one common share and one half of one common share purchase warrant. Each warrant is exercisable to acquire one common share at $1.00 per common share until August 25, 2025.

Corporate

- With the potential growth at the Valeriano Project, the Company has taken the necessary steps to build a highly skilled management team with broad experience in exploration and mining development. In June 2022, the Company appointed Benjamin Pullinger as Senior Vice President Exploration and Business Development and in January 2023, appointed Sheila Magallon, CPA, CA as Chief Financial Officer. Further, the Company enhanced its Board of Directors with the nominations of Alejandra Wood in December 2021 and Jamile Cruz in May 2022.

Mineral Projects

Valeriano Project

In August 2019, the Company, through its wholly-owned Chilean subsidiary, ATEX Valeriano SpA (“**ATEX Valeriano**”), entered into an option agreement to acquire up to a 100% interest in the Valeriano Project located. Pursuant to the option agreement, as amended January 15, 2020 and January 14, 2021, to acquire an initial 49% property interest the Company is required to:

- Pay US$4.25 million, including:
  - US$200,000 upon signing (paid);
  - US$300,000 by January 14, 2021 (paid);
  - US$250,000 by August 30, 2022 (paid); and
  - US$3.5 million by August 29, 2023 (50% of which may be paid via the issuance of common shares, at the Company’s discretion).

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

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

Upon earning a 49% interest, the Company may increase its interest in the Valeriano Project to 100% by undertaking the following:

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

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

The option was originally granted to SBX Asesorías e Inversiones Limitada ("**SBX**") under an agreement dated August 29, 2019, as amended May 21, 2020. Under a transfer and assignment agreement with SBX, the Company paid US$150,000, shall issue 2.0 million units (such that SBX does not become an insider of the Company) and shall grant a 0.25% net smelter royalty to SBX. Each unit is to consist of one common share and one common share purchase warrant exercisable at $0.40 per common share for four years from vesting. 1.0 million of the units vested and were issuable on December 31, 2020 and a further 1.0 million units vest and are issuable upon the Company making the US$3.5 million option payment due by August 29, 2023. Under the SBX agreement the Company issued 600,000 units to SBX on December 31, 2020 and a further 400,000 units to SBX on December 10, 2021. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.40 per common share until December 31, 2024.

Geology

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

- Filo del Sol, Filo Mining.
- Josemaria, 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/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 (Valeriano Lithocap), covering an area of approximately 13 by 4.5 kilometres, extends from the Valeriano Project northward over Antofagasta/Barrick Gold's El Encierro Project (Figure 1).

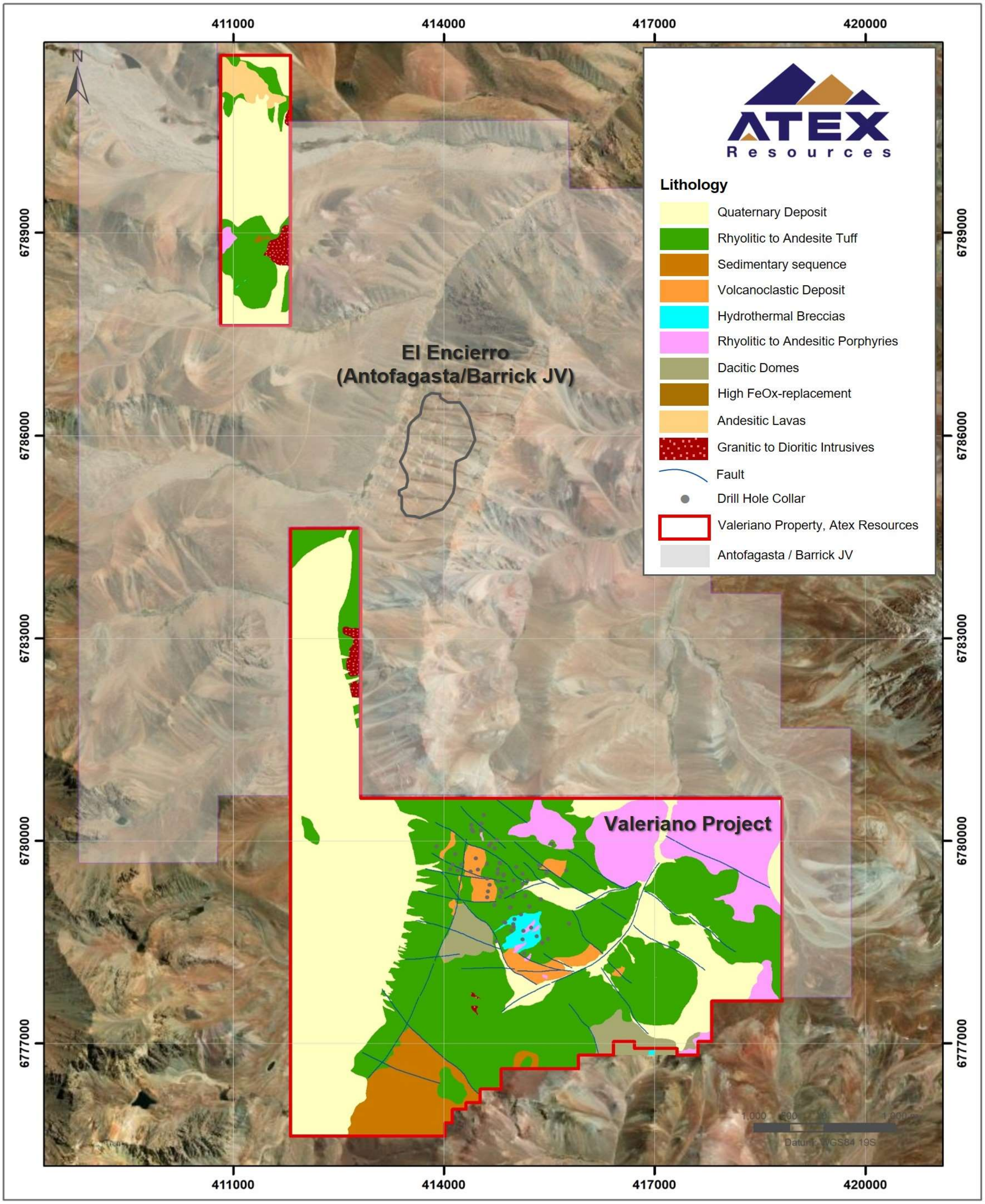


Figure 1 – Valeriano Property Outline and Geology

Previous Exploration Activities

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

In 2010, Hochschild optioned Valeriano property drilling 16 diamond drill holes in three campaigns for a total of 14,270 metres. During the second drill campaign, Hochschild recognized porphyry-style alteration at depth and in the third season they drilled three holes, approximately 225 to 375 metres apart, to depths of up to 1,878 metres intersecting well-defined mineralized advanced argillic and phyllic alteration zones before entering a chalcopyrite and lesser bornite-bearing, potassic-altered granodiorite porphyry. In 2013, Hochschild drilled two diamond drill holes which intersected a mineralized, potassic altered, granodiorite porphyry including drill hole VAL13-14 and VAL 13-6. VAL 13-14 which returned 1,194 metres grading 0.52% copper, 0.24 g/t gold and 36 parts per million ("**ppm**") molybdenum or 0.73% copper equivalent and included 416 metres of granodiorite porphyry which graded 0.67% copper, 0.32 g/t gold and 31 ppm molybdenum for 0.94% copper equivalent. The drill hole ended in mineralization. A third diamond drill hole (VAL 12-09) cut a long interval of breccia associated copper-gold mineralization related to the porphyry system. Hochschild terminated its option agreement over the Valeriano concessions in 2014 due to market-related conditions.

Resource Estimates

On September 29, 2020, the Company reported initial resource estimates for two deposits on the Valeriano Project:

- a gold-oxide epithermal deposit located near surface; and
- an underlying copper-gold porphyry deposit.

Both resource estimates were completed by SRK on behalf of the Company and were prepared in accordance with the Canadian Institute of Mining and Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves (2014). A NI 43-101 technical report titled "Valeriano Project Inferred Resources and Estimates" was filed on SEDAR on November 13, 2020 (the "**Technical Report**"). Highlights include the following:

Copper-Gold Porphyry Deposit

- Maiden copper-gold porphyry inferred resource estimate of 297.3 million tonnes at 0.59% copper, 0.19 g/t gold and 0.90 g/t silver (0.77% copper equivalent) at a cut-off grade of 0.50% copper.
- Contained metal totals 1.77 million tonnes copper, 1.84 million ounces gold and 8.62 million ounces silver for 2.30 million tonnes copper equivalent.
- Porphyry mineralization is open in all directions.
- Highest copper and gold grades are associated with a granodiorite porphyry and associated breccia bodies.

Gold-Oxide Epithermal Deposit

- Maiden gold-oxide resource estimate totals 34.4 million tonnes at 0.53 g/t gold and 2.4 g/t silver (0.56 g/t gold equivalent) in the Inferred Category at a 0.275 g/t gold cut-off grade.
- Contained metal totals 584,684 ounces gold and 2,653,895 ounces silver for 621,539 gold equivalent ounces.
- Resource measures approximately 600 metres by 400 metres horizontally extending to an average depth of 100 metres from surface.
- Potential exists for additional near surface gold mineralization.

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

Ongoing Exploration Results

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

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

On July 14, 2021, the Company reported an updated interpretation of the geology of the Valeriano Project prepared by a team of geologists with expertise in porphyry and epithermal systems. The new interpretation, developed after months of detailed relogging of 26,848 metres of historic drill core and reverse circulation drill chips, combined with results from the recent mapping and drilling programs, suggests that the Valeriano copper-gold porphyry system may trend closer to surface to the southwest of the main area of the previous drilling campaigns.

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

On January 6, 2022, the Company announced that it is undertaking a Phase II diamond drilling program to confirm and expand on the current copper-gold porphyry resource. In preparation for the Phase II drilling campaign, Southern Rock Geophysics conducted 102 stations of magnetotelluric ("**MT**") and 330 line-kilometres of ground magnetics covering the entire Valeriano property. The MT survey, which uses natural time variations of the Earth's magnetic and electric fields to measure the subsurface electrical resistivity, was designed to take measurement to depths of 2,000 metres. The goal of this survey was to confirm and extend, mainly in depth, the historic IP-resistivity geophysical survey that defined a sub-circular chargeability anomaly three kilometres in diameter and better define the trend of the mineralized system and approximate boundaries of the Valeriano copper-gold deposit. The IP-resistivity survey shows a strong correlation between high-chargeability and low-resistivity anomalies that can be modeled to a maximum depth of 800 metres below surface. However, the historic drill holes intersecting the porphyry system cut most of the chalcopyrite-bearing copper-gold porphyry-style mineralization below the high-chargeability and low-resistivity anomalies.

The MT survey was successful in establishing a clear correlation between the mineralization comprising the Valeriano copper-gold deposit, the sub-circular chargeability anomaly and an extensive resistivity anomaly extending significantly to depth. Modelling of the MT survey data resulted in the identification of a zone of low resistivity coincident with the chargeability anomaly outlined by the historical IP-resistivity survey. Figure 2, below, shows plan views and sections of the historic IP-resistivity survey (left) and the MT survey (right) at equivalent scale.

The modeled MT low resistivity bodies extending to depth correlated well with the near surface resistivity outlined from the historic IP survey. Below 3,700 metres the MT shows a well-defined zone of low resistivity extending to at least the 2,000 metre level which may be associated with more conductive stockwork porphyry mineralization at depth as suggested by the three historical deep drill holes. A zone of higher resistivity, associated with the more quartz dominated epithermal gold system, occurs above the 3,700 metre level.

