ATEX Resources Inc.

Management's Discussion & Analysis

For the Three and Six Months Ended March 31, 2025

This management's discussion and analysis (this "**MD&A**"), prepared as of May 27, 2025, reviews and summarizes the activities of ATEX Resources Inc. (the "**Company**" or "**ATEX**") and constitutes management's review of the factors that affected the Company's financial and operating performance as at and for the three months ended March 31, 2025. This discussion should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended September 30, 2024 and 2023, and the related notes thereto (the "**2024 Annual Financial Statements**"). All financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. All amounts in this MD&A are stated in Canadian dollars unless otherwise indicated.

This 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, including its annual information form (if any), is available on its website at www.atexresources.com or through the Company's SEDAR+ (as defined below) profile at www.sedarplus.com.

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

Description of the Business

The Company was incorporated under the laws of the Province of British Columbia and the Common Shares are listed for trading on the TSXV under the symbol "ATX". The Company is engaged in the acquisition, exploration, and discovery of mineral properties in South America. The Company owns a 100% interest in the Valeriano Copper Gold Project located in Region III, Chile (the "**Valeriano Project**" or "**Valeriano**"), its only material property for purposes of applicable Canadian securities laws.

The Company's strategy is to create value for its shareholders by expanding and increasing the confidence and continuity of defined resources while responsibly continuing to explore and expand the mineralized footprint at the Valeriano Project.. The Company intends to do this through further successful exploration, advancing engineering, best ESG practices, and other studies in collaboration with its partners or by other third parties to position Valeriano as a leading exploration-development project within an emerging porphyry district.

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

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

The key assumptions, parameters, and methods used to estimate the mineral resources are contained in the NI 43-101 technical report for the Valeriano Project, entitled "Independent Technical Report for the Valeriano Copper-Gold Project, Atacama Region, Chile", dated October 18, 2023 (the "**2023 Valeriano Technical Report**"), by Joled Nur, CCCRRM-Chile, and David Hopper, CGeol, a copy of which is available under the Company's profile at SEDAR+ at www.sedarplus.com.

The Valeriano Project is located in an emerging copper-gold porphyry mineral belt joining the prolific El Indio Gold-Silver High-Sulphidation Belt to the south and the Maricunga Gold Porphyry Belt to the north The Link Belt hosts the Vicuña district which is approximately 70 kilometres to the north of Valeriano and a number of copper-gold porphyry deposits at various stages of exploration and development including:

- Filo del Sol, Lundin Mining/BHP (Vicuña JV)
- Josemaria, Lundin Mining/BHP (Vicuña JV)
- Los Helados, NGEx Minerals/Nippon Caserones Resources
- Lunahuasi, NGEx Minerals
- La Fortuna, Teck Resources/Newmont
- Relincho, Teck Resources/Newmont
- El Encierro, Antofagasta/Barrick Gold

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

The Valeriano Project is underlain by altered felsic volcanics which at depth have been intruded by a multi-phase granodiorite porphyry. The mineralized system displays a classic porphyry-style alteration pattern from high-level advanced argillic alteration through to a well-developed potassic alteration zone close to the porphyry with associated stockwork and disseminated copper-gold mineralization. A large surface alteration zone, covering an area of approximately 13 by 4.5 kilometres, extends from the Valeriano Project northward over Antofagasta / Barrick Gold's El Encierro Project (Valeriano-El Encierro Lithocap).

Exploration

The Phase V drill program commenced with three diamond drill rigs in mid-October 2024 and scaled up to five rigs by January 2025. Drilling productivity has significantly increased in 2025, positioning ATEX for its most successful and impactful drill campaign to date. As of May 19th, 16,427 metres had been drilled in the Phase V program and nine drill holes completed. Using directional drilling techniques, ATEX has saved approximately 9,200m of drilling, compared to conventional technologies, resulting in a much more effective and efficient program. The focus of the Phase V program has been on drilling and defining the high-grade breccia mineralization ("**B2B**") atop the underlying porphyry which remains open in multiple directions. In addition to the success at the B2B zone, the high-grade porphyry trend has continued to deliver, reaching 1,000 metres along strike and remains open. The Phase V program has further enhanced the geological understanding of the Valeriano system, providing a strong foundation for future exploration efforts. The drill results from the Phase V program are expected to support an updated Mineral Resource Estimate in the second half of 2025.

As of May 19th, ATEX was drilling with four drill rigs with one rig having been demobilized. Four complete holes and four holes that are currently in progress remain to be announced as part of the Phase V program.

