

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

MANAGEMENT DISCUSSION AND ANALYSIS

For the three months ended March 31, 2023 and 2022

The following management discussion and analysis (“MD&A”) should be read in conjunction with the condensed interim financial statements and accompanying notes (“Financial Statements”) of ATCO MINING INC. (formerly EV Ventures Inc. - the “Company”) for the three months ended March 31, 2023 and 2022. Results have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting standards Board (“IASB”). All monetary amounts are reported in Canadian dollars unless otherwise indicated. This MD&A is dated May 25, 2023.

This MD&A contains forward-looking information. See “Forward-Looking Information” and “Risks and Uncertainties” for a discussion of the risks, uncertainties and assumptions relating to such information. On October 24, 2022, the Company completed its Initial Public Offering (“IPO”) and its shares were listed on the Canadian Securities Exchange commenced trading on October 25, 2022 under the symbol “ATCM”.

FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements. The words “expect,” “anticipate,” “estimate,” “may,” “will,” “should,” “intend,” “believe,” “target,” “budget,” “plan,” “projection” and similar expressions are intended to identify such forward-looking statements. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present during operations, or if and when an undeveloped project is actually developed.

Forward-looking statements involve a number of known and unknown risks and uncertainties including statements regarding the outlook of ATCO Mining Inc.’s business and results of operations. By their nature, these risks and uncertainties could cause actual results, performance and achievements to differ materially from those indicated. Such factors include, without limitation, risks inherent in mineral exploration, changes in commodity prices, geological and metallurgical assumptions (including with respect to size, grade and recoverability of mineral resources and mineral reserves), the Company’s history of operating losses and uncertainty of future profitability, uncertainty of access to additional capital, environmental risks, as well as the world’s physical and financial health in dealing with COVID-19. In making the forward-looking statements in this MD&A, the Company has applied material assumptions, including without limitation, the assumption that any additional financing needed will be available on reasonable terms.

Additional factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, but are not limited to, weak commodity prices and general metal price volatility; the state of the global economy and economic and political events, including the deterioration of the global capital markets, affecting supply and demand; and securing and the nature of regulatory permits and approvals and the costs of complying with environmental, health and safety laws and regulations.

The Company cannot assure investors that any of these assumptions will prove to be correct.

ATCO Mining Inc. disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as is required by applicable securities regulations. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date the statements were made, and are also advised to consider such forward looking statements while considering the risk factors set forth in this MD&A.

Company information

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.

On October 24, 2022, the Company completed its Initial Public Offering (“IPO”) and its shares were listed on the Canadian Securities Exchange commenced trading on October 25, 2022 under the symbol “ATCM”.

May Lake

On May 1, 2021, the Company entered into a Property Option Agreement whereby the Vendors granted the Company a Property Option to acquire a 100% interest in the Property, subject to a Royalty and a Bonus, on the terms set out in the Property Option Agreement. In order to exercise the Property Option and to maintain the Property Option in good standing, the Company must:

- (a) incur exploration expenditures on the Property of \$30,000 on or before June 30, 2021 (complete); and
- (b) on or before the earlier of: August 31, 2022; and the date which is five business days following the issuance of a receipt by a securities regulatory authority in any jurisdiction of Canada for a final prospectus in respect of the Company.
 - (i) pay to the Vendors \$50,000 in cash (paid); and
 - (ii) issue to the Vendors 400,000 Common Shares (issued with fair value of \$20,000).

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 issue to the Vendor:

- (a) 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) 600,00 Consideration Shares on the 18-month anniversary of the Listing date; and
- (d) 600,00 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 options 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.

Selected financial information and additional disclosure

The Company was incorporated in the province of British Columbia on January 28, 2021. The following table summarizes selected information from the Company’s condensed financial statements for the three months ended March 31, 2023 and 2022.

	March 31, 2023	March 31, 2022
	\$	\$
Operating expenses	1,799,562	13,360
Loss from operations	(1,799,562)	(13,360)
Loss per share – basic and diluted	(0.06)	(0.00)
Total assets	1,838,018	1,257,917
Total liabilities	162,129	96,570
Exploration and evaluation assets	463,469	415,829

Results of operations and quarterly results

The table below sets out the quarterly results for the past eight quarters:

	Three months ended March 31, 2023	Three months ended December 31, 2022	Three months ended September 30, 2022	Three months ended June 30, 2022
	\$	\$	\$	\$
Total revenue	-	-	-	-
General and administrative expenses	1,799,562	606,424	21,616	24,387
Loss before other items	(1,799,562)	(606,424)	(21,616)	(24,387)
Net loss and comprehensive loss	(1,799,562)	(606,424)	(21,616)	(24,387)
Net loss per share – Basic & fully diluted	(0.06)	(0.03)	(0.00)	(0.00)

	Three months ended March 31, 2022	Three months ended December 31, 2021	Three months ended September 30, 2021	Three months ended June 30, 2021
	\$	\$	\$	\$
Total revenue	-	-	-	-
General and administrative expenses	13,360	19,810	4,078	3,562
Loss before other items	(13,360)	(19,810)	(4,078)	(3,562)
Net loss and comprehensive loss	(13,360)	(19,810)	(4,078)	(3,562)
Net loss per share – Basic & fully diluted	(0.00)	(0.00)	(0.00)	(0.00)

