ATCO MINING INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the years ended December 31, 2023 and 2022

Expressed in Canadian Dollars

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 years ended December 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 April 26, 2024.

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR.

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. (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 September 19, 2022, the Company change its name from EV Ventures Inc. to Atco Mining Inc.

On October 25, 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".

Mineral Properties

May Lake Mineral Property - Terminated

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 (incurred); 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).

During the year ended December 31, 2023, the Company decided not to pursue the project and recognized an impairment loss of $119,781.

Salt Properties (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") (issued with a fair value of $54,000);
(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 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.

The Salt properties are comprised of the following projects:

Lunar North Project - Terminated

On November 3, 2022, the Company acquired the Lunar North project which consists of 16 claims, totaling 400 hectares, strategically located on the western boundary of the Atlas Salt Inc. property which has an inferred resource of 908 million tonnes of salt gradings 96.9 per cent NaCl (sodium chloride).

Blue Moon Project - Terminated

On November 3, 2022, the Company acquired the Blue Moon project which consists of 9 claim blocks totaling 225 hectares which are located southwest of the Lunar North Project claim boundary.

During the year ended December 31, 2023, the Company decided not to pursue the Lunar North and Blue Moon projects and recognized an impairment loss of $170,830.

Apollo Project - Terminated

On November 9, 2022, the Company acquired the Apollo project which consists of 93 mining claims that total 2,325 hectares, located in the St. Georges area, by staking additional mining claims on the west coast of Newfoundland. The Apollo project is now 100% owned by the Company.

During the year ended December 31, 2023, the Company decided not to pursue the project and recognized an impairment loss of $40,845.

Eagle Salt Project

On November 22, 2022, the Company staked 423 claims, named the Eagle salt project, consist of mineral claims totaling 10,575 hectares and are 100% owned by the Company.

Adonis Project

On December 6, 2022, the Company staked the Adonis Project which consists of 90 claims, totaling 4,750 hectares on the west coast of Newfoundland. The project is 100% owned by the Company.

Rocky Salt Project

On December 20, 2022, the Company acquired a claim block on the west coast of Newfoundland in the St. George Bay basin area.

The project was acquired from certain arm's-length vendors pursuant to the terms of a mineral property acquisition agreement. In consideration for the project, the Company will issue an aggregate of 700,000 common shares (issued with a fair value of $217,000) and will issue an additional 1,050,000 common shares (issued with a fair value of $47,250) on the 12-month anniversary of closing . All common shares issued in connection with the acquisition of the project are subject to a statutory hold period for four-months-and-one-day following issuance.

As further consideration for the acquisition of the project, the company has granted the vendors a 2% royalty on commercial production from the project. One-half of the royalty may be purchased by the company at any time for a cash payment of $1,000,000.

Flat Bay Project

On April 24, 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 with a fair value of $52,500) 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, 2023 (Audited)	**December 31, 2022 (Audited)**	**Period from the date of incorporation on January 28, 2021, to December 31, 2021 (Audited)**
	$	$	$
Operating expenses	2,134,110	665,787	27,523
Net loss and comprehensive loss	(2,446,078)	(665,787)	(27,523)
Loss per share – basic and diluted	(0.06)	(0.04)	(0.00)
Total assets	1,822,033	1,257,917	454,279
Total liabilities	161,998	96,570	51,973
Exploration and evaluation assets	562,912	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 December 31, 2023	**Three months ended September 30, 2023**	**Three months ended June 30, 2023**	**Three months ended March 31, 2023**
	$	$	$	$
Total revenue	-	-	-	-
Operating expenses (reversal)	(1,854,195)	1,511,321	674,422	1,799,562
Income (loss) before other items	**1,854,195**	**(1,511,321)**	**(674,422)**	**(1,799,562)**
Net income (loss) and comprehensive income (loss)	**1,539,227**	**(1,511,321)**	**(674,422)**	**(1,799,562)**
Net loss per share – Basic & fully diluted	0.03	(0.04)	(0.02)	(0.06)

	Three months ended December 31, 2022	Three months ended September 30, 2022	Three months ended June 30, 2022	Three months ended March 31, 2022
	$	$	$	$
Total revenue	-	-	-	-
Operating expenses	606,424	21,616	24,387	13,360
Loss before other items	**(606,424)**	**(21,616)**	**(24,387)**	**(13,360)**
Net loss and comprehensive loss	**(606,424)**	**(21,616)**	**(24,387)**	**(13,360)**
Net loss per share – Basic & fully diluted	(0.03)	(0.00)	(0.00)	(0.00)

Results of Operations

For the three months ended December 31, 2023 and 2022

Net loss and comprehensive income for the three months ended December 31, 2023, was $1,539,227 (2022 – a loss of $606,424). The Company had a net income mainly due to reversal of share-based compensation based on the recalculations. The comprehensive income was mainly attributable to the following:

- Accounting and audit – A decrease of $24,310 from $44,060 during the three months ended December 31, 2022 to $19,750 for the three months ended December 31, 2023. This decrease is related to the audit fee accrued for the period. The higher amount for the three months during the months ended December 31, 2022, was because the Company did not accrue the audit fee on a quarterly basis in 2022.
- Advertising and marketing fees – A slight increase of $656 from $14,958 during the three months ended December 31, 2022 to $15,614 for the three months ended December 31, 2023.
- Bank charges – A slight decrease of $66 from $373 during the three months ended December 31, 2022 to $307 for the three months ended December 31, 2023.
- Consulting fees – A significant decrease of $268,507 from $148,183 during the three months ended December 31, 2022, to a reversal of $120,324 for the three months ended December 31, 2023, mainly resulted from the reclassification of management fees as management and directors' fees that were previously included in the consulting fees account.
- Exploration and evaluation expenses – A decrease of $3,200 from $Nil during the three months ended December 31, 2022, to a reversal of $3,200 for the three months ended December 31, 2023. The reversal is due to Salt Properties being acquired and capitalized during the three months ended December 31, 2023.
- Filing fees – A decrease of $41,376 from $25,785 during the three months ended December 31, 2022 to a reversal of $15,591 for the three months ended December 31, 2023. The decrease is mainly due to reclassification of DTC advisory as consulting fees.
- Management fees – An increase of $184,456 from $Nil during the three months ended December 31, 2022, to $184,456 during the three months ended December 31, 2023, is comprised of director fees, the new CEO's salary and bonuses.
- Office expenses – A significant decrease of $25,722 from $27,085 during the three months ended December 31, 2022, to $1,363 for the three months ended December 31, 2023, is noted in office expenses. The higher expenses in 2022 were mainly due to the Company including lump-sum GST amounts in the office expenses. However, in 2023, the Company accounted for each GST amount in the relevant accounts separately. It's worth mentioning that the Company was not a GST registrant in 2022 and 2023.
- Professional fees – A significant decrease of $104,350 from $77,305 during the three months ended December 31, 2022, to a reversal of $10,171 for the three months ended December 31, 2023. This reversal was mainly due to the write-off AP balance for legal fee back in 2022.
- Share-based compensation – A significant decrease of $2,175,664 from $268,675 during the three months ended December 31, 2022, to a reversal of $1,906,989 for the three months ended December 31, 2023, is attributed to the Company's accounting treatment using a residual value method.

- Impairment – An increase of $331,456 from $Nil during the three months ended December 31, 2022, to $331,456 during the three months ended December 31, 2023. This is due to the Company deciding not to pursue the May Lake property and some of the claims included in the Salt properties.
- Write-off of accounts payable – An increase of $19,488 from $Nil during the three months ended December 31, 2022 to $19,488 as the Company agreed with its previous auditor to write off the accounts payable.
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For the year ended December 31, 2023 and 2022

Net and comprehensive loss for the year ended December 31, 2023, was $2,446,078 (2022 - $ 665,787). The comprehensive loss was mainly attributable to the following:

- Accounting and audit – A decrease of $28,560 from $53,560 during the year ended December 31, 2022, to $25,000 for the year ended December 31, 2023. The higher accounting fee in 2022 was due to the Company's IPO auditors reviewing the prospectus and the involvement of an external accounting consultant.
- Advertising and marketing fees – An increase of $407,487 from $16,958 during the year ended December 31, 2022 to $424,445 for the year ended December 31, 2023. This was mainly due to the development of the Company’s new website, advertisement and news releases to increase public awareness.
- Bank charges – A slight increase of $981 from $754 during the year ended December 31, 2022 to $1,735 for the year ended December 31, 2023.
- Consulting fees – A significant increase of $901,188 from $148,183 during the year ended December 31, 2022 to $1,049,371 for the year ended December 31, 2023. This was mainly due to business advisory and administrative services.
- Filing fees – A decrease of $21,095 from $49,335 during the year ended December 31, 2022 to $28,240 for the year ended December 31, 2023. The filing fees during the year ended December 31, 2023, were comprised of SEDAR filing fees, Exchange maintenance fees, and OTCIQ annual fees.
- Foreign exchange – An increase of $14,397 from $Nil during the year ended December 31, 2022 to $14,397 for the year ended December 31, 2023.
- Management and directors' fees - An increase of $184,456 from $Nil during the year ended December 31, 2022, to $184,456 during the year ended December 31, 2023, is comprised of director fees, the new CEO's salary and bonuses.
- Office expenses – A decrease of $22,548 from $27,085 during the year ended December 31, 2022 to $4,537 for the year ended December 31, 2023. Office expenses included courier, postage and other general office expenses during the year ended December 31, 2023.
- Professional fees – A significant decrease of $78,583 from $101,237 during the year ended December 31, 2022 to $22,654 for the year ended December 31, