

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

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended June 30, 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 six months ended June 30, 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 August 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.

Flat Bay Project

On May 1, 2023, the Company entered into a mineral property acquisition agreement to acquire a new project on the west coast of Newfoundland. The newly staked project, named the Flat Bay project, will be 100% owned by the Company. Under the terms of the agreement, the Company must issue to the Vendor:

- (a) a one-time cash payment of \$20,000 (paid);
- (b) Upon closing of the acquisition, 300,000 consideration shares will be issued (issued) to the vendor;
- (c) 200,000 consideration shares issued on or before the 12-month anniversary of the closing date;
- (d) the final 200,000 consideration shares issued on or before the 24-month anniversary of the closing date.

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 audited condensed financial statements for the year ended December 31, 2022, and period from the date of incorporation on January 28, 2021, to December 31, 2021.

	December 31, 2022	Period from the date of incorporation on January 28, 2021, to December 31, 2021
	\$	\$
Operating expenses	665,787	27,523
Loss from operations	(665,787)	(27,523)
Loss per share – basic and diluted	(0.04)	(0.00)
Total assets	1,257,917	454,279
Total liabilities	96,570	51,973
Exploration and evaluation assets	415,829	148,781

Results of operations and quarterly results

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

	Three months ended June 30, 2023	Three months ended March 31, 2023	Three months ended December 31, 2022	Three months ended September 30, 2022
	\$	\$	\$	\$
Total revenue	-	-	-	-
General and administrative expenses	674,422	1,799,562	606,424	21,616
Loss before other items	(674,422)	(1,799,562)	(606,424)	(21,616)
Net loss and comprehensive loss	(674,422)	(1,799,562)	(606,424)	(21,616)
Net loss per share – Basic & fully diluted	(0.02)	(0.06)	(0.03)	(0.00)

	Three months ended June 30, 2022	Three months ended March 31, 2022	Three months ended December 31, 2021	Three months ended September 30, 2021
	\$	\$	\$	\$
Total revenue	-	-	-	-
General and administrative expenses	24,387	13,360	19,810	4,078
Loss before other items	(24,387)	(13,360)	(19,810)	(4,078)
Net loss and comprehensive loss	(24,387)	(13,360)	(19,810)	(4,078)
Net loss per share – Basic & fully diluted	(0.00)	(0.00)	(0.00)	(0.00)

Results of Operations

For the three months ended June 30, 2023 and 2022

Net and comprehensive loss for the three months ended June 30, 2023, was \$674,422 (2022 - \$24,387). The comprehensive loss was mainly attributable to the following:

- Accounting and audit – A decrease of \$6,250 from \$8,000 during the three months ended June 30, 2022 to \$1,750 for the three months ended June 30, 2023. This is related to audit fee accrued for the period. The decrease occurred because the full-year audit fee was recorded in the previous year, rather than through quarterly accruals.
- Advertising and marketing fees – An increase of \$144,087 from \$Nil during the three months ended June 30, 2022 to \$144,087 for the three months ended June 30, 2023. This was mainly due to the development of the Company's new website, advertisement and news releases.
- Bank charges – An increase of \$487 from \$158 during the three months ended June 30, 2022 to \$645 for the three months ended June 30, 2023.
- Consulting fees – An increase of \$267,587 from \$Nil during the three months ended June 30, 2022 to \$267,587 for the three months ended June 30, 2023. This was mainly due to website and advertisement services, and administrative services.
- Filing fees – An increase of \$2,288 from \$5,529 during the three months ended June 30, 2022 to \$7,817 for the three months ended June 30, 2023.
- Management fees – An increase of \$7,000 from \$Nil during the three months ended June 30, 2022 to \$7,000 for the three months ended June 30, 2023.
- Office expenses – A slight increase of \$89 from \$Nil during the three months ended June 30, 2022 to \$89 for the three months ended June 30, 2023.
- Professional fees – A increase of \$7,956 from \$10,700 during the three months ended June 30, 2022, to \$18,656 for the three months ended June 30, 2023. This was mainly due to the legal fees regarding listing maintenance and potential joint ventures.
- Share-based compensation – A increase of \$223,589 from \$Nil during the three months ended June 30, 2022, to \$223,589 for the three months ended June 30, 2023. The Company granted new options to its directors, an officer and external consultants, and restricted share units previously granted were vested during the period.