During the three months and six months ended March 31, 2025, and up to May 22, 2025, exploration highlights included:

B2B Exploration

- ATXD23A is a daughter hole of ATXD23 (Phase III, completed at 2,042 metres), expanding the high-grade breccia target above the Valeriano porphyry system by approximately 100 metres along strike to the north of ATXD26. ATXD23A intersected the targeted B2B zone with higher-grade mineralization occurring from 1,036 metres to 1,378 metres associated with intense brecciation and alteration associated with bornite and chalcopyrite. The hole was completed in mineralized wall rock.

- ATXD27A (completed at 2,148 metres) is a daughter hole of ATXD27 (Phase IV) that was paused at 944 meters at the end of Phase IV. The target for ATXD27A is the northern extension of the breccia corridor, 140 meters to the north of where the target was intersected in ATXD26 and ATXD23A, and in an area never tested in drilling before. To date ATXD27A has drilled through host rocks and from 1,551 metres has entered a zone of alteration similar to that seen in drill holes ATXD23A and ATXD26.

- ATXD23B (completed at 1,999 metres) is a daughter hole of ATXD23A (Phase V) stepping out 100-metre above ATXD23A, and is situated approximately 100 metres along strike, to the north, of ATXD26. It is testing up-dip towards the surface. Over the interval from 1,180 to 1,200 metres, this hole intersected a zone of alteration and mineralization similar to that intersected 100 metres below in ATXD23A.

- ATXD27B (ongoing at 1,257 metres) is the second daughter hole from ATXD27. The hole is currently drilling in mineralized host rock and will be targeting the B2B zone 150m to the northeast of the high-grade breccia intersected in ATXD26 and ATXD23A.

- ATXD29A (ongoing at 1,154 metres) is a daughter hole from ATXD29 and is targeting the B2B breccias approximately 100m up dip from the intersections drilled in ATXD26 and ATXD23A.

- ATXD25C (ongoing at 887 metres) is a daughter hole from ATXD25A and is designed to test the potential link between the B2B breccia and the high-grade bornite zone intersected in ATXD25A.

Porphyry Exploration Results

- ATXD16B (completed at 1,880 metres) is a daughter hole from ATXD16A (Phase IV) extending the high-grade porphyry trend by approximately 120 metres southeast along strike from ATXD16A. ATXD16B intersected the targeted mineralized porphyry (EP) at 1,264 metres through to 1,768 metres and was completed in mineralized wall rock.

- ATXD25A (completed at 2,232 metres) is a daughter hole of ATXD25 (Phase IV) continued from where it was paused at the end of Phase IV at a depth of 1,454 metres targeting the northern most extensions of the known mineralized footprint and intersected the targeted mineralized porphyry at 1,771 metres to its final depth of 2,232 metres. A bornite bearing hydrothermal breccia zone was intersected from 1,892 metres to 1,902 metres, and the hole was completed at 2,232 metres downhole achieving a new record hole length at Valeriano.

- ATXD25B (completed at 1,837m) is the second daughter hole from ATXD25 located 250m along strike from and following up on ATXD25A. The hole was designed to test mineralized intersections approximately 200m up dip. ATXD25B intersected disseminated zones of potassic alteration from 1,340m downhole, chalcopyrite from 1,337m to 1,837m and bornite from 1,249m to 1,646m.

- ATXD22C (completed at 1,814 metres) is a daughter hole of ATXD22 (Phase III), designed to infill drill and increase the confidence level of the Inferred Mineral Resource, drilling at nominal 150 metre centres on previously defined high-grade zones within the existing porphyry footprint. This hole is currently still drilling through host rock sequences. The hole intersected mineralized porphyry at 1,375m downhole, early porphyry from 1,580m to 1,666m, and was completed in mineralized porphyry.

- ATXD28 (completed at 1,924 metres) is a parent hole from the same platform as ATXD19 (Phase II) drilled from surface. The hole is designed to infill drill to increase confidence in the Inferred Mineral Resource, drilling at nominal 150 metre centres on previously defined high-grade zones within the existing porphyry footprint. The drill hole intersected early porphyry from 1,246m to 1,276m and is currently drilling in mineralized porphyry.

- ATXD22D (ongoing at 1,490 metres) is a daughter hole from ATXD22C and is designed to test early porphyry mineralization on nominal 150m centres as part of the infill program.

- ATXD28A (ongoing at 1,297 metres) is a daughter hole from ATXD28 and is designed to test early porphyry mineralization on nominal 150m centres as part of the infill program.

Final results for ATXD23A, ATXD16B, ATXD25A, ATXD23B and ATXD27A are listedin the following table. The remaining assays results from ATXD25B, ATXD22C, ATXD22D, ATXD28, ATXD28A, ATXD29A, ATXD25C and ATXD27B will be released as they are received, analyzed, and confirmed by the Company.

Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (g/t)	CuEq % MRS(1)
ATXD16B	1,044	1,824	780	0.56	0.23	0.9	90	0.76
Incl.	1,364	1,690	326	0.71	0.29	1.1	87	0.95
Incl.	1,414	1,646	232	0.75	0.31	1.2	88	1.00
ATXD23A	822	2,042	1220(2)	0.66	0.28	1.9	130	0.91
Incl.	1,036	1,378	342	1.05	0.47	3.0	326	1.52
Incl.	1,092	1,378	286	1.17	0.53	3.4	340	1.69
Incl.	1,162	1,378	216	1.34	0.63	4.1	334	1.93
Incl.	1,226	1,378	152	1.52	0.75	4.9	161	2.12
Incl.	1,334	1,356	22	2.35	1.31	8.6	29	3.30
ATXD25A	1,230	1,832	602	0.40	0.16	1.0	57	0.54
Incl.	1,770	1,830	60	0.60	0.49	2.4	5	0.94
And	1,874	1,982	108	0.87	1.18	5.5	9	1.69
Incl.	1,892	1,922	30	2.21	3.17	15.1	3	4.40
Incl.	1,896	1,912	16	3.04	4.82	21.1	5	6.36
ATXD23B	1,028	1,238	210	0.60	0.21	1.0	210	0.83
Incl.	1,212	1,236	24	0.81	0.30	1.2	136	1.07
And	1,264	1,999	735	0.47	0.14	1.0	39	0.59
Incl.	1,274	1,318	44	0.83	0.21	1.4	36	1.00
ATXD27A	1,172	1,626	454	0.48	0.13	0.9	121	0.62
And	1,636	2,148	512	0.58	0.27	1.7	18	0.78
Incl.	1,672	1,714	42	0.84	0.49	3.1	9	1.20
Incl.	1,888	1,920	32	0.77	0.31	1.7	19	1.00

(1) CuEq calculated using recoveries assumed in the 2023 MRE (90% Cu, 70% Au, 80% Ag and 60% Mo) (See the Company's news release dated September 12, 2023) using the formula: CuEq % = Cu % + (6,481.488523 * Au g/t /10,000) +(94.6503085864* Ag g/t /10,000) + (4.2328042328 * Mo g/t /10,000)

(2) Includes intervals of 25.5m from 900.3m to 925.8m, 13.45m from 933.35m to 946.8m, and 10.5m from 954.3 to 964.8m where no drill core was recovered due to the use of a directional drilling tool and 14m of intervals with a below cut-off grade of 0.3% CuEq. Directional drilling intervals are treated as null and composited values were calculated with 1,170.55m of drill core

Additional information on these drill results is disclosed in the Company's future press releases.

- On December 11, 2024 the Company announced the results of its second metallurgical program completed at the Valeriano Project. The program was conducted by Base Metallurgical Laboratories in Kamloops, BC using mineralized sample material selected from drill core collected during the Phase III and Phase IV drill campaigns. Total copper and gold recoveries ranged from 92% to 95% and 90% to 97% respectively, at a coarser grind size. The testing showed Valeriano is capable of producing a clean and highly marketable copper concentrate product, with potential for a separate saleable molybdenum concentrate. ATEX's second metallurgical test work program continues to demonstrate that the conceptual process flowsheet being developed for the Valeriano Project is robust and comparable with other world class copper porphyry projects.

Corporate

- Pursuant to the terms of an option exercise agreement dated December 19, 2024 between ATEX Valeriano SpA, a wholly owned subsidiary of ATEX ("ATEX Valeriano"), and Sociedad Contractual Minera Valleno ("SCMV"), a Chilean private company and the vendor of Valeriano, that supports and amends the underlying option agreement dated August 29, 2019 between ATEX Valeriano and SCMV, as amended (collectively, the "Option Agreement"). ATEX was able to complete early achievement of 100% ownership of Valeriano by satisfying all the conditions set out under the Option Agreement, including the final payment due to SCMV of US$8 million, which was fully satisfied through the issuance of common shares of the Company (the "Shares"). See Mineral Properties section for further information.

- On November 1, 2024, the Company received gross proceeds of $55.2 million through a non-brokered private placement with Agnico Eagle Mines Limited ("**Agnico**") with Agnico becoming a strategic shareholder of the Company. On the same date the Company completed a $500,000 private placement with Rick McCreary who had joined the board of directors of the Company (the "**Board**") on September 30, 2024.

- The Company concurrently settled its US$15 million credit facility (the "**Facility**") through the issuance of common shares and warrants. See Liquidity and Solvency section below for additional details on the foregoing transactions.

- Effective as of March 10, 2025, ATEX appointed Dr. Christine Rainaud as Exploration Director. Additionally, effective May 1, 2025, Mr. Elijah Tyshynski was appointed Chief Financial Officer and Corporate Secretary.

Outlook

Exploration

The Phase V drill program represents ATEX's most successful and impactful exploration campaign to date. With increased drilling efficiency, expanded rig capacity, and strategic use of directional drilling, the program has delivered positive results. It has significantly improved the geological understanding of the B2B zone and the Valeriano porphyry, refining the geological model and enhancing both the size and confidence of the mineralized body. These advancements not only strengthen the foundation for an upcoming updated Mineral Resource Estimate but also provide valuable insight to guide future exploration and growth opportunities across the broader Valeriano project area. The next drill program is expected to commence between late September and early October and will focus on better understanding the B2B style mineralization to the northeast and to the southeast, which sit along the same elevation horizon and exhibit geophysical and structural signatures similar to the B2B zone.

Permitting

Preparation of an Environmental Impact Declaration

ATEX has advanced on the baseline studies required for the preparation for an Environmental Impact Declaration, which will be submitted by winter 2025-26. This declaration is intended to support the continuation of exploration activities at the Project beyond 2026.

Selected Financial Information

	Three Months Ended		Six Months Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Net loss	$(19,817,222)	$ (9,866,769)	$(44,668,561)	$(17,418,304)
Basic and diluted loss per share	(0.07)	(0.05)	(0.17)	(0.10)

	March 31, 2025	September 30, 2024
Balance sheet:		
Cash	$ 44,579,109	$ 4,997,490
Total assets	50,385,684	9,862,486
Current liabilities	14,240,277	21,360,591
Working capital	31,572,594	(14,873,378)

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

The Company's accounting policy is to record its mineral projects at cost. The cost of exploration properties, including the cost of acquiring prospective properties and exploration rights, and exploration and evaluation costs are expensed until it has been established that a mineral property is commercially viable and technically feasible.

Results of Operations

	Three Months Ended March 31,		Six months Ended March 31,	
	2025	2024	2025	2024
Expenses				
Exploration and evaluation expenses	$ 17,076,418	$ 7,704,989	$ 36,650,133	$ 14,345,789
Consulting	63,421	-	102,678	20,336
Salaries and management fees	810,778	370,919	1,061,622	640,920
General and administrative costs	139,919	39,077	186,602	111,236
Professional fees	66,691	83,569	122,445	104,844
Travel and shareholder relations	271,999	189,151	421,735	337,172
Stock-based compensation	1,833,280	694,648	4,341,273	815,896
Depreciation and amortization	11,708	13,757	48,685	27,514
Foreign exchange (gain) loss	(30,767)	(39,334)	536,389	(486,974)
Interest income	(428,980)	(68,882)	(914,988)	(240,635)
Interest on lease liability	2,755	735	2,831	1,682
Accretion	-	999,514	426,035	1,861,898
Loss on debt settlement	-	-	1,683,121	-
Other income	-	(121,374)	-	(121,374)
Net loss for the period	$ 19,817,222	$ 9,866,769	$ 44,668,561	$ 17,418,304

Exploration and evaluation expenses include such costs as materials used, surveying costs, drilling costs, payments made to contractors, depreciation on property and equipment and acquisition costs, during the six months ended March 31, 2024 the Company incurred in $10.8 million with respect to the acquisition of 100% of Valeriano Project. For the three and six months ended March 31, 2025, exploration and evaluation expenses represented 86% and 82% of the loss for the period, respectively compared to 78% and 82% for the same periods in 2024.

Selected Highlights for the Last Eight Quarters and Liquidity and Solvency section for further details on exploration and evaluation expenses.

Salaries and directors' fees increased from $0.3 million in March 2024 to $0.8 million in March 2025, primarily due to higher cash compensation, bonuses, and vacation payouts, as well as an increase in headcount driven by the increase in senior-level roles in May 2024; a similar trend was observed for the six months ended March 31, with salaries rising from $0.6 million in 2024 to $1.0 million in 2025.

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

Professional fees include legal, accounting and audit-related fees, professional fees have increased between quarters due to the need for more extensive consulting services in line with the growth of the Company.

Travel and shareholder relations expenses are for attendance at investor conferences, meetings and tradeshows, and include consulting fees with respect to business development, shareholder relations and investor relations and remain consistent during quarters.

Stock-based compensation represents the long-term incentive programs compensation granted to directors, executives and management and includes amortization on equity settled plans and mark to market adjustments on the value of Restricted Share Units ("RSUs"). During the six months ending December 31, 2024, the company granted 2,540,870 options to directors, executives, and employees, recording $3.4 million as share-based compensation.

In addition, the compensation recorded from the RSUs granted was $2.2 million (December 31, 2023 - $0.1 million). Variations between periods are a result of the Company's share price, timing of grant issuances and completion of vesting periods.

Accretion the quarterly increase is primarily due to higher financial costs incurred by the Company following the Facility being entered into July 2023. On November 1, 2024, the Company settled the full US$15 million Credit Facility. The loss on debt settlement represents the difference between the aggregate fair value of $12.9 million attributable to the warrants and shares issued to the Lenders (other than Firelight), compared to their carrying value at the settlement date. (Refer to Note 8 of the condensed interim consolidated financial statements).

The Company's current foreign exchange loss for the period is due to the weakening of the Canadian dollar relative to the US dollar, as the majority of cash balances at the end of March were held in Canadian currency. In the prior comparative quarter, the foreign exchange gain was a result of holding cash balances in US dollars.

Summary of Selected Highlights for the Last Eight Quarters

	2025		2024			2023		
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Net loss	$19,817,222	$24,851,339	$4,559,616	$7,486,587	$9,866,769	$7,551,535	$8,522,722	$6,553,285
Loss per share - basic and diluted	$0.07	$0.10	$0.02	$0.04	$0.05	$0.04	$0.04	$0.04

The results reflect management's activities focused on fundraising and acquiring and managing mineral projects. Quarterly results are affected by the timing of grants of stock options and the recording of the related stock-based compensation. The accounting principles that the financial data has been prepared with are as described in this MD&A.

Due to the geographic location of the Valeriano Project, the Company's business activities generally fluctuate with the seasons, through increased exploration activities during the summer months in Chile. As a result, a general recurring trend is the increase in exploration expenditures, and therefore net losses, for the first quarter and second quarter of a fiscal year, relative to the third and fourth quarters. In addition, other relevant factors, such as the acquisition costs, other corporate initiatives, as well as the type and scope of planned exploration/project work, could affect the level of exploration activities and net loss in a particular period. For the three months ended December 31, 2024 exploration and evaluation expenses accounted for 79% (three months ended December 31, 2023 – 88%) of the loss of the period, the increase in exploration expenses is mainly explained by the 100% acquisition of Valeriano Project for a total consideration of $10.8 million. A similar impact was noted in the three months ended September 30, 2023 with the acquisition of the 49% interest in Valeriano in August 2023 for a total consideration of $6.3 million. The quarterly increase is primarily due to higher financial costs incurred by the Company following the Facility being entered into July 2023.

Liquidity and Solvency

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

As at December 31, 2024, the Company had a working capital of $50.5 million, largely driven by the $55.7 million private placements and the settlement of the US$15 million Facility which occurred in November 2024, both transactions are described below. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties, including the Company's ability to raise adequate equity or debt financing for continuing operations. Historically, capital requirements have been primarily funded through equity financing, and the use of credit facilities extended by its major shareholders.

As a result of the events described below, the Company is confident that additional funding will be secured to fund planned expenditures for at least twelve months from December 31, 2024. The Company has no current source of operating cash flow, and there can be no assurances that sufficient funding, including adequate financing, will be available to explore and develop its property and to cover general and administrative expenses necessary for the maintenance of a public company. Factors that could affect the availability of financing include the progress and results of ongoing exploration at the Valeriano Project, the state of international debt and equity markets, as may be impacted by inflation and investor perceptions and expectations with respect to the global copper, gold, and/or silver markets. The Company's status as a going concern is contingent upon raising the necessary funds through the issuance of equity or debt.

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

As part of the transaction, the Company entered into an investor rights agreement with AEM. Under the Investor Rights Agreement, AEM is entitled to certain rights, provided AEM maintains certain ownership thresholds in the Company, including: (a) the right to participate in future issuance of Common Shares (or any securities that are or may become convertible, exchangeable or exercisable into Common Shares) in order to maintain its pro rata ownership interest in the Company or acquire up to a 19.99% ownership interest, on a partially diluted basis; and (b) the right (which AEM has no present intention of exercising) to nominate one person to the board of directors of ATEX, and c) the right to request the formation of, and participate in, a technical committee to provide recommendations and advice to the Company on technical matters.

Concurrently with the transactions above, the Company settled its US$15 million Facility with Firelight Investments, Beedie Capital, Trinity Capital Partners and two arm's length parties (collectively, the "**Lenders**") through the issuance of 7,938,268 Units to the Lenders (other than Firelight Investments) on the same terms as the Offering and 5,467,342 Common Shares to Firelight Investments. Further details refer to the Outstanding Share Capital section.

For the three months ended December 31, 2024, the Company incurred exploration and evaluation expenditures of $19.6 million (2023 - $6.6 million), all of which were spent on the Valeriano Project. Excluding acquisition costs, exploration and evaluation expenditures were higher by $12.7 million than in 2023, due to a one-off acquisition cost of the remaining 51% of the Project.

