



Valeriano continues to prove world-class status

Greenfields copper discovery in Chile shaping as significant mine of the future

The conversation around the future need for copper is deafening. By some calculations, the mining sector must deliver as much copper in the next decade as it has in the past 120 years if it is to meet projected renewable-energy demand on top of established consumption patterns.

Despite this irrefutable medium-term narrative, the price has been confined to a prison between US\$8,000 per tonne and US\$10,000/t for the past four years, with few attempts to escape on either side. Its gaolers on the upside have been global economic uncertainty and timidity around climate-change commitments.

The climate malaise, at least, must be short-lived and has been joined by AI processing needs as a driver of future copper demand. Many investors and industry entrepreneurs have therefore been using what they view as a closing window of moderate prices to position themselves for the inevitable breakout.

Global exploration budgets have responded to the impending shortfall. Spending on copper exploration increased more than 80%

from 2020 to US\$3.2 billion in 2024, according to S&P Global.

Despite this focus, genuine copper success stories remain rare. One of the handful of greenfields triumphs has been ATEX Resources' (TSXV:ATX) Valeriano project in Chile.

ATEX's market reception began accelerating in late 2021 and continued into 2022, driven by a series of momentum-building milestones. First, industry legend Pierre Lassonde came on board as a 10.2% shareholder, which was followed by a breakthrough intercept of 1.16km at 0.78% CuEq mid-2022. A management revitalisation was unfolding in the background, adding greater leadership credibility.

Continued exploration success delivered a resource increase in late 2023 of more than 300% (contained metal) to 1.4 billion tonnes grading 0.67% CuEq.

Shareholders who came onboard with Lassonde and still holding today have enjoyed a return of almost 1,500%. ATEX's market capitalisation is some US\$400 million and its ascent is unrelenting. ▶

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What world-class should look like

Valeriano belongs to a premium postcode along Chile's so-called porphyry superhighway. To the north is the Maricunga Belt that hosts giants including Collahuasi, Chuquibambilla and Escondida. The El Indio Belt to the south is home to copper royalty such as Los Pelambres, Los Bronces and El Teniente.

Valeriano, El Encierro (an Antofagasta-Barrick Gold joint venture contiguous to the north), and Codelco's Torrente property are helping define what is emerging as a new copper district between those two porphyry thoroughfares. Project maturity has been swift.

Success in 2022 through a Phase-II campaign proved Valeriano included a high-grade core at more than 0.8% CuEq within what is now known as the Central Trend. Phase-III work into 2023 expanded the mineralised corridor, enlarged the high-grade zone, and identified a third porphyry trend to the west of the Central Trend as ATEX built toward that latest resource filing that demonstrated the project's potential scale.

That drilling phase also returned the longest uninterrupted intercept of 1.27km grading 0.59% CuEq – further proof, if it were needed, ATEX was hunting an elephant.

"One of the fundamentals when you look at the copper super giants is they occur in clusters," ATEX chief executive Ben Pullinger said. "This has been playing out



▲ ATEX president and chief executive, Ben Pullinger



▲ Success with the drill rig has delivered outsized returns for ATEX investors.

