

**ATCO MINING INC.
(FORMERLY EV VENTURES INC.)**

**CONDENSED INTERIM FINANCIAL STATEMENTS
(unaudited)**

**For the nine months ended September 30, 2022 and the period from the date of
incorporation on January 28, 2021 to September 30, 2021**

Expressed in Canadian Dollars

ATCO MINING INC. (FORMERLY EV VENTURES INC.)
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(unaudited)

As at September 30, 2022 and December 31, 2021

Expressed in Canadian Dollars

	September 30, 2022	December 31, 2021
	\$	\$
ASSETS		
Current Assets		
Cash	267,407	295,498
Prepaid expenses	10,000	10,000
Total current assets	277,407	305,498
Exploration and evaluation assets (Note 4)	151,031	148,781
TOTAL ASSETS	428,438	454,279
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	55,495	51,973
TOTAL LIABILITIES	55,495	51,973
Equity		
Share capital (Note 5)	459,829	429,829
Deficit	(86,886)	(27,523)
Total equity	372,943	402,306
TOTAL EQUITY AND LIABILITY	428,438	454,279

Nature and continuance of operations (Note 1)

Commitments (Note 8)

Approved and authorized for issue on behalf of the Board on November 25, 2022

“Alexander Klenman”

Director

“Christopher Cooper”

Director

ATCO MINING INC. (FORMERLY EV VENTURES INC.)
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(unaudited)

For the nine and three months ended September 30, 2022 and the date of incorporation on January 28, 2021 to September 30, 2021 and the three months ended September 30, 2021

Expressed in Canadian Dollars

	Nine months ended September 30, 2022	Period from incorporation to September 30, 2021	Three months ended September 30, 2022	September 30, 2021
	\$	\$	\$	\$
EXPENSES				
Advertising and marketing	2,000	-	2,000	-
Accounting and audit	9,500	3,000	1,500	3,000
Bank charges	381	199	95	111
Filing fees	23,550	-	18,021	-
Professional fees	23,932	4,514	-	967
Total expenses	59,363	7,713	21,616	4,078
Net and comprehensive loss for the period	(59,363)	(7,713)	(21,616)	(4,078)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding	15,350,549	11,101,187	15,12,568	11,101,187

The accompanying notes are an integral part of these condensed interim financial statements.

ATCO MINING INC. (FORMERLY EV VENTURES INC.)
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(unaudited)

For the nine months ended September 30, 2022 and the period from the date of incorporation on January 28, 2021 to September 30, 2021

Expressed in Canadian Dollars

	Number of shares (Note 5)	Share capital (Note 5)	Deficit	Total equity
	\$	\$	\$	\$
Balances, January 28, 2021	-	-	-	-
Shares issued for cash	12,100,001	445,000	-	445,000
Share issuance cost	-	(2,671)	-	(2,671)
Net loss for the period	-	-	(7,713)	(7,713)
Balances, September 30, 2021	12,100,001	442,329	(7,713)	434,616
	\$	\$	\$	\$
Balances, December 31, 2021	14,900,001	429,829	(27,523)	402,306
Shares issued for mineral property acquisition	600,000	30,000	-	30,000
Net loss for the period	-	-	(59,363)	(59,363)
Balances, September 30, 2022	15,500,001	459,829	(86,886)	372,943

The accompanying notes are an integral part of these condensed interim financial statements.

ATCO MINING INC. (FORMERLY EV VENTURES INC.)
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(unaudited)

For the nine months ended September 30, 2022 and the period from the date of incorporation on January 28, 2021 to September 30, 2021

Expressed in Canadian Dollars

	Nine months ended September 30, 2022	Period from incorporation to September 30, 2021
	\$	\$
OPERATING ACTIVITIES		
Net loss for the period	(59,363)	(7,713)
Changes in working capital items:		
Accounts payable and accrued liabilities	32,522	32,967
Cash (used in) from operating activities	(26,841)	25,254
INVESTING ACTIVITIES		
Exploration and evaluation assets	(1,250)	(148,781)
Cash used in investing activities	(1,250)	(148,781)
FINANCING ACTIVITIES		
Share issuance cost	-	(2,671)
Shares issued for cash	-	445,000
Cash from financing activities	-	442,329
Change in cash	(28,091)	318,802
Cash, beginning of period	295,498	-
Cash, end of period	267,407	318,802

Supplemental cash flow information (Note 9).