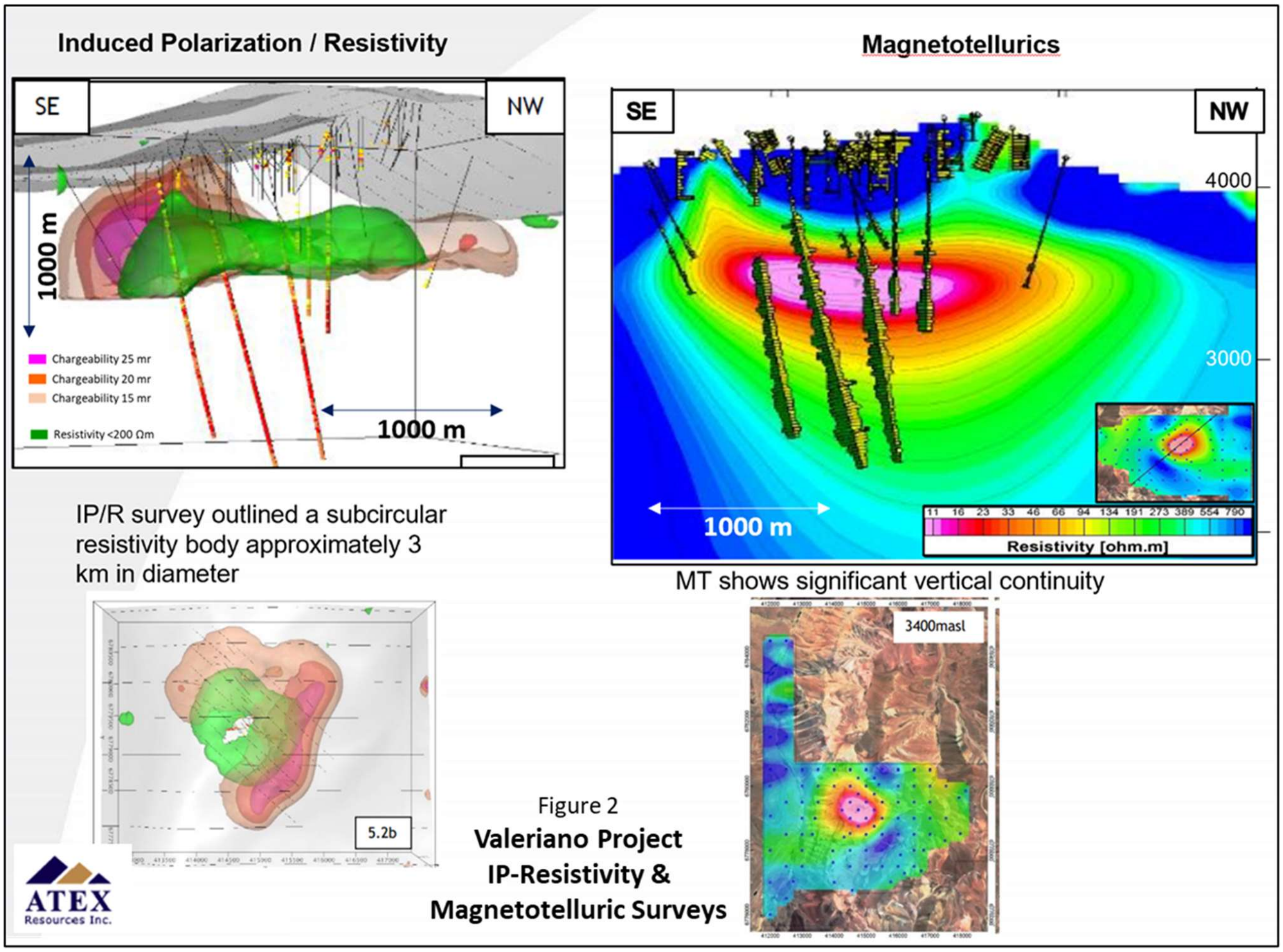


Figure 2
Valeriano Project IP-Resistivity & Magnetotelluric Surveys

On April 11, 2022, the Company provided an update on the Phase II drilling program at the Valeriano Project. The press release described the geological nature of the rock encountered in ATXD-17 and ATXD-19, which were collared 200 metres on either side of historical drill hole VALDD13-14. Due to operational issues, drill hole ATXD-19 was stopped at a depth of 1,309 metres. The press release also described a third drill hole, ATXD-20, which was collared 200 metres southwest of ATXD-17. This drill hole was lost due to operational issues at a depth of 444 metres after cutting through the upper sequence of crystal tuffs and volcanoclastics.

In May, 2022, the Company announced the completion of the Valeriano Project Phase II drilling program with diamond drill hole, ATXD-17, ending at a depth of 2,057 metres.

On June 13, 2022, the Company released the assay results from the Phase II drilling program, which resulted in a major expansion of the porphyry mineralization to the northeast and southwest outlining an 850 metre by 800 metre envelope of copper-gold mineralization which remains open (Figure 3).

Summary of Phase II Drill Assay Results[1]

Hole ID	From	To	Interval[2]	Cu	Au	Mo	Cu Eq	Hole Length
	(metres)	*(metres)*	*(metres)*	*(%)*	*(g/t)*	*(ppm)*	*(%)*	*(metres)*
ATXD-17	802	1,962	**1,160**	0.53	0.28	70	**0.78**	2,057
including	1,280	1,830	**550**	0.69	0.39	70	**1.03**	
ATXD-19[3]	662	1,309	**647**	0.50	0.15	60	**0.65**	1,309

1 For consistency with the previous reporting of historical drill holes, the copper equivalent grade was calculated using a copper price of $2.60/pounds, gold price of $1,450/ounce and molybdenum price of $11.00/pound (all prices in US$). Metal recoveries were not considered. The formula for calculated the copper equivalent is: copper equivalent% = ((Cu%/100 * Cu $/tonne) + (Au g/t * Au $/gr.) + (Mo%/100 * Mo $/tonne)) / Cu $/tonne.

2 Unless otherwise indicated, intervals are composited at a 0.40% copper equivalent cut-off and a 10 m width internal dilution. All intervals are reported as core lengths as the true lengths of the intervals are unknown at this time.

3 ATXD-19 composite includes a 24 m interval grading 0.35% copper equivalent from 762 to 786 m.

Drill Hole ATXD-17

Diamond drill hole ATXD-17 returned 1,160 metres grading 0.78% copper equivalent, successfully extended the copper-gold porphyry mineralization by 200 metres southwest of historical drill hole VALDD-14 (0.73% copper equivalent over 1,194 m). Significantly, ATXD-17 confirmed the presence and continuity of a high-grade core to the porphyry, initially intersected in VALDD-14 (1.00% copper equivalent over 272 m), and extended it 200 metres to the southwest. The interval of high-grade mineralization was significantly longer in hole ATXD-17, compared to VALDD-14, returning 1.03% copper equivalent over 550 metres. ATXD-17 remained in mineralization through to its final depth of 2,057 metres.

Immediately above the reported 1,160 metre interval grading 0.78% copper equivalent, lies a mineralized halo which includes 168 metres grading 0.36% copper equivalent.

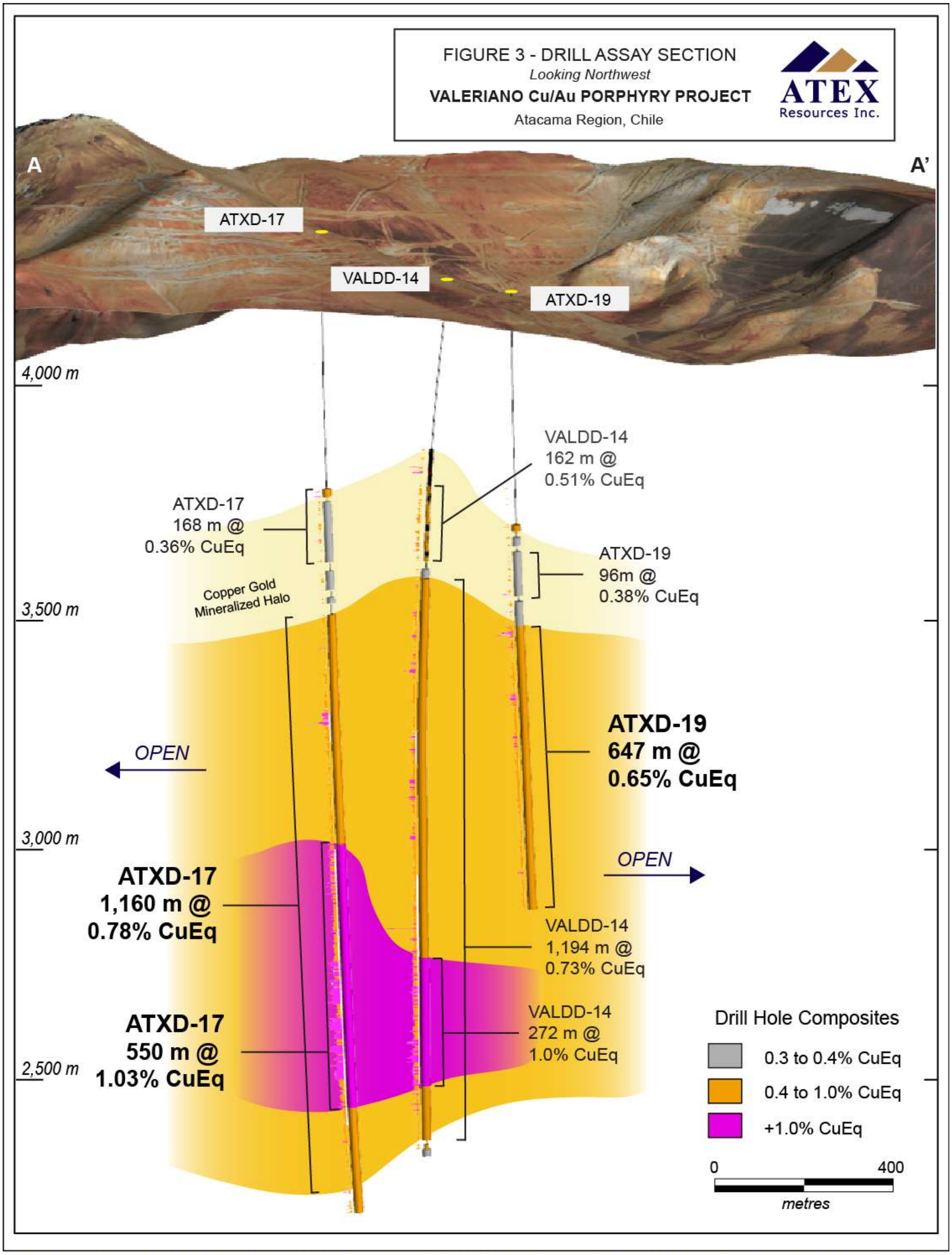
Drill hole ATXD-17 was collared into a sequence of altered tuffs and breccias with continuous high-sulphidation mineralization starting at 540 metres, down hole, before transitioning into porphyry mineralization at a depth of approximately 900 metres. The copper mineralization observed in the drill hole dominantly consists of chalcopyrite with lesser bornite. Covellite, replacing pyrite, is common above the main porphyry mineralization. The porphyry mineralization encountered in ATXD-17 remains open to the southwest as well as to the northwest and southeast.

Drill Hole ATXD-19

Diamond drill hole ATXD-19 was lost at a depth of 1,309 metres due to operational issues. It was collared 200 metres northeast of VALDD-14 and, despite not reaching the target depth, returned 647 metres grading 0.65% copper equivalent (0.50% copper, 0.15 g/t gold and 60 ppm molybdenum) establishing the continuity of copper-gold mineralization a further 200 metres to the northeast. It is of note that the top 650 metres of the +0.4% copper equivalent interval reported in VALDD-14 graded 0.63% copper equivalent 0.45% copper, 0.20 g/t gold and 45 ppm molybdenum, comparable to the grade returned in ATXD-19.

Above the 647 metre interval, the ever-present low grade copper-gold halo includes 96 metres of 0.38% copper equivalent.

ATXD-19 was collared into a sequence of altered tuffs and breccias with high-sulphidation mineralization beginning at 416 metres before transitioning into the porphyry interface at 710 metres. The hole ended in potassic altered and mineralized porphyry. The mineralization encountered in ATXD-19 remains open to the northwest, northeast and southeast and remains open to depth.



On January 17, 2023 the Company announced that it had completed the first two holes in the Phase III program at the Valeriano Project, ATXD-11A (daughter hole to historical VAL-11 mother hole) and ATXD-21 (Figure 4).

Drill hole ATXD-11A intersected chalcopyrite-bearing porphyry units and breccias starting at a depth of 1,092 metres and continuing to the end of the hole at 2,130 metres. Additionally, it extended the strike length of the porphyry a further 200 metres to the northeast of historical drill hole VAL-14 (Figure 4) which intersected 1,194 metres grading 0.73% copper equivalent (0.52% copper, 0.24 g/t gold and 36 ppm molybdenum) including 493 metres grading 0.94% copper equivalent (0.67% copper, 0.32 g/t gold and 31 ppm molybdenum).

Drill hole ATXD-21 was drilled to a depth of 2,020 metres and had been designed to test the southwest extension of the mineralized corridor 200 metres to the south of hole ATXD-17 which intersected 1,160 metres of 0.78% copper equivalent (0.53% copper, 0.28 g/t gold and 70 ppm molybdenum). ATXD-21 intersected multiple mineralized intervals including a fine-grained porphyry unit between 1,805 and 1,907 metres potentially indicating that the target porphyry trend might be further west and/or north than initially anticipated and was not reached with this hole

These holes extend the mineralized corridor to over 1 kilometre long, over 800 metres wide with a kilometre of vertical extent (Figure 4). The mineralized corridor remains open to the northeast and southwest.

Assays for drill holes ATXD-11A and ATXD-21 are expected during February 2023.

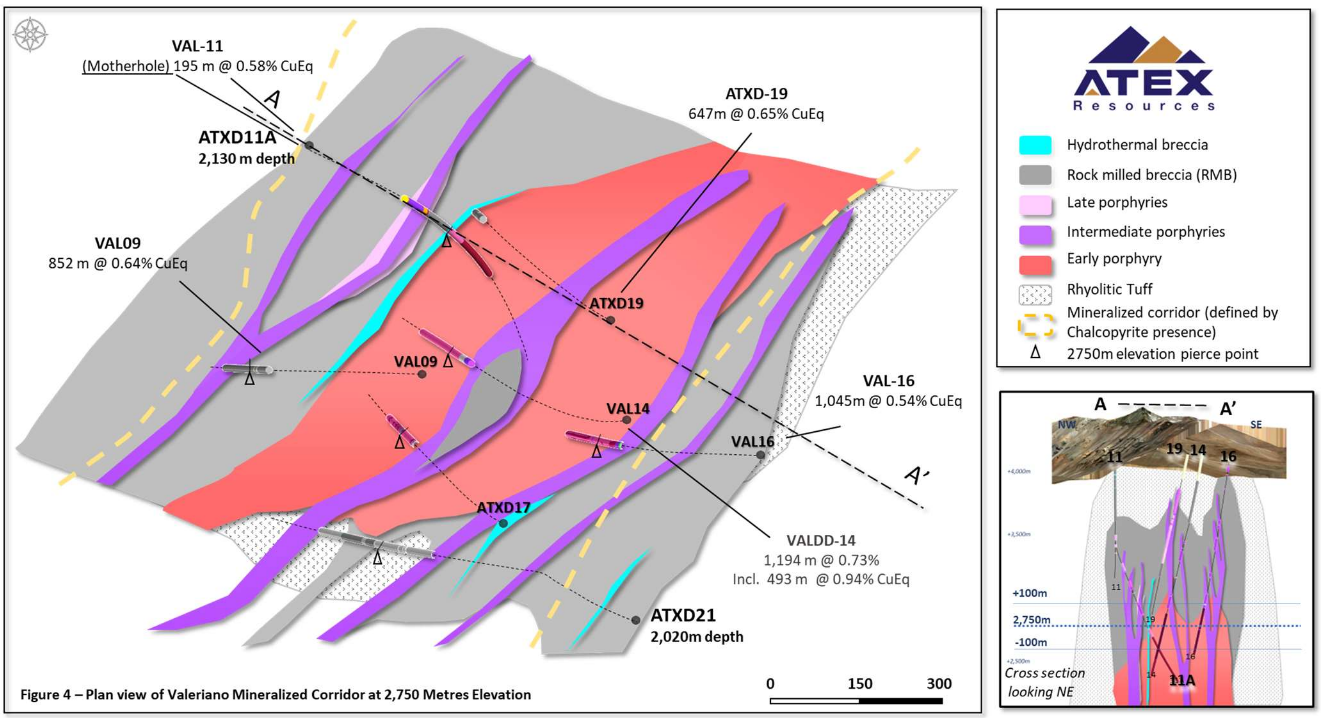


Figure 4 – Plan view of Valeriano Mineralized Corridor at 2,750 Metres Elevation

Generative Projects

The Company's generative projects are properties, located in the Atacama Region, Chile, staked by the Company for early-stage exploration for minerals, primarily for gold. The Company, through its wholly-owned Chilean subsidiary, ATEX Chile SpA ("**ATEX Chile**"), staked five properties. Three of these generative projects were subsequently dropped and the related capitalized expenditures were written off. Please refer to "Results of Operations" for further details.

Outlook

Exploration

The Company's near-term focus is on outlining an economically viable copper-gold porphyry resource at the Valeriano Project. The initial porphyry resource estimate, relogging program, surface mapping, magnetotelluric/ground magnetics surveys and together with the Phase II and Phase III diamond drill program, suggests that Valeriano Project has the potential to host a significant copper-gold porphyry deposit. The porphyry copper-gold mineralization is open horizontally in all directions.

In early October 2022, with the installation of the field camp, the mobilization of Recon Drilling (a subsidiary of Geodrill Ltd.) and the third option payment completed, the Company commenced the Phase III of its drilling program. This consists of an initial 10,000 metres of directional diamond drilling, the program may be expanded by another 10,000 metres contingent on results.

The Phase III objectives are:

- follow up on the VALDD-14 to ATXD-17 high grade trend copper-gold seeking to extend it along strike as well as down and up dip of existing holes;
- test new geophysical targets including the targets defined in geophysical surveys indicating potential for other high-grade trends; and
- drilling to expand the current footprint of the defined copper-gold mineralized corridor.

Environmental Impact

Minería y Medio Ambiente Ltda., a Santiago-based firm specializing in environmental services to the Chilean mining industry, has commenced preparation of an Environmental Impact Declaration, on behalf of ATEX Valeriano, to allow for continued exploration activities at the Valeriano Project beyond 2024.

Selected Financial Information

	Fourth Quarter		Year Ended		
	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	September 30, 2022	September 30, 2021	September 30, 2020
Net loss	$ (76,171)	$ (59,389)	$ (2,294,116)	$ (944,108)	$ (1,870,271)
Basic and diluted loss per share	$(0.00)	$(0.00)	$(0.02)	$(0.03)	$(0.11)

	September 30, 2022	September 30, 2021	September 30, 2020
Balance sheet:			
Cash	$ 15,622,682	$ 166,086	$ 320,660
Total assets	$ 27,820,110	$ 3,907,792	$ 1,416,592
Current liabilities	$ 195,060	$ 90,320	$ 163,609
Working capital	$ 15,540,839	$ 149,296	$ 201,868

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

The Company's accounting policy is to record its mineral projects at cost. Exploration, 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 September 30,		Year Ended September 30,	
	2022	2021	2022	2021
Expenses				
Consulting	$ 32,906	$ 15,627	$ 84,900	$ 73,173
Salaries and management fees	236,733	63,326	534,368	260,593
Professional fees	38,691	1,267	70,024	76,241
Travel and shareholder relations	98,270	-	167,529	2,462
General and administrative costs	46,087	17,599	158,195	88,256
Foreign exchange (gain) loss	(376,516)	(38,429)	(475,264)	64,206
Stock-based compensation	-	-	1,603,656	379,177
Write off of exploration and evaluation assets	-	-	150,708	-
Net loss and comprehensive loss for the year	$ 76,171	$ 59,389	$ 2,294,116	$ 944,108

During the year ended September 31, 2021, corporate activities were limited due to cash constraints faced by the Company. The increase in 2022 expenses is attributable to the following:

Salaries and management fees increase of approximately $173,000 in the fourth quarter of 2022 compared to the fourth quarter of 2021 and $274,000 for the year ended September 30, 2022 compared to the year ended September 30, 2021, primarily reflect costs associated with additional management positions and new Board members added during 2022.

Travel and shareholder relations expenses are for attendance at investor conferences, meetings and tradeshows, in addition includes consulting fees with respect to business development and investor relations. As COVID travel restrictions were lifted, the Company resumed such activities in 2022, incurring approximately $94,000 in conferences and travel expenses, and approximately $74,000 in consulting fees related to these activities.

General and administrative costs include general office expenses plus costs in relation to corporate governance requirements, filing and listing fees, and insurance. Variations in costs between quarters tend to be based on timing of payments for annual filing and listing requirements. The increase in these costs during the year ended September 30, 2022 is also associated with the Company's private placements in December 2021 and August 2022. Please refer to the "Liquidity and Solvency" for further details.

Stock-based compensation represents the fair value of the long-term incentive program ("**LTIP**") compensation granted to directors, executives and management. In December 2021 and August 2022, the Company granted 3,290,000 stock options under its LTIP which vested immediately.

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. In 2022, the US dollar strengthened relative to the Canadian dollar resulting in a gain mainly attributable to the cash balances held in US dollars. In 2021, the US dollar depreciated relative to the Canadian dollar.

The Company held five properties for early-stage mineral exploration as generative projects. During the year ended September 30, 2022, three of these projects were dropped and approximately $151,000 of capitalized expenditures were written off.

Summary of Selected Highlights for the Last Eight Quarters

	2022				2021			
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Net loss	$76,171	$785,348	$414,654	$1,017,943	$59,389	$171,411	$532,584	$180,724
Loss per share - basic and diluted	$0.00	$0.01	$0.00	$0.02	$0.00	$0.00	$0.01	$0.01

The results reflect management's activities focused on fund raising and acquiring and managing new mineral projects. Quarterly results are affected by the timing of grants of stock options and the recording of the related stock-based compensation. The quarterly results reflect the closing of a private placement on December 2, 2021, under which the Company issued 59,800,000 units at $0.1425 per unit for gross proceeds of $8,521,500 and the closing of a private placement on August 25, 2022, under which the Company issued 20,013,261 units at $0.62 per unit for gross proceeds of $12,408,222.

Liquidity and Solvency

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

As at September 30, 2022, the Company had working capital of $15,540,839, reflecting the closing of the

December 2, 2021 private placement, under which the Company issued 59,800,000 units at $0.1425 per unit for gross proceeds of $8,521,500, and the August 25, 2022 private placement, under which the Company issued 20,013,261 units at $0.62 per unit for gross proceeds of $12,408,222.

The Company is using the proceeds from private placements to advance the Valeriano Project and for general corporate purposes. During the year ended September 31, 2022 the cash used in exploration and evaluation expenditures amounted to $7,450,201 (2021 - $2,480,868).

Further financing will be required to maintain the commitments pertaining to the mineral projects that the Company has acquired and to fund general operating expenses.

The Company has incurred losses since inception and the Company's long-term survival depends on the ability of management to continue raising capital. Management believes the Company can raise new funds and that the Company will be able to fulfill its financial commitments. However, there are no assurances that this will be achieved. If management is unsuccessful in raising further funds, the Company's survival as a going concern beyond the year ended September 30, 2022 may be in doubt.

Industry and Economic Factors

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

During the last several years, junior exploration companies worldwide have suffered through volatile markets. Accordingly, the Company'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, 2022.

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, 2022. The preparation of the consolidated financial statements in accordance with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements.

Off-Balance Sheet Arrangements

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

Outstanding Share Capital

As at September 30, 2022, there were 134,158,145 common shares outstanding. The Company's share capital is described in Note 6 to the audited consolidated financial statements for the year ended September 30, 2022.

On December 2, 2021, the Company issued 59,800,000 units at $0.1425 per unit for gross proceeds of $8,521,500 pursuant to a brokered private placement. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share at $0.22 per common share until December 2, 2024. The Company paid the agent a cash commission of $296,075 in respect of the private placement and paid $217,484 in other cash share issue costs.

On August 25, 2022, the Company issued 20,013,261 units at $0.62 per unit for gross proceeds of $12,408,222 pursuant to a brokered private placement. Each unit consisted of one common share and one half of one common share purchase warrant. Each warrant is exercisable to acquire one common share at $1.00 per common share until August 25, 2025. The Company paid the agents a commission of $607,574 in respect of the private placement and paid $171,479 in other cash share issue cost. In addition, the Company granted to the agents 979,958 warrants. Each broker warrant entitles the agents to purchase one common share at an exercise price of $1.00 until August 25, 2023.

The following securities were outstanding as at January 25, 2023:

Securities	**Number**	**Shares Issuable**	**Exercise price per share**	**Expiry or maturity date**
Common shares	144,829,764			
Warrants	7,266,000	7,266,000	$0.20	April 29, 2024
	903,333	903,333	$0.40	January 31, 2023 and February 20, 2023
	56,770,758	56,770,758	$0.22	December 2, 2024
	1,000,000	1,000,000	$0.40	December 31, 2024
	10,006,630	10,006,630	$1.00	August 25, 2025
	979,958	979,958	$1.00	August 25, 2023
	76,926,679	76,926,679		
Stock options	8,070,000	8,070,000	$0.15-0.77	March 8, 2024 – January 3, 2028

Related Party Transactions

As described in Note 7 to the audited consolidated financial statements for the year ended September 30, 2022, 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:

	2022	2021
Salaries and management fees	$ 444,302	$ 260,593
Directors’ fees	45,000	-
Stock-based compensation	1,051,183	262,350
	$ 1,540,485	$ 522,943

Subsequent Events

In addition to other events noted herein, subsequent to September 30, 2022, 10,576,619 common share purchase warrants were exercised for proceeds of $3,242,747 and 95,000 stock options were exercised for proceeds of $25,400.

2,505,000 stock options (2,255,000 exercisable at a price of $0.62 per common share until November 2, 2027 and 250,000 exercisable at a price of $0.77 per common share until January 3, 2028) were granted to directors, executive officers and management were also granted subsequent to September 30, 2022.

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, 2022. Although certain weaknesses such as lack of segregation of duties are inherent with small office operations, management has implemented certain controls such as frequent reviews and regular preparations of reconciliations of transactions and budgets to ensure absence of material irregularities. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to it in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the annual filings. The disclosure controls and procedures are designed to ensure effective information required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

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, as defined in Multinational Instrument 52-109. 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 on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under 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 s generally subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, unusual or unexpected geological conditions, pressures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, blizzards and earthquakes. No assurance can be given that such insurance will continue to be available or that it will be available at economically feasible premiums. Mining operations will be subject to risks normally encountered in the mining business.

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

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

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

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

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

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

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

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

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

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

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

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

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