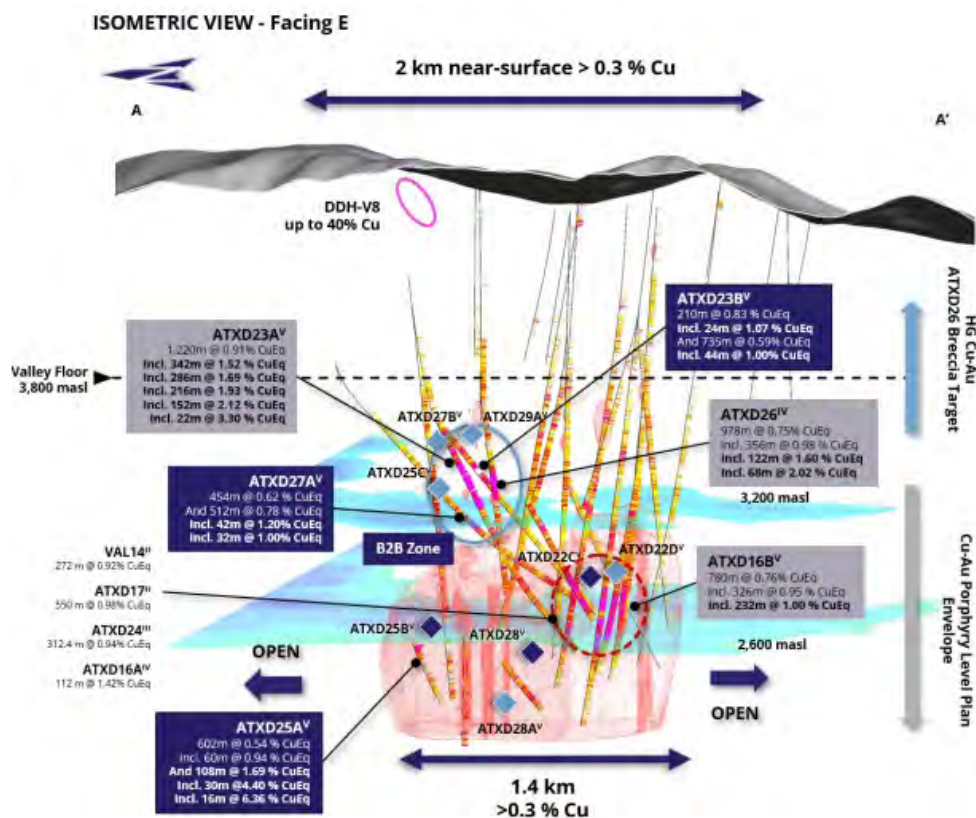
around Valeriano, with El Encierro looking like a porphyry, Codelco drilling its Torrente project 5km away, and our Northern Block also demanding exploration.

"If that cluster thesis comes together over the coming years, that's huge. That would look like an Escondida, or Collahuasi, or El Teniente – these are the backbone of global copper production."

If previous drilling had essentially proven scale, the Phase-IV campaign completed

over 2024 was defined by grade – and it changed the complexion of what's possible at Valeriano.

By the end of that program, ATEX had a vastly improved understanding of the geometries within the system, increased the mineralised strike length, improved continuity of the higher-grade core, and recorded the highest-grade intercepts to date through the discovery of an overprinted breccia system.



ATEX is chasing high-grade brecciated rocks up to the level of the nearby valley floor.

The current 20,000m Phase V program is focused on quality and at time of writing had intersected higher grades still from that breccia system, with 152m at 2.12% CuEq encountered from 1.2km. Phase V has also recorded the best porphyry intercept, with 0.91% CuEq encountered over 1.22km. The significance of the breccias is the optionality it creates for Pullinger and his team.

Combined with the helpful geometries (and topographies) defined in phase IV program, this high-grade zone presents the mouthwatering potential for a first-phase project with quick payback that foots the development bill to access the greater porphyry monster.

“The breccias sit on top of the porphyry and we’re actually trying to chase them up to the level of the valley floor nearby,” Pullinger said. “This opens up potential development options that would be far cheaper and simpler than conventional shaft sinking.

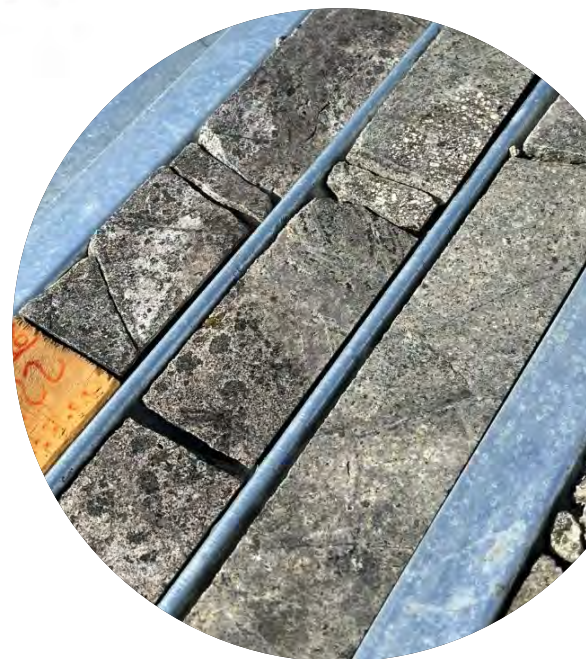
“The grades supercharge the overall operation. You no longer have to wait 10 years to get your capital back on all the infrastructure.”