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

	Three Months Ended March 31,		Six months Ended March 31,	
	2025	2024	2025	2024
Expenses				
Acquisition Costs	$ -	$ -	$ 10,842,664	$ -
Drilling	10,343,149	4,424,912	14,073,862	8,148,841
Value-added tax	2,018,452	978,926	2,729,635	1,738,147
Camp costs	1,296,242	784,515	2,347,706	1,534,877
Salaries, geological consultants, travel	1,375,087	555,734	2,430,678	1,130,532
Land holding and access costs	354,661	266,417	672,575	512,071
Community relations, environmental and permitting	427,607	136,594	907,173	335,757
Consultants and administrative	360,240	183,895	433,116	319,558
Assay and analysis	305,368	216,880	606,061	329,012
Core handling and storage	155,746	123,370	290,396	230,000
Depreciation and amortization	37,459	33,746	77,221	66,994
Share-based compensation	402,407	-	1,239,046	-
Total exploration and evaluation expenditures	**$ 17,076,418**	**$ 7,704,989**	**$ 36,650,133**	**$ 14,345,789**

Acquisition costs include the acquisition of 100% interest in the Valeriano property, completed through the issuance of common shares with an estimated total value of $10,842,664. (See "Mineral Properties" for additional details.)

Commitments and Contingencies

Contingencies

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

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

In August 2024, the Dirección General de Aguas issued a resolution assessing fines totaling approximately $90,000 related to the location of where water was extracted for the Phase IV drill campaign. The Company has appealed this resolution and engaged a Chilean counsel to assist with the process.

Commitments

Lease commitments are described in Note 7 of the 2024 Annual Financial Statements and further commitments related to the Valeriano Project and royalties are described in the Mineral Properties - Valeriano Project section.

Industry and Economic Factors

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

During the last several years, junior exploration companies worldwide have suffered through volatile markets. Accordingly, the Company's strategy is to manage its treasury in a planned, deliberate and prudent manner while attempting to proceed with any future offering at a point in time where the associated capital markets are favorable. The Company believes this strategy will enable it to meet the near-term challenges presented by the capital markets while maintaining the momentum on key initiatives.

Standards, Amendments and Interpretations Adopted or Expected to be Adopted:

Standards, amendments and interpretations adopted or expected to be adopted by the Company are described in Note 3 to the Condensed Interim Financial Statements.

Critical Accounting Estimates

The Company's critical accounting estimates are summarized in Note 4 of the 2024 Annual Financial Statements. The preparation of the consolidated financial statements in accordance with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements.

Refer to Note 3 to the 2024 Annual Financial Statements.

Recently Adopted Accounting Pronouncements

The Company adopted the following amendments. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

IAS 1 – In January 2020, Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.

New and Future Accounting Pronouncements

Standards issued but not effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after October 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded.

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

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required, and early adoption is permitted.

Presentation and Disclosure in Financial Statements (IFRS 18)

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

Financial Instruments

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

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

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

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

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

Fair Value Hierarchy

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The RSUs are classified as Level 1 instrument due to the availability of observable quoted prices in an active market. The fair values have been determined based on inputs, including volatility factors, risk-free rate, and stock price, which can be substantially observed or corroborated in the marketplace. As at September 30, 2024 and 2023, the financial instruments measured at fair value after initial recognition include RSU liability, which is estimated using Level 1 inputs, and other investments, which are estimated using Level 3 inputs.

Off-Balance Sheet Arrangements

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

Proposed Transactions

As at December 31, 2024, there is no proposed asset or business acquisition or disposition being considered that would affect the financial condition, financial performance or cash flows of the Company, other than the Company's continued expenditures that were made to acquire its 100% interest in the Valeriano Project as otherwise described in this MD&A.

Mineral Properties - Valeriano Project

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

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

In connection with earning its 49% interest in Valeriano Project, ATEX Valeriano and Valleno agreed to amend certain administrative and structural terms of the 2019 option agreement. Pursuant to the 2023 amendment, ATEX Valeriano is able to acquire a 100% interest in the Valeriano Project, subject to a 2.0% NSR being retained by SCMV, by paying US$8.0 million by August 29, 2025 (50% of which may be paid via the issuance of Common Shares, at the optionor's discretion).

On December 19, 2024 ATEX acquired the remaining 51% interest in the Valeriano Project pursuant to an option exercised dated the same date. ATEX issued approximately 7,529,628 Common Shares to SCMV at a deemed price of $1.44 per share, fully satisfying the final US$8 million payment due to the vendors.

Upon the Company earning a full 100% property interest in the Valeriano Project, the project is subject to 2.5% net smelter return royalty.

Other investments - SCMV

On January 23, 2023, ATEX Valeriano acquired a 10% interest in SCMV, the optionor of the Valeriano Project, for a purchase price of $1,538,868 (US$1,150,000). As a result of this acquisition, the Company now indirectly owns 10% of the outstanding shares of SCMV. The Company recognized the cost as being the fair value at the time of acquisition and the transaction is categorized as other investments in the statement of financial position. At the end of each financial reporting period, the Company estimates the fair value of its investment.

As at December 31, 2024, there was no change in the estimated fair value based on company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies. In January 2024, the Company, through ATEX Valeriano, received dividends of $121,374 (US$90,000) which were recognized as other income. The Company estimates that as at December 31, 2024, the fair value of this investment is unchanged at $1,538,868.

Outstanding Share Capital

As at March 31, 2025, the Company had 275,925,330 Common Shares outstanding. The Company's share capital is described in Note 9 to the interim consolidated financial statements for the period ended March 31, 2025.

The following securities were outstanding as at May 27, 2025:

Securities	Number	Shares Issuable	Exercise price per share	Expiry or maturity date
Common Shares	279,191,098			
Warrants	15,000,000	15,000,000	$1.30	July 11, 2025
	7,550,480	7,550,480	$1.00	August 25, 2025
	21,057,477	21,057,477	$2.50	November 1, 2029
	43,607,957	43,607,957		
Stock Options	8,413,643	8,413,643	$0.30-2.19	January 4, 2026 – March 10, 2030

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

As mentioned in the Liquidity and Solvency sections, on November 1, 2024, the Company received gross proceeds of $55.7 million from private placements and settled into the Facility entered in July 2023, in each case through the issuance of shares and Units at a value of $1.63 per Unit. As a result of the foregoing, the Company issued 34,176,687 Common Shares and 17,088,343 Warrants related to the private placements and 7,938,268 common shares and 3,969,134 Warrants to settle its Facility. The deemed fair value of each full Warrant is $0.62, each Warrant entitling the holder to purchase one Common Share at a price of $2.50 expiring on November 1, 2029. The warrants and the underlying common shares issued are subject to a four month hold period under applicable Canadian securities laws.

The Company also issued 5,467,432 common shares to settle the value of $6,746,580, due to Firelight, rather than through the issuance of Units. The common shares issued are subject to a four month hold period under applicable Canadian securities laws.

On December 19, 2024, the Company acquired 100% interest in Valeriano through issuing 7,529,628 common shares having an estimated aggregate value of $10,842,664 determined based on the quoted market price on the date of issuance of $1.44. The common shares issued are subject to a four month hold period under applicable Canadian securities laws.

RSU

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

On May 27, 2024, the Company granted 498,487 RSUs to certain directors and executive officers with a fair value of $712,836 based on the quoted price on the date of grant. Of the RSU's, 244,755 vest on the date of retirement of membership on the Board and the remaining 253,732 RSU's vest over three years from grant date.

On May 31, 2024, the Company granted 92,142 RSUs to a new director. This grant shall vest on the date of retirement of membership on the Board provided that on such date such director has been a continuous member of the Board for at least a two-year period, the fair value of this grant was $136,370 based on the quoted price on the date of grant.

On October 28, 2024 the Company granted 422,098 RSUs to directors with a fair value of $662,694 based on the quoted price on the date of grant. This grant shall vest on the date of retirement of membership on the Board provided that on such a date such director has been a continuous member of the Board for at least a two-year period.
On February 3, 2025, the Company granted 295,110 RSUs to its employees, as part of their annual performance award. These RSU have a one-year vesting period with a fair value of $543,002 based on the quoted price on the date of grant. Included in this grant were 172,510 RSU's issued to executive officers.

As at March 31, 2025, the RSUs had a fair value of $3,690,824 (September 30, 2024 - $1,566,659), which was recorded in accounts payable and accrued liabilities in the Condensed Interim Consolidated Statements of Financial Position.

The Company recorded share-based compensation expense related to RSUs of $381,012 for the three months ended March 31, 2025 (March 31, 2024 - $121,248). During the three months ended March 31, 2025 the Company settled a total of 20,611 RSUs in shares with a total value of $29,886.

Related Party Transactions

As described in Note 10 to the 2024 Annual Financial Statements, key management personnel are persons responsible for the planning, directing and controlling activities of the entity. The Company's key management personnel are the executive management and directors, and their compensation was as follows:

	Six months ended March 31	
	2025	2024
Salaries and management fees	$ 876,941	$ 455,001
Directors' fees	37,114	30,000
Consulting fees	60,000	-
Stock-based compensation	1,906,722	670,934
	$ 2,880,777	**$ 1,155,935**

Amounts due to directors and officers of the Company are included in accounts payable, accrued liabilities and prepaid expenses. As at December 31, 2024, $Nil (September 30, 2024 - $2,275) was owed to directors and officers. These amounts are unsecured, non-interest bearing and due on demand.

On July 1, 2023 ATEX Valeriano entered into a lease office space in Santiago with a party related to the former Chief Executive Officer for approximately US$1,000 per month plus applicable taxes. This agreement has been terminated subsequent to the end of the period.

On November 1, 2024, as part of the private placement the Company issued 306,748 Units at a price of $1.63 per Unit for gross proceeds of $500,000 to director of the Company.

During the three months ended December 31, 2024, a total of 1,474,650 stock options and 422,098 RSUs (2023 – Nil stock options and Nil RSUs) were granted to directors and executive officers of the Company.

Subsequent Events

In addition to other subsequent events described in this MD&A, the following events occurred during the period subsequent to March 31, 2025:

- 1,185,541 Common Share purchase warrants were exercised for proceeds of $1,087,541, 282,210 stock options were exercised for proceeds of $420,002 and a total of 362,912 RSUs were redeemed in shares.

Disclosure Controls and Procedures

Management has assessed the effectiveness of the Company's disclosure controls and procedures used for the financial statements and MD&A as at September 30, 2024. Although certain weaknesses such as lack of segregation of duties are inherent with small office operations, management has implemented certain controls such as frequent reviews and regular preparations of reconciliations of transactions and budgets to ensure absence of material irregularities. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to it in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the annual filings. The disclosure controls and procedures are designed to ensure effective information collection and dissemination to management required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

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

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

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

Risk Factors

The Company is subject to the risks and challenges similar to other companies in a comparable stage. Other than the risks relating to reliance on financing previously discussed, the risks include, but are not limited to, limited operating history, speculative nature of mineral exploration and development activities, operating hazards and risks, mining risks and insurance, no mineral reserves, environmental and other regulatory requirements, competition, stage of development, fluctuations in commodity prices, conflicts of interest, reliance on key individuals, no key man insurance and enforcement of civil liabilities.

At the date of this MD&A, neither the Canadian governments nor the Chilean governments have introduced measures that have significantly impeded the operational activities of the Company. Management believes the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Limited Operating History - An investment in the Company should be considered highly speculative due to the nature of the Company's business. The Company has no history of earnings, it has not paid any dividends and it is unlikely to enjoy earnings or be paying dividends in the immediate or foreseeable future.

Speculative Nature of Mineral Exploration and Development Activities - Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production.

No Mineral Reserves - The Company's projects are all in the exploration stage and do not contain a known body of economically extractable ore. Mineral reserves are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves.

Operating Hazards and Risks - Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's past operations and future operations will be subject to all the hazards and risks normally incidental to exploration, development, and production of metals, such as unusual or unexpected formations, cave-ins, or pollution, all of which could result in work stoppages, damage to property, and possible environmental damage.

Fluctuations in Commodity Prices - The profitability, if any, in any mining operation in which the Company may have an interest is significantly affected by changes in the market price of precious and base metals which fluctuate on a daily basis and are affected by numerous factors beyond the Company's control.

Mining Risks and Insurance - The business of mining is generally subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, unusual or unexpected geological conditions, pressures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, blizzards and earthquakes. No assurance can be given that such insurance will continue to be available or that it will be available at economically feasible premiums. Mining operations will be subject to risks normally encountered in the mining business.

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

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

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

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

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

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

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

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

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

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

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

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

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

Qualified Person

Benjamin Pullinger, Chief Executive Officer of the Company and a Qualified Person, as defined by NI 43-101, has reviewed and approved the scientific and technical content contained in this MD&A. Mr. Pullinger is not considered independent for the purposes of NI 43-101 as he is a senior officer of the Company.

Forward-Looking Statements

Except for the historical statements contained herein, this MD&A presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include but are not limited to: plans for the evaluation of the Valeriano Project; mine development prospects; potential for future metals production; statements with respect to the future price of copper, gold and other minerals and metals; the estimation of mineral reserves and resources; and the realization of mineral reserve estimates. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements involve known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, prediction, projection, forecast, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: risks related to international operations, changes in economic parameters and assumptions including but not limited to changes in taxes and royalties; plans for exploration activities, the interpretation and actual results of exploration activities; changes in project parameters as plans continue to be refined; the conversion of inferred resources to the measured and indicated category; the timing of metallurgical test results; the results of regulatory and permitting processes; future metals and commodity prices; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; labour disputes and other risks of the mining industry; the results of economic and technical studies, delays in obtaining governmental approvals or financing or in the completion of exploration, as well as those factors disclosed in the Company's publicly filed documents.

Although the Company's management and officers believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.