The accompanying notes are an integral part of these condensed interim financial statements.

ATCO MINING INC. (FORMERLY, EV VENTURES INC.)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(unaudited)

For the nine months ended September 30, 2022 and the period from the date of incorporation on January 28, 2021 to September 30, 2021

1. NATURE AND CONTINUANCE OF OPERATIONS

Atco Mining Inc. (formerly, EV Ventures Inc.) (the “Company”) incorporated under the Business Corporations Act of British Columbia on January 28, 2021. The address of the Company’s corporate office and its principal place of business is 2200 - 885 West Georgia Street Vancouver BC, V6C 3E8.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties.

In October 2022, the Company has completed its initial public offering. The Company’s shares are listed on the Canadian Securities Exchange (“the CSE”) under the trading symbol “ACTM”.

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. At September 30, 2022, the Company has not generated revenue or cash flow from operations to adequately fund its activities and therefore relies principally upon the support of creditors, related parties and issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. These factors form a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The carrying value of the Company's exploration and evaluation assets do not reflect current or future values. The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable or reserves. The Company has no source of operating revenue and has significant cash requirements to meet its administrative overhead and maintain its exploration and evaluation assets. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors, which include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

Although these condensed interim financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's recoverability of assets, classification of assets and liabilities, and results of operations should the Company be unable to continue as a going concern.

ATCO MINING INC. (FORMERLY, EV VENTURES INC.)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(unaudited)

For the nine months ended September 30, 2022 and the period from the date of incorporation on January 28, 2021 to September 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the period from the date of incorporation, January 28, 2021, to December 31, 2021, which have been prepared in accordance with IFRS.

These condensed interim financial statements were approved by the Board of Directors of the Company on November 25, 2022.

(b) Basis of presentation

These condensed interim financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The presentation and functional currency of the Company is the Canadian dollar.

(c) Significant accounting estimates and judgments

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and the reported revenues and expenses during the period.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates made, relate to:

For the economic recoverability and probability of future economic benefits of exploration and evaluation assets, Management has determined that exploration, evaluation, and related costs incurred, which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

ATCO MINING INC. (FORMERLY, EV VENTURES INC.)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(unaudited)

For the nine months ended September 30, 2022 and the period from the date of incorporation on January 28, 2021 to September 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant judgments made during the preparation of financial statements are:

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company has disclosed a material uncertainty regarding going concern in Note 1 which requires the use of management's judgment on the ability of the Company to continue its operations and to develop or acquire a self-sustaining business or assets.

While management believes judgements and the estimates are reasonable, actual results could differ from those judgements and estimates and could impact future results of operations and cash flows.

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment and transferred to mining assets and amortized over the estimated useful life of 1,00,000 following commencement of commercial production.

If it is determined that capitalized acquisition, exploration, and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Exploration and evaluation assets are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

The costs include the cash or other consideration and the assigned value of shares issued, if any, on the acquisition of exploration and evaluation assets. Costs related to properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The Company does not accrue estimated future costs of maintaining its exploration and evaluation assets in good standing.

Capitalized costs as reported on the statements of financial position represent costs incurred to date and may not reflect actual, present, or future values. Recovery of carrying value is dependent upon future commercial success or proceeds from disposition of the exploration and evaluation property interests.

ATCO MINING INC. (FORMERLY, EV VENTURES INC.)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(unaudited)

For the nine months ended September 30, 2022 and the period from the date of incorporation on January 28, 2021 to September 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

Management assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Write-downs due to impairment in value are charged to profit or loss.

General exploration costs not related to specific properties and general administrative expenses are charged to profit or loss in the period in which they are incurred.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using pre-tax rates that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in amount and timing of the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation interests) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

ATCO MINING INC. (FORMERLY, EV VENTURES INC.)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(unaudited)

For the nine months ended September 30, 2022 and the period from the date of incorporation on January 28, 2021 to September 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets (continued)

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Share-based compensation

The Company grants share purchase options to acquire common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The fair value of the stock options is determined using the Black-Scholes option pricing model. The fair value of stock options is recognized to expense over the vesting period. Consideration paid for the shares on the exercise of share purchase options is credited to share capital.

Share issue costs

Costs directly identifiable with the raising of capital will be charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share issue costs (continued)

The value of compensatory warrants granted to agents in a private placement is determined using the Black-Scholes option pricing model. The fair value of these compensatory warrants is recognized as share issuance costs, with the offsetting credit to reserves.

Basic and diluted loss per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. For the periods presented, this calculation proved to be anti-dilutive for the periods presented.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is measured at FVTPL.

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(unaudited)

For the nine months ended September 30, 2022 and the period from the date of incorporation on January 28, 2021 to September 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Accounts payable and accrued liabilities are classified under amortized cost and carried on the statement of financial position at amortized cost.

As at September 30, 2022, the Company does not have any derivative financial liabilities.

ATCO MINING INC. (FORMERLY, EV VENTURES INC.)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(unaudited)

For the nine months ended September 30, 2022 and the period from the date of incorporation on January 28, 2021 to September 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided for based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in International Accounting Standard (“IAS”) 21, *The Effects of Changes in Foreign Exchange Rates*.

ATCO MINING INC. (FORMERLY, EV VENTURES INC.)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(unaudited)

For the nine months ended September 30, 2022 and the period from the date of incorporation on January 28, 2021 to September 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign exchange (continued)

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and accounts payable.

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). The fair value of cash is determined using level 1 of the fair value hierarchy. The carrying values of the accounts payable and accrued liabilities approximate their fair values due to the expected maturity of these financial instruments.

ATCO MINING INC. (FORMERLY, EV VENTURES INC.)
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(unaudited)

For the nine months ended September 30, 2022 and the period from the date of incorporation on January 28, 2021 to September 30, 2021

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk is limited to cash. The Company manages credit risk, in respect of cash, by placing its cash with a major Canadian financial institution in accordance with the Company's investment policy.

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is considered minimal.

The maximum exposure to credit risk is equal to the fair value or carrying value of cash.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet commitments. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and commodity price risk.

ATCO MINING INC. (FORMERLY, EV VENTURES INC.)
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(unaudited)

For the nine months ended September 30, 2022 and the period from the date of incorporation on January 28, 2021 to September 30, 2021

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instrument risk exposure and risk management (continued)

(c) Market risk (continued)

i. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Some of the Company's accounts payable are subject to interest on unpaid balances. Additionally, the Company holds cash balances in an interest-bearing bank account.

ii. Commodity price risk

Commodity price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company actively monitors commodity price changes and stock market prices to determine the appropriate course of action to be taken by the Company.

iii. Foreign Currency Risk

The functional currency of the Company is the Canadian dollar. As of September 30, 2022, the Company had no financial assets and liabilities that subject to currency translation risk.

4. EXPLORATION AND EVALUATION ASSETS

The Company incurred the following exploration and evaluation costs related to the May Lake and Newfoundland and Labrador properties.

ATCO MINING INC. (FORMERLY, EV VENTURES INC.)
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(unaudited)

For the nine months ended September 30, 2022 and the period from the date of incorporation on January 28, 2021 to September 30, 2021

4. EXPLORATION AND EVALUATION ASSETS (continued)

	May Lake	Newfoundland and Labrador Project	Total
	\$	\$	
ACQUISITION COST			
Balance, December 31, 2021	99,000	-	99,000
Cash payments			
(reclassification)	(29,000)	-	(29,000)
Shares issued	-	30,000	30,000
Balance, September 30, 2022	70,000	30,000	100,000
EXPLORATION AND EVALUATION COSTS			
Balance, December 31, 2021	49,781	-	49,781
Administration	-	-	-
Assays	-	-	-
Geological	-	-	-
Field supplies	1,250	-	1,250
Mapping	-	-	-
Travel	-	-	-
Total deferred exploration costs for the period	51,031	-	51,031
Balance, September 30, 2022	121,031	30,000	151,031

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For the nine months ended September 30, 2022 and the period from the date of incorporation on January 28, 2021 to September 30, 2021

4. EXPLORATION AND EVALUATION ASSETS (continued)

	May Lake	Newfoundland and Labrador Project	Total
	\$	\$	\$
ACQUISITION COST			
Balance, January 28, 2021	-	-	-
Cash payments	79,000	-	79,000
Shares issued	20,000	-	20,000
Balance, December 31, 2021	99,000	-	99,000
EXPLORATION AND EVALUATION COSTS			
Balance, January 28, 2021	-	-	-
Administration	1,453	-	1,453
Assays	2,543	-	2,543
Geological	18,157	-	18,157
Field supplies	1,237	-	1,237
Mapping	13,850	-	13,850
Travel	12,541	-	12,541
Total deferred exploration costs for the period	49,781	-	49,781
Balance, December 31, 2021	148,781	-	148,781

May Lake Mineral Property

On May 1, 2021, the Company signed a Mineral Property Acquisition Agreement to purchase a 100% interest in the May Lake Mineral Property (May Lake) located in the Province of Saskatchewan, Canada. Under the terms of the amended agreement, the Company must issue 400,000 common shares (issued with fair value of \$20,000), pay \$50,000 in cash (paid) and spend a total of \$30,000 on exploration on or before June 30, 2021 (spent).

After earning a 100% interest in the property, the Company shall pay the optionor a net smelter returns royalty (“NSR”) of 2%, provided the Company may purchase 1/2 of the NSR for total consideration of \$1,000,000 subject to certain conditions. Following the exercise of the option, and in addition to the NSR, the Company shall pay to the optionor the bonus of \$1,000,000 upon the publication of a geological report, in the form prescribed by NI 43-101, disclosing a measured and indicated resource within the boundaries of the May Lake Property of at least 1,000,000 gold equivalent ounces. At the discretion of the Company, the bonus will be payable in cash or common shares, or any combination thereof.

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For the nine months ended September 30, 2022 and the period from the date of incorporation on January 28, 2021 to September 30, 2021

4. EXPLORATION AND EVALUATION ASSETS (continued)

Newfoundland and Labrador Project

On March 9, 2022, the Company signed a Mineral Property agreement to purchase 100% interest in the Newfoundland and Labrador Project Mineral Property located in the Province of Newfoundland and Labrador, Canada. Under the terms of the agreement, the company must:

- (a) Issue 600,000 consideration shares on the Effective date (issued with fair value of \$30,000);
- (b) 1,200,000 Consideration Shares on the 14-month anniversary of the date the common shares of the Purchaser are listed for trading on the Canadian Securities Exchange (the “Listing Date”);
- (c) 600,000 Consideration Shares on the 18-month anniversary of the Listing date; and
- (d) 600,000 Consideration Shares on the 24-month anniversary of the Listing date.

Following the completion of the issuance of the consideration shares, and exercise of the option in full, the Company shall be the beneficial owner of the claims, subject to a two percent royalty on returns from the commercial production of minerals from the Claims in favor of the Vendor. One half of the royalty may be purchased by the Company through a cash payment of \$1,000,000 to the Vendor.

5. SHARE CAPITAL

- (a) Authorized:
The Company is authorized to issue an unlimited number of common shares without par value.
- (b) As at September 30, 2022 the Company has 15,500,001 common shares issued and outstanding.

During the nine months ended September 30, 2022, the Company issued:

- i. 600,000 common shares at a fair value of \$0.05 per share as partial consideration for the Newfoundland and Labrador Project.

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5. SHARE CAPITAL (continued)

During the period from incorporation on January 28, 2021 to December 31, 2021, the Company issued:

- i. 10,000,000 common shares at a fair value of \$0.02 per share for gross proceeds of \$200,000.
- ii. 4,500,000 common shares at a price of \$0.05 for gross proceeds of \$225,000. The company spent \$2,671 in share issue costs.
- iii. 400,000 common shares at a fair value of \$0.05 for mineral property acquisition (Note 4).

6. KEY MANAGEMENT COMPENSATION AND RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”). There were no amounts paid or accrued to key management.

There were no accruals payable to related parties as at September 30, 2022.

7. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

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7. CAPITAL MANAGEMENT (continued)

There were no changes in the Company's approach to capital management during the nine months ended September 30, 2022. The Company is not subject to externally imposed capital requirements.

8. COMMITMENTS

The Company is committed to certain cash payments and exploration expenditures as described in Note 4.

9. SUPPLEMENTAL CASH FLOW INFORMATION

During the nine months ended September 30, 2022, the Company had a non-cash investing transaction: On March 9, 2022, the Company issued 600,000 common shares for mineral properties acquisition.

During the period from incorporation on January 28, 2021, to September 30, 2021, the Company had one non-cash investing transaction, the issue of 400,000 common shares for mineral properties on July 31, 2021.

10. INITIAL PUBLIC OFFERING

The Company intends to file a prospectus with the securities regulatory authorities in the provinces of provinces of Canada (except Quebec), and pursuant to an Agency Agreement that the Company entered into on October 22, 2021 with PI Financial Corp. (the "Agent"), to offer a minimum of 4,000,000 Common Shares at \$0.10 (the "Offering") per share to the public for gross proceeds of \$400,000 (before transaction costs). The Agent will be granted "Broker Warrants" to purchase up to 7% of the total common shares issued under the offering at a price of \$0.10 per share and expiring 24 months from the Closing Date.

The Company has agreed to pay the Agent a corporate finance fee (the "Corporate Finance Fee") of \$25,000 plus GST of \$1,250 for a total of \$26,250 and to grant options to purchase 200,000 shares with the same terms as the Broker Warrants on completion of the offering. The Company has paid the non-refundable portion of the Corporate Finance Fee equal to \$12,500 plus GST of \$625. The Company has also paid a retainer of \$10,000 on signing a letter agreement and the balance of \$3,125 will be payable at the closing of the Offering.

11. SUBSEQUENT EVENTS

The Company has completed its initial public offering, pursuant to a prospectus dated September 29, 2022, in which it issued an aggregate of 10,000,000 common shares of the company at a purchase price of \$0.10 per common share. This generated aggregate gross proceeds of \$1 million.

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11. SUBSEQUENT EVENTS (continued)

On October 24, 2022, the initial public offering agent received a cash commission equal to 7 % of the gross proceeds and a corporate finance fee. In addition, the Company issued 900,000 non-transferable agents' warrants, with each warrant exercisable for one common share at a price of \$0.10 until October 25, 2024.

The Company's common shares were listed on the Canadian Securities Exchange on October 24, 2022, and commenced trading on or about October 25, 2022, under the trading symbol ATCM.

On October 28, 2022, the Company announced that it has entered into an agreement for the provision of investor relations and communications services to the Company. According to the agreement, the vendor will be paid an annual fee of \$150,000 as follows:

- \$30,000 upon execution of the agreement (paid as of the date of this MD&A);
- \$10,000 per month each month starting on November 1, 2022, for 12 consecutive months (paid as of the date of this MD&A);

On November 3, 2022, the Company provided updates on its Newfoundland and Labrador Project (Blue Moon South and Lunar North Salt claims in western Newfoundland). The Company is currently compiling all available geological and geophysical data for both projects to derive a better understanding as well as to determine best exploration methods to advance each project. The Company will examine the historical diamond drill hole LR-98-01 at the Newfoundland Department of Industry, Energy and Technology core storage facility in Pasadena, Newfoundland. The Company will also be applying for work permits required to advance the project, including geophysical surveys and diamond drilling.

On November 9, 2022, the Company announced that it acquired by staking additional mining claims on the west coast of Newfoundland. The newly acquired claims named the Apollo project are 100% owned by Atco Mining and are located just south of Atlas Salt's Great Atlantic salt deposit, as well as the Fischell's Brook salt dome.

On November 17, 2022, the Company announced that it granted 1,000,000 stock options to purchase common shares of the Company to certain directors, officers and consultants of the Company. The options vest on the date of issuance and are exercisable for 3 years from the date of issuance at an exercise price of \$0.20 per Option Share.

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11. SUBSEQUENT EVENTS (continued)

On November 22, 2022, the Company announced that it staked a new project on the west coast of Newfoundland. The newly staked claims, named The Eagle Salt Project (the “Project”), are 100% owned by the Company and are located just 15 kilometres south of Triple Point Resources’ (Atlas Salt’s – TSXV:SALT new spinout) Fischell’s Brook Salt Dome Project and 5 kilometres east of its St. Fintan’s Salt Project. The Eagle Salt Project consists of mineral claims totaling 10,575 hectares.