Based on relevant analogies, ATEX could theoretically build a 3-5Mt per annum long-haul open-stopping operation. With 2% CuEq ore worth about US\$200/t in-situ and standard operating costs for this style of operation at about US\$60-70/t plus royalties, the brecciated system would provide a payback within two years.

While Pullinger enjoys having these optional development arrows in his quiver, he is unequivocal in his mandate to define the extent of Valeriano before spending money on economic studies.

“We see little point in pressing the pause button right now to define development parameters based on what might be a fraction of the picture,” he said.

The excitement around grade and quality doesn’t mean Valeriano hasn’t also grown



materially since that 2023 resource. Improved deposit scale and grade, combined with better-than-anticipated metallurgical results, indicate the next resource update toward the end of this year could breach 2Bt.

The market received a potential hint at what could be expected from Valeriano in the longer term when the Lundin Mining-BHP joint venture last month released

a long-awaited resource for the Vicuña project to the near north, and straddling the Argentinian border. Some 1.1Bt have been identified grading +0.5% CuEq for 38Mt of copper metal, 80.9 million ounces of gold, and 1.4 billion ounces of silver.

The resource has been valued by Venum Capital Markets analysts at some US\$12 billion in a speculated development scenario, establishing a yardstick for how one might assess a resource of potentially 2Bt at +1% CuEq from Valeriano later this year.

The progress at Valeriano will not, and has not, gone unnoticed by larger regional players and any strategic group looking to increase exposure to copper, including the gold majors.

Late last year, the world's second-largest gold producer Agnico Eagle positioned itself as a strategic partner through a US\$40 million investment that makes it ATEX's largest shareholder at 12%. Newmont (in joint venture with Teck Resources), Antofagasta, Codelco and Barrick are all active within the district.

The pace of progress and the quality of the deposit at Valeriano could mean ATEX is at the pointy end of efforts to consolidate.

"That initial payback and compelling economic case that the breccias make for the Valeriano project can establish the infrastructure to service EL Encierro, what we think we might have in between, anything we find at the Northern Block and anything Codelco finds at Torrente," Pullinger said.

"All of a sudden you have a centre of gravity within 10km that can be phased into production and share infrastructure to become one of the greatest copper-producing districts on the planet."

Feeding the Giant

Guiding Valeriano through this rapid evolution is a balanced team of rare class.

Pullinger is a serially successful geologist who has spent 20 years focused largely on the precious metals space in increasingly



▲ ATEX will keep the rigs turning until the full extent of Valeriano is understood

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senior executive positions. He's supported by a management team stacked with mid-tier and major mining experience across the finance, investor relations, exploration and sustainability functions.

Management leans on an experienced board that includes respected industry operators Craig Nelsen, Chris Beer and Rick McCreary, alongside Alejandra Wood and Jamile Cruz who are both distinguished mining professionals with South America pedigree. Lassonde is a more-than-helpful number on Pullinger's speed-dial.

The team's strategy is clear: keep growing Valeriano to fulfill its world-class potential.

That will mean more drilling once Phase V has concluded alongside an updated resource estimate this year. The rigs will continue to turn through 2026 and most likely 2027.

All things being equal, the market should anticipate a consistent flow of drill results into the mid-term that continues to establish Valeriano as a premium, greenfields copper deposit and large-scale mine of the future – one of the many required to feed the energy transition and AI revolution ■