For the six months ended June 30, 2023 and 2022

Net and comprehensive loss for the six months ended June 30, 2023, was \$2,473,984 (2022 - \$37,747). The comprehensive loss was mainly attributable to the following:

- Accounting and audit – A decrease of \$4,500 from \$8,000 during the six months ended June 30, 2022 to \$1,750 for the six months ended June 30, 2023. This is related to audit fee accrued for the period. The decrease occurred because the full-year audit fee was recorded in the previous year, rather than through quarterly accruals.
- Advertising and marketing fees – An increase of \$255,731 from \$Nil during the six months ended June 30, 2022 to \$255,731 for the six months ended June 30, 2023. This was mainly due to the development of the Company's new website, advertisement and news releases.
- Bank charges – An increase of \$891 from \$286 during the six months ended June 30, 2022 to \$1,177 for the six months ended June 30, 2023.
- Consulting fees – An increase of \$738,355 from \$Nil during the six months ended June 30, 2022 to \$738,355 for the six months ended June 30, 2023. This was mainly due to website and advertisement services, and administrative services.
- Exploration and evaluation expenses – An increase of \$3,200 from \$Nil during the six months ended June 30, 2022 to \$3,200 for the six months ended June 30, 2023.
- Filing fees – An increase of \$33,855 from \$5,529 during the six months ended June 30, 2022 to \$39,384 for the six months ended June 30, 2023.

- Foreign exchange – An increase of \$11,962 from \$Nil during the six months ended June 30, 2022 to \$11,962 for the six months ended June 30, 2023.
- Management fees – An increase of \$7,000 from \$Nil during the six months ended June 30, 2022 to \$7,000 for the six months ended June 30, 2023.
- Office expenses – An increase of \$1,636 from \$Nil during the six months ended June 30, 2022 to \$1,636 for the six months ended June 30, 2023.
- Professional fees – A increase of \$10,029 from \$23,932 during the six months ended June 30, 2022, to \$33,961 for the six months ended June 30, 2023. This was mainly due to the legal fees regarding listing maintenance and potential joint ventures.
- Share-based compensation – A increase of \$1,378,078 from \$Nil during the six months ended June 30, 2022, to \$1,378,078 for the six months ended June 30, 2023. The Company granted new options to its directors, an officer and external consultants, and restricted share units previously granted were vested 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.

	Six months ended June 30, 2023	Six months ended June 30, 2022	Three months ended June 30, 2023	Three months ended June 30, 2022
	\$	\$	\$	\$
Consulting fee	128,000	-	124,000	-
Share-based compensation	122,004	-	28,489	-
Total key management compensation	250,004	-	152,489	-

There were no accruals or payables to related parties as at June 30, 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 June 30, 2023, the Company had an accumulated deficit of \$3,167,294, and a working capital balance of \$856,493 including cash of \$731,998 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 June 30, 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 June 30, 2023 and the date of this MD&A, the Company had 35,424,125 and 47,154,125 common shares issued and outstanding, respectively.

As at June 30, 2023 and the date of this MD&A, the Company had 7,335,876 and 19,225,876 warrants issued and outstanding, respectively.

As at June 30, 2023 and the date of this MD&A, the Company had 1,600,000 options issued and outstanding.

Management Changes

During the six months ended June 30, 2023, the Company appointed Etienne Moshevich as interim CEO and to its board of directors. Mr. Moshevich replaces Alex Klenman who remains with the Company as a

member of the board of directors. Charanjit Hayre has resigned from his position on the board of directors and has been replaced by Mr. Moshevich.

Subsequent Events

On August 16, 2023, the Company announced that it closed a non-brokered private placement and issued 11,730,000 units at a price of \$0.10 per unit for gross proceeds of \$1,173,000. Each unit consists of one common share and one transferable common share purchase warrant, entitling the holder thereof to purchase one additional Share at a price of \$0.15 until August 15, 2025.

The Company intends to use the net proceeds raised from the Offering for exploration expenses in respect of the Company's existing exploration projects and for general working capital purposes.

In connection with closing of the Offering, the Company paid finder's fees totaling \$16,000 and issued 160,000 Warrants to certain arms-length brokerage firms. All securities issued in connection with the private placement are subject to a statutory hold period until December 17, 2023 under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada.