ATEX Resources Inc.

Management's Discussion & Analysis

For the Three and Six Months Ended March 31, 2023

This management's discussion and analysis ("**MD&A**"), prepared as of May 24, 2023, reviews and summarizes the activities of ATEX Resources Inc. (the "**Company**" or "**ATEX**") and constitutes management's review of the factors that affected the Company's financial and operating performance as at and for the three and six months ended March 31, 2023. This discussion should be read in conjunction with the Company's management's discussion and analysis for the year ended September 30, 2022 and the Company's audited annual consolidated financial statements for the years ended September 30, 2022 and 2021 and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee ("**IFRIC**"). All amounts in this MD&A are stated in Canadian dollars unless otherwise indicated.

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

The Company's common shares trade on the TSX Venture Exchange ("**TSXV**") under the symbol "ATX" and its most recent filings are available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and can be accessed on the Company's profile 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 – *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 Project resource estimate was prepared by Joled Nur, Civil Mining Engineer, SRK Consulting (Chile), 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. Certain of the technical and scientific information in this MD&A has been extracted from, and is supported by the Company's NI 43-101 technical report entitled "Valeriano Project, Inferred Resource Estimates, Atacama Region, Chile," with an effective date of November 13, 2020 (the "**Technical Report**"). Please refer to "*Subsequent Events*" for further details.

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 January 2021), the Company entered into an option agreement to acquire the 3,705 hectare Valeriano Project, located in Region III in the between Chile's prolific El Indio and Maricunga Belts, 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 of an initial 10,000 metres of directional diamond drilling. Please refer to "*Ongoing Exploration Results*" for further details.

Key Developments During the Three Months Ended March 31, 2023 and up to May 24, 2023

Exploration

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. Highlights from Phase III to date include:

- The Company completed its drill hole ATXD-11A (daughter hole to historical VAL-11 mother hole), which assay results returned 1,270 metres grading 0.63% Copper Equivalent "CuEq" (0.43% Cu, 0.21 g/t Au, 52 ppm Mo) ending in mineralization at 2,130 metres, with the grade increasing over the final 30 metres, returning 0.73 CuEq (0.53% Cu, 0.2 g/t Au, 19 ppm Mo).

  ATXD-11A confirmed continuity of the Central High-Grade Porphyry Trend with ATXD-11A intersecting 170 metres of 0.80% CuEq (0.54% Cu, 0.3 g/t Au and 11 ppm Mo), extending the trend over 200 metres northeast from VAL-14 (1,194m of 0.73% CuEq including 272m of 1.00% CuEq*). This extends the western mineralized zone 400 metres north of VAL-09 (852 metres grading 0.47% Cu, 0.16 g/t Au, 89 ppm mo, 0.64% CuEq*).

- Drill hole ATXD-21, also completed, 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 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.

- 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.

- On March 30, 2023 the Company released results from ATXD-11B confirming new high grade porphyry trend, the "Western Trend" which expands the mineralized corridor over 300 meters to the west of the Central High-Grade Trend and is open along strike for extension. ATX11-B intersected 1342.5 metres with 0.46% Cu, 0.31 g/t Au, 43 ppm Mo corresponding to a 0.73% CuEq.

- Also released March 30, 2023, ATXD- 22 intersected 970 meters of 0.51% Copper Equivalent "CuEq" (0.38 % Cu, 0.10 g/t Au and 99 ppm Mo).

- On May 11, 2023 the Company announced the completion of holes ATXD-23 and ATXD-22A (daughter hole). ATXD-23 extends the strike length of the Western Trend by approximately 200 metres north of hole ATXD-11B that intersected 1,342.5 metres of 0.73% CuEq (0.46% Cu, 0.31 g/t Au and 43 ppm Mo). ATXD-22A (daughter hole) drilled southeast out of ATDX-22 intersected altered chalcopyrite bearing rock milled breccia and mineralized late porphyry units. Complete assays for both holes are expected by late May 2023.

- ATEX is presently drilling the final two holes of the program ATXD-24 and ATXD-22B which are anticipated to be completed by the end of May 2023 and complete assay results for these holes are anticipated by late July 2023.

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 and Barrick Gold. The elevation at the project varies between 3,800 to 4,400 metres above sea level.

The Valeriano Project is underlain by altered felsic volcanics which at depth have been intruded by a multi-phase granodiorite porphyries. The mineralized system displays a classic porphyry-style alteration pattern from high-level advanced argillic alteration through to a well-developed potassic alteration zone close to the porphyry with associated stockwork and disseminated copper-gold mineralization. A large surface alteration zone (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).

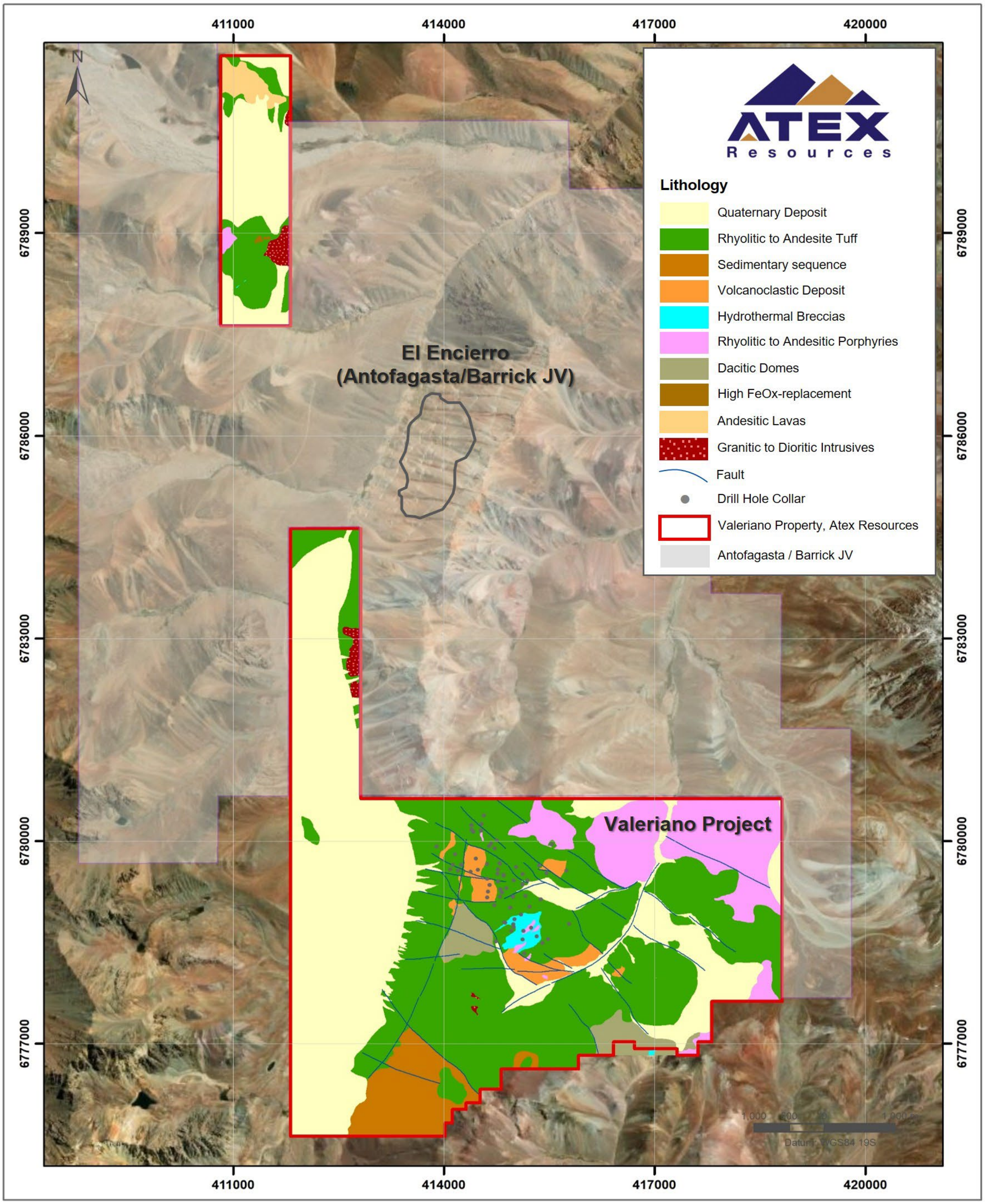


Figure 1 – Valeriano Property Outline and Geology

__Ongoing Exploration Results__

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.

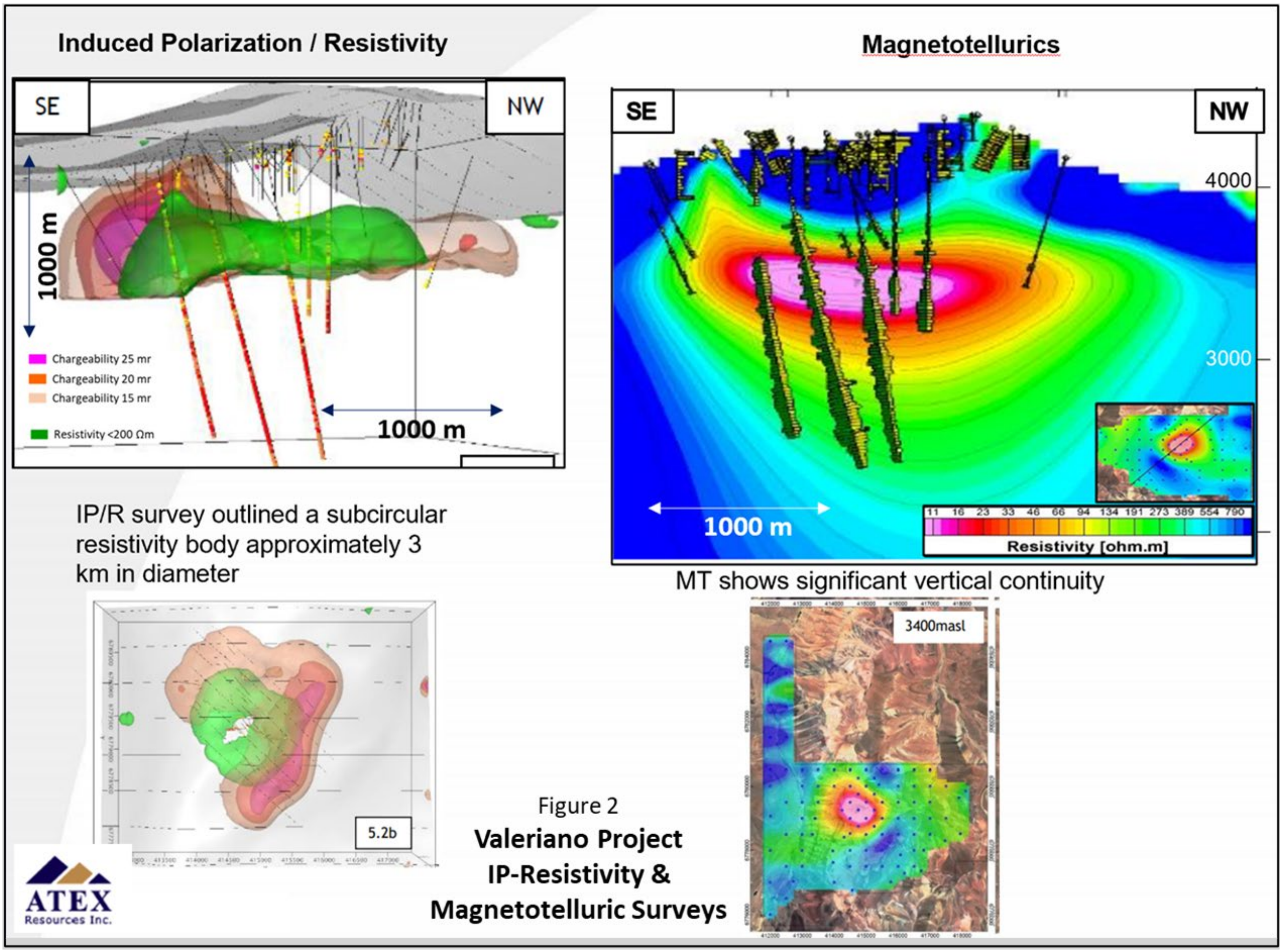


Figure 2
Valeriano Project
IP-Resistivity &
Magnetotelluric Surveys

Phase II Drill Program

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.

Assay results from the Phase II drilling program, 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. Assay results from our Phase III drilling campaign confirmed the continuity of the high-grade porphyry trend to the northeast by a further 200 metres and extended the known copper-gold mineralization along a new trend to the west (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 metres) 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.

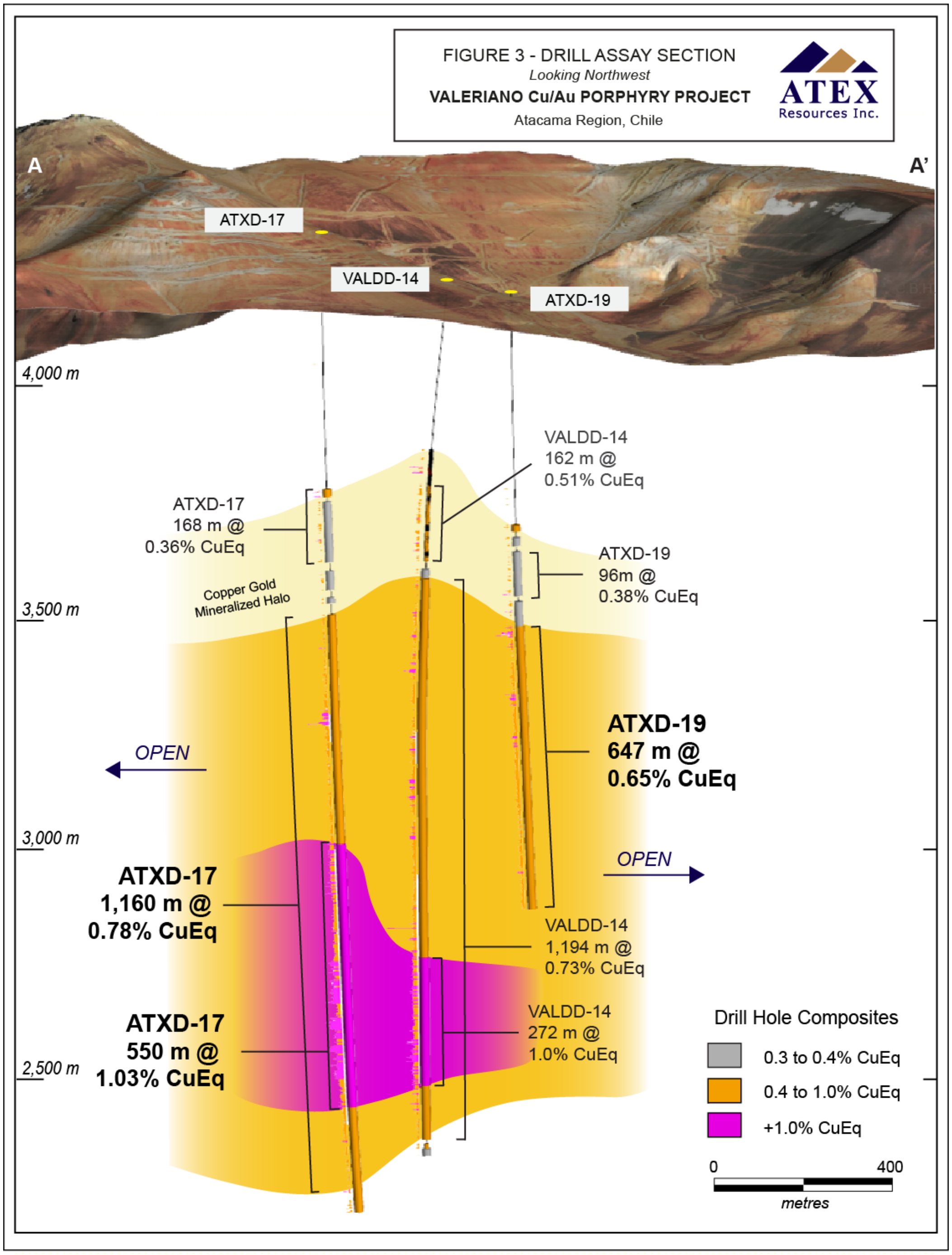
Drill hole ATXD-17 was collared into a sequence of altered tuffs and breccias with continuous high-sulphidation mineralization starting at 540 metres, down hole, before transitioning into porphyry mineralization at a depth of approximately 900 metres. The copper mineralization observed in the drill hole 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.



Phase III Drill Program

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 (Figures 4, 5A and 5B).

Subsequent news releases dated February 7th, February 27th March 30th and May 11th detailed results from the Phase III drill program. These included geological descriptions for drill holes ATXD-11A, ATXD-21, ATXD-11B, ATXD-22, ATXD-22A and ATXD-23. Assay results, summarized in Table 1, were released for ATXD-11A, ATXD-

21, ATXD-11B and ATXD-22. Assay results have been released for this program for 4 holes totaling 7,871 metres.

Drill Hole ATXD-11A

Directional drill hole ATXD-11A (daughter hole) was wedged, in an easterly direction, from historical hole VAL-11 (mother hole) starting at a downhole depth of 855 metres and extending 1,275 metres to a final depth of 2,130 metres. ATXD-11A successfully tested the early porphyry mineralization below hole VAL-11 which intersected 195 metres grading 0.58% CuEq (0.43% Cu, 0.14 g/t Au & 62 ppm Mo) from 972 metres to the end of the hole at 1,167 metres.

Results for ATXD-11A were announced on February 7th 2023 intersecting 1,270 metres grading 0.63% Copper Equivalent "CuEq" (0.43% Cu, 0.21 g/t Au, 52 ppm Mo) and ending in mineralization at 2,130 metres This hole successfully extended copper and gold mineralization below drill hole ATXD-19 which intersected 647 metres of 0.65% CuEq (0.50% Cu, 0.15 g/t Au & 60 ppm Mo), see Company release dated 13 June, 2022. ATXD-19 was lost due to operational error at a depth of 1,309 metres in chalcopyrite bearing breccias. ATXD-11A intersected a wide sequence of variably mineralized breccias and porphyry units with potassic alteration and A-veining starting at 1,092 metres downhole. The target porphyry trend was intersected at 1,400 metres, deeper than anticipated, indicating that the mineralized porphyry corridor has a northeast trend. Mineralization continued from 1,092 metres until the hole was terminated at 2,130 metres at the safe operating limit for the rig. Additionally, ATXD-11A extends the western mineralized zone 400 metres north of VAL-09 (852 metres grading 0.64% CuEq) (Figures 4, 5 and 5B).

Drill Hole ATXD-21

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 (Figures 4, 5A and 5B). The mineralized corridor remains open to the northeast and southwest.

Drill Hole ATXD-11B

ATXD-11B (daughter hole), which returned the longest intersection of continuous mineralization on the project to date was released on March 30th 2023. The hole was wedged out, at a depth of 700 metres, from historical hole VAL-11 (mother hole) to the northeast at an azimuth of 54 degrees and 86-degree dip commencing in mineralized Rock Milled Breccia ("**RMB**"). An early porphyry unit was intersected at a depth of 1,438 metres down hole and continued in this unit until the hole was terminated at 2,190.5 metres. The Western Porphyry Trend intersected in this hole is open both to the northeast and southwest. Additionally, ATXD-11B ends in high-grade mineralization with the ultimate 6.5 metres of core grading 1.31% CuEq (0.61% Cu, 0.87 g/t Au, 5 ppm Mo).

Most significantly, hole ATXD-11B confirmed a new "high-grade" porphyry trend, the "Western Trend", on the Valeriano Project. The discovery of the Western Trend expanded the mineralized corridor over 300 metres to the west of the Central High-Grade Trend and is open along strike for extension.

Drill Hole ATXD-22

Hole ATXD-22 (mother hole) was drilled at an azimuth of 322 degrees and 87-degree dip and designed to be the first hole to evaluate possible presence of early porphyry between the Central and Eastern Trends. The hole was terminated at a depth of 1,712 metres, not having intersected early porphyry. ATXD-22, however, clearly demonstrated the presence of porphyry style mineralization within the RMB and within the overlying crystal tuff unit in this zone. The copper to gold ratio in ATXD-22 is closer to 4:1 due to a lower gold content but is accompanied by higher molybdenum enrichment possibly indicating a more distal part of the system.

Table 1: Summary of Phase III 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-11A	860.0	2130.0	1270.0	0.43	0.21	52	**0.63**	2,130
incl.	1048.0	1213.4	165.4	0.51	0.2	105	0.73	
and	1376.0	1492.4	116.4	0.56	0.3	95	0.82	
Incl.	1376.0	1393.3	17.3	0.73	0.3	39	1.01	
and incl.	1450.0	1470.0	20.0	0.64	0.3	308	1.06	
and	1698.0	2130.1	432.1	0.48	0.3	12	0.71	
incl.	1698.0	1868.0	170.0	0.54	0.3	11	0.81	
also incl.	1730.0	1752.0	22.0	0.66	0.4	11	0.95	
and	1816.7	1836.0	19.3	0.56	0.5	10	0.94	
and	1854.0	1868.0	14.0	0.6	0.5	11	1	
and	2100.0	2130.1	30.1	0.53	0.2	19	0.73	
ATXD-21	846.0	1274.0	428.0	0.31	0.2	56	0.48	1,838
incl.	850.0	902.0	52.0	0.34	0.2	73	0.53	
incl.	1020.0	1044.0	24.0	0.32	0.2	38	0.52	
incl.	1084.0	1252.0	168.0	0.41	0.2	60	0.59	
ATXD-21	1492.0	1532.0	40.0	0.27	0.1	68	0.41	
ATXD-11B	848.0	2190.5	1342.5	0.46	0.31	43	0.73	2,190.5
Incl.	1078.0	2088.0	1010.0	0.5	0.35	29	0.8	
Incl.	1438.0	2088.0	650.0	0.46	0.44	13	0.83	
Incl.	1864.0	2086.0	222.0	0.46	0.58	13	0.94	
Incl.	1964.0	2086.0	122.0	0.47	0.65	14	1.01	
ATXD-22	630.0	1600.0	970.0	0.38	0.1	99	0.51	1,712
Incl.	1016.0	1128.0	112.0	0.57	0.14	212	0.77	
and	1426.0	1568.0	142.0	0.4	0.11	55	0.51	

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. ATXD-11B includes a 37.9 metre interval from 969.2 to 1007.1 metres of 0.23% CuEq related to a late stage intrusion and ATXD-21 includes an interval of low grade mineralization over 22.15 metres grading 0.16% CuEq.

3 All intervals are reported as core lengths as the true lengths of the intervals are unknown at this time.

Drill Hole ATXD-23

Hole ATXD-23 was drilled 200 metres to the north of hole ATXD-11B along the Western Trend. It was drilled at a dip of -83 degrees and an azimuth of 125 degrees. Alteration commenced from 525 metres downhole where quartz-sericite alteration was intersected in the overlying rhyolitic tuffs. Mineralized RMB bearing chalcopyrite was intersected from 825 metres with the quartz-sericite alteration transitioning to potassic alteration, increasing in intensity, to a depth of 1,500 metres. At this depth, the top of the early porphyry unit was intersected with pervasive potassic alteration and chalcopyrite present from 1,500 metres to the bottom of the hole at 2,050 metres. Bornite occurs with chalcopyrite from approximately 1,720 metres to the end of the hole.

Additionally, three intervals of mineralized intermineral porphyry were intersected within the early porphyry interval at 1,729 to 1,825 metres 1,832 to 1,848 metres and from 1,920 to 1,980 metres.

Drill Hole ATXD-22A

Hole ATXD-22A (Daughter hole) was drilled out of ATXD-22 which intersected 970 metres of 0.51% CuEq (0.38 % Cu, 0.10 g/t Au and 99 ppm Mo). The hole commenced at 921 metres downhole at an azimuth of 135 degrees and a dip of -65 degrees. From start ATXD-22A commenced in RMB with chalcopyrite mineralization and weak potassic alteration to a depth of 1,823.1 meters where a large fault was intersected, terminating the mineralized geology. The hole was stopped at a depth of 1,871 metres.

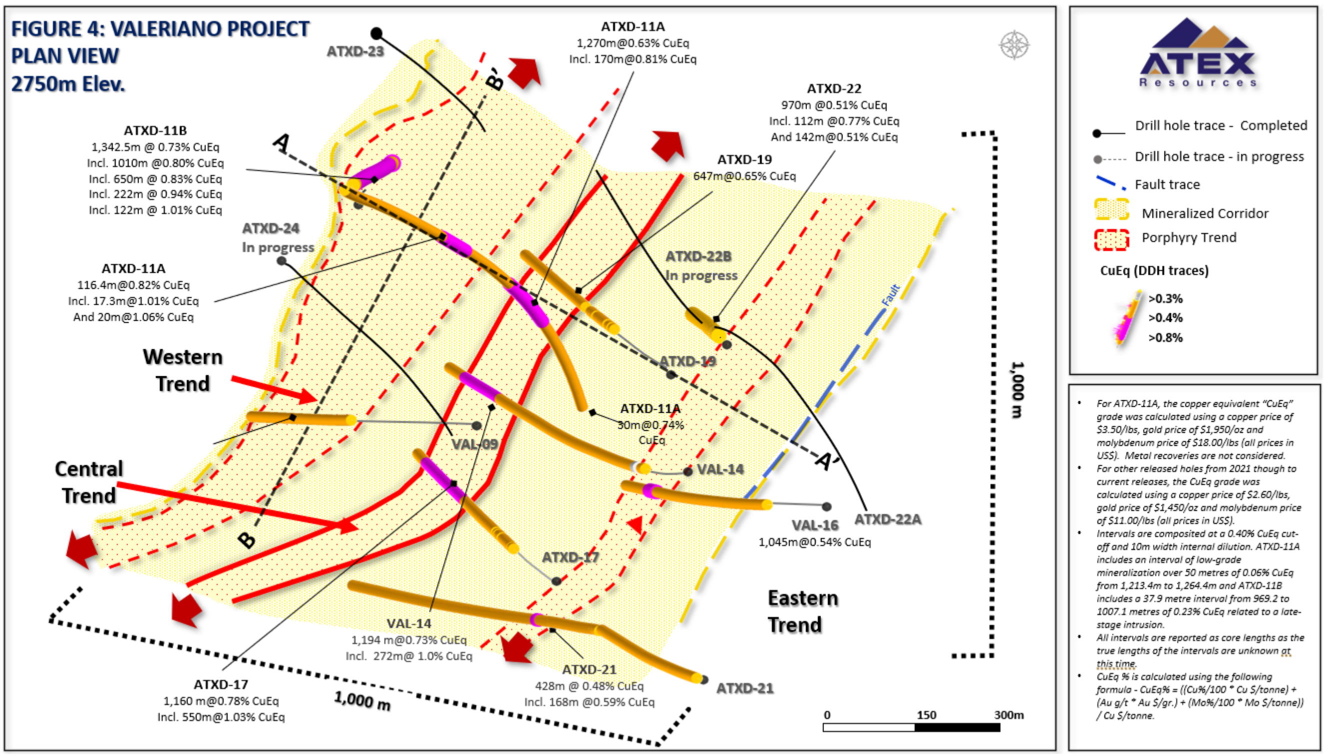
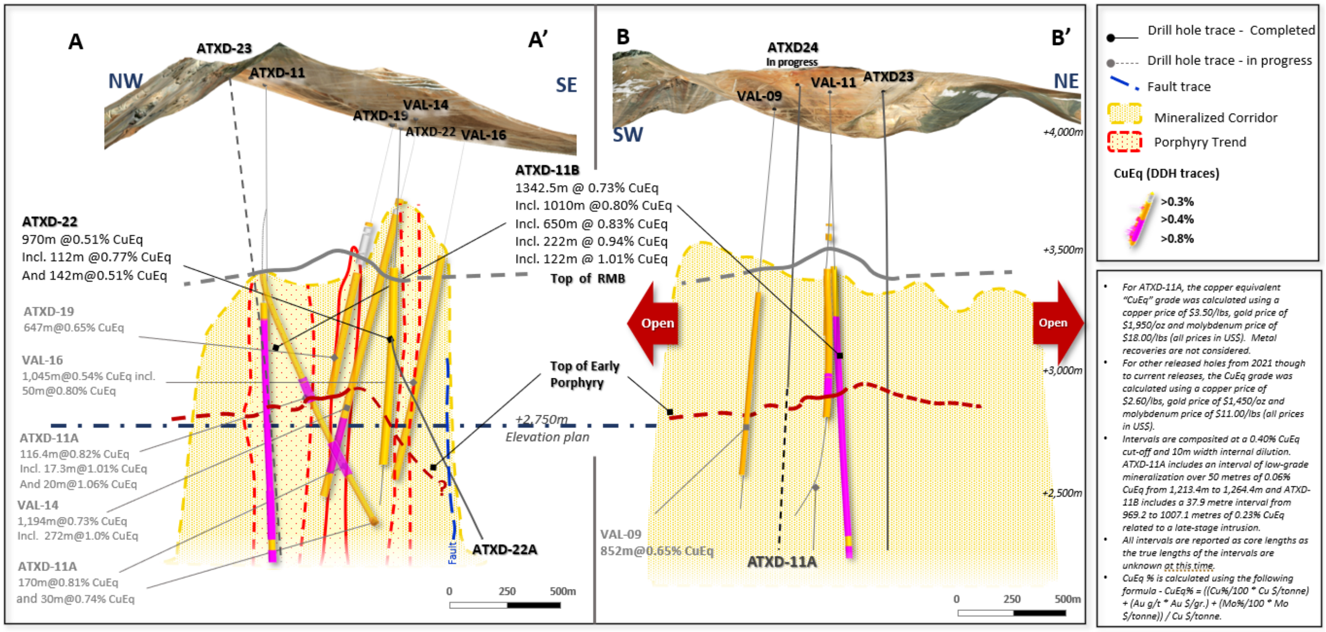


FIGURE 5A: VALERIANO PROJECT
ATXD-23 (PROJECTED 200m NORTH)
CROSS SECTION

FIGURE 5B: VALERIANO PROJECT
WESTERN TREND
LONGITUNDINAL SECTION



Outlook

Exploration

The Phase III campaign continues to focus on its stated objectives of expanding the mineralized corridor through step out drilling along strike, primarily to the northeast, testing new targets along this corridor and seeking to define the continuity and geometry of high-grade trends. Once all assay results from the Phase III drill program are received, the Company intends to update the copper-gold porphyry resource statement for the Valeriano Project and file an updated NI-43 101 compliant technical report. Additionally, metallurgical test work using core from the Phase III program will be conducted.

The following diamond drill holes are the final holes of the Phase III campaign, currently underway:

ATXD-24 an inclined drill hole is drilled from surface to intersect the Western Trend 200 metres south along strike from ATXD-11B and is planned to reach the Central High-Grade Trend at depth.

ATXD-22B, (daughter hole) being drilled to the northwest out of ATXD-22 (970 metres of 0.51% CuEq). This hole is testing the northern extension of the Central High-Grade Trend 200 metres beyond ATXD-11A which intersected 0.63% CuEq over 1,270 metres including 0.81% CuEq over 170 metres along this trend. (See Company release dated February 7, 2023) ATXD-23 and ATXD-24 are also underway and are collared 260 metres to the north and 160 metres to the south, respectively, of ATXD-11B. These holes are expected to be completed in May.

The Company's near-term focus is to delineate and expand the current mineralized corridor on the Valeriano Concession and explore for more porphyry trends within it. 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.

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

	Second Quarter			
	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	March 31, 2023	March 31, 2022
Net loss	$ (609,999)	$ (414,654)	$ (1,884,107)	$ (1,432,597)
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.02)

	March 31, 2023	September 30, 2022
Balance sheet:		
Cash	$ 9,913,126	$ 15,622,682
Total assets	35,706,200	27,820,110
Current liabilities	3,491,152	195,060
Working capital	6,524,486	15,540,839

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

The Company's accounting policy is to record its mineral projects at cost. Exploration, evaluation and development expenditures are deferred until properties are brought into production; at which time they will be amortized on a unit of production basis. In the event that properties are sold, impaired or abandoned, the deferred cost will be written off.

Results of Operations

	Three Months Ended March 31,		Six months Ended March 31,	
	2023	2022	2023	2022
Expenses				
Salaries and management fees	$ 247,501	$ 104,880	$ 470,001	$ 167,488
Consulting	37,154	21,367	107,185	36,994
Professional fees	40,858	1,864	55,241	1,864
Travel and shareholder relations	107,165	39,778	205,223	39,778
General and administrative costs	86,133	39,460	152,088	58,595
Depreciation and amortization	17,088	-	17,088	-
Foreign exchange loss	15,101	56,597	133,362	74,128
Accretion	2,123	-	2,123	-
Stock-based compensation	162,959	-	895,500	903,042
Interest income	(128,887)	-	(175,608)	-
Write off of exploration and evaluation assets	-	150,708	-	150,708
Net loss and comprehensive loss for the period	$ 587,195	$ 414,654	$ 1,862,203	$ 1,432,597

During the three and six months ended March 31, 2022, corporate activities were limited due to cash constraints faced by the Company. The increase in 2023 expenses is attributable to the following:

Salaries and management fees in the three and six months ended March 31, 2023 were higher than the same periods from last year reflecting the increase in headcount associated with additional management positions and new Board members added during the second half of 2022.

Consulting services increased approximately $16,000 and $70,000 in the three and six months ended March 31, 2023 respectively compared with the three and six months ended March 31, 2022 primarily associated with geological, recruitment services and environmental and social services launched in 2023.

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 and the increase between quarters reflect the increase in in-person events and conferences available to attend in the first and second quarter of 2023. As COVID travel restrictions were lifted, the Company resumed such activities in 2022, incurring approximately $40,000 in conferences and travel expenses for the three and six months ended March 31, 2022.

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.

Stock-based compensation represents the fair value of the long-term incentive program ("**LTIP**") compensation granted to directors, executives and management. During the first half of 2023 the Company granted 2,530,000 stock options and recorded stock-based compensation of $895,501 and capitalized $207,074 to exploration and evaluation assets. In the first half of 2022 the Company recorded stock-based compensation of $903,042 on stock options issued in December 2021. The stock options granted 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. During the three and six months end March 31, 2023 and 2022 the US dollar strengthened relative to the Canadian dollar resulting in exchange loss mainly attributable to the cash balances held in US dollars.

Summary of Selected Highlights for the Last Eight Quarters

	2023		2022				2021	
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Net loss	$587,195	$1,275,008	$76,171	$785,348	$414,654	$1,017,943	$59,389	$171,411
Loss per share - basic and diluted	$0.00	$0.01	$0.00	$0.01	$0.00	$0.02	$0.00	$0.00

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

Liquidity and Solvency

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

As at March 31, 2023, the Company had working capital of $6,524,486, and has incurred losses since inception. The Company's long-term survival depends on the ability of management to continue raising capital or debt. 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 may be required to curtail operations, exploration, and development activities. All of these outcomes are uncertain and taken together indicate the existence of material uncertainties that may cast significant doubt over the ability of the Company to continue as a going concern.

During the six months ended March 31, 2023, the cash used in exploration and evaluation expenditures amounted to $8,744,718 (2022 - $3,554,616).

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.

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.

There were no accounting policy changes during the three months ended March 31, 2023, except as mentioned below.

Leases

The Company recognizes a lease liability with a corresponding right-of-use ("ROU") asset on the date at which the leased asset is available for use by the Company. The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date, discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used, being the rate that it would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost and decreased by lease payments made over the lease period. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the Company's estimate of any residual amount payable, or if applicable, the Company changes its assessment of whether it will exercise a purchase, extension, or termination option.

The ROU asset is depreciated using the straight-line method from the recognition date to the earlier of the end of the useful life of the asset or the end of the lease term.

Payments associated with short-term leases and leases of low-value assets are expensed as they are incurred in profit or loss. Short-term leases have a lease term of 12 months or less.

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.

The critical estimates applied in the preparation of the Company's Interim Financial Statements are consistent with those applied and disclosed in Note 4 to the audited consolidated financial statements for the year ended September 30, 2022, including exploration and evaluation assets and assets' carrying values and impairment charges.

Off-Balance Sheet Arrangements

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

Mineral Properties - 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.

On January 23, 2023, the Company, through ATEX Valeriano, acquired a 10% interest in Valleno, the optionor of the Valeriano Project, for a purchase price of US$1,150,000. As a result of this acquisition, the Company became an indirect owner of 10% of the outstanding shares of Valleno.

Outstanding Share Capital

As at March 31, 2023, there were 152,342,198 common shares outstanding. The Company's share capital is described in Note 6 to the unaudited condensed interim financial statements for the three and six months ended March 31, 2023.

The following securities were outstanding as at May 24, 2023:

Securities	Number	Shares Issuable	Exercise price per share	Expiry or maturity date
Common shares	157,069,537			
Warrants	6,418,717	6,418,717	$0.20	April 29, 2024
	47,968,656	47,968,656	$0.22	December 2, 2024
	1,000,000	1,000,000	$0.40	December 31, 2024
	9,559,575	9,559,575	$1.00	August 25, 2025
	979,958	979,958	$1.00	August 25, 2023
	65,926,906	65,926,906		
Stock options	6,855,000	6,855,000	$0.15-1.00	March 8, 2024 – January 25, 2028

Related Party Transactions

As described in Note 7 to the unaudited condensed interim financial statements for the six months ended March 31, 2023, key management personnel are persons responsible for the planning, directing and controlling activities of the entity. The Company's key management personnel are the executive management and directors, and their compensation was as follows:

	Six Months Ended March 31 2023	2022
Salaries and management fees	$ 425,001	$ 152,488
Directors' fees	30,000	15,000
Stock-based compensation	773,400	645,030
	$ 1,228,401	$ 812,518

Subsequent Events

In addition to other events noted herein, subsequent to March 31, 2023, 4,562,339 common share purchase warrants were exercised for proceeds of $1,288,089 and 165,000 stock options were exercised for proceeds of $41,250.

On April 5, 2023 a Restricted Share Unit ("**RSU**") Plan was established for directors, and eligible consultants of the Company and its wholly-owned subsidiaries in consideration of past services to the Company, a total of 601,300 RSU that vest over a two-year period were issued under this plan. A total of 355,900 RSUs were issued to officers of the Company.

On May 11, 2023, as a result of a continuous disclosure review by the British Columbia Securities Commission, the Company issued a news release to clarify disclosure with respect to certain of the scientific and technical information included in the Company's annual information form filed on March 6, 2023 (the "**AIF**") and the Technical Report. Pursuant to NI 43-101, an updated NI 43-101 compliant technical report is required for the Valeriano Project based on certain of the scientific and technical disclosure in the AIF. Until an updated NI 43-101 compliant technical report is filed by the Company with applicable regulatory authorities, certain of the scientific and technical information in the AIF that is not supported by the Technical Report should not be relied on. The Company has commenced work on an updated 43-101 technical report for the Valeriano Project and will make a further announcement as to anticipated filing time of such report as soon as practicable. Further, and separate from the NI 43-101 technical report item addressed above, ATEX has also updated and clarified additional disclosure contained on its website, fact sheet and corporate presentation to address certain comments received on the disclosure contained therein.

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, 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 DC&P and ICFR 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.