Results of Operations

For the three months ended March 31, 2023 and 2022

Net and comprehensive loss for the three months ended March 31, 2023, was \$1,799,562 (2022 - \$13,360). The comprehensive loss was mainly attributable to the following:

- Accounting and audit – An increase of \$1,750 from \$Nil during the three months ended March 31, 2022, to \$1,750 for the three months ended March 31, 2023. This is related to audit fee accrued for the period.
- Advertising and marketing fees – An increase of \$111,644 from \$Nil during the three months ended March 31, 2023 to \$111,644 for the three months ended March 31, 2022. This was mainly due to the development of the Company’s new website, advertisement and news releases.
- Bank charges – An increase of \$404 from \$128 during the three months ended March 31, 2022 to \$532 for the three months ended March 31, 2023.
- Consulting fees – An increase of \$470,768 from \$Nil during the three months ended March 31, 2022 to \$466,768 for the three months ended March 31, 2023. This was mainly due to website and advertisement services, and potential M&A advisory from external consultants.
- Filing fees – An increase of \$31,567 from \$Nil during the three months ended March 31, 2022, to \$31,567 for the three months ended March 31, 2023. This was mainly due to the listing process of its securities.
- Foreign exchange – An increase of \$11,960 from \$Nil during the three months ended March 31, 2022, to \$11,960 for the three months ended March 31, 2023.
- Office expenses – An increase of \$1,547 from \$Nil during the three months ended March 31, 2022 to \$1,547 for the three months ended March 31, 2023.
- Professional fees – A increase of \$2,073 from \$13,232 during the three months ended March 31, 2022, to \$15,305 for the three months ended March 31, 2023. This was mainly due to the legal fees regarding listing maintenance and potential joint ventures.
- Share-based compensation – A increase of \$1,154,489 from \$Nil during the three months ended March 31, 2022, to \$1,154,489 for the three months ended March 31, 2023. The Company granted new options and restricted share units to its directors, an officer and external consultants during the period.

Related Party 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.

	Three months ended March 31, 2023	Three months ended March 31, 2022
	\$	\$
Consulting fee	4,000	
Share-based compensation	93,515	-
Total key management compensation	97,515	-

There were no accruals or payables to related parties as at March 31, 2023.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Liquidity and Capital Resources

The Company has no revenue-producing operations. As of March 31, 2023, the Company had an accumulated deficit of \$2,492,872, and a working capital balance of \$1,212,420 including cash of \$976,372 which amount is considered adequate to meet its requirements for the ensuing 12 months based on current budgeted expenditures for operations and exploration of its mineral property interests. Working capital is held almost entirely in cash, significantly reducing any liquidity risk of financial instruments held by the Company.

Currency Risk

As at March 31, 2023, the Company's expenditures are exclusively in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company does not believe it is exposed to any significant currency risk.

Interest Rate Risk

Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and
- (ii) To the extent that changes in prevailing market rates differ from the interest rates on the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

In management's opinion, the Company is not exposed to significant interest rate risk.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. 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.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through its capital management as outlined in Note 7 to the Company's condensed interim financial statements. At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company manages its liquidity risk by forecasting cash flows, but is nonetheless exposed to liquidity risk.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices and foreign currency exchange rates. The Company is not currently significantly exposed to market risk.

Outstanding Share Data

As at March 31, 2023 and the date of this MD&A, the Company had 33,544,125 common shares issued and outstanding.

As at March 31, 2023 and the date of this MD&A, the Company had 7,335,876 warrants issued and outstanding.

As at March 31, 2023 and the date of this MD&A, the Company had 1,700,000 options issued and outstanding.

Subsequent Events

On April 24, 2023, the Company and VOA Exploration Inc. (the "Vendor") entered into an agreement for the purchase of a mineral licence in Newfoundland and Labrador, under which the Company agreed to issue 700,000 restricted common shares and make a cash payment of \$20,000 to purchase the licence. Pursuant to the agreement 300,000 common shares will be issued to the Vendor on the closing of the agreement, a further 200,000 common shares or before 12 months after the date of the agreement and a further 200,000 common shares on or before 24 months after the date of the agreement. Following the completion of the share payments, the Company will grant a 2% royalty, freely assignable, on returns from the licence to the Vendor. The royalty can be purchased at any time for \$1,500,000. This newly staked project, named the Flat Bay project, will be 100% owned by the Company upon completion of the acquisition.

On April 28, 2023, the Company announced its shares are fully DTC eligible and continue to trade under the ticker symbol ATMGF on the OTC markets. Through an electronic method of clearing securities, the Depository Trust Company (DTC) eligibility simplifies the process of trading and transferring the company's common shares between brokerages in the United States. DTC is a subsidiary of the Depository Trust & Clearing Corp. that manages the electronic clearing and settlement of publicly traded companies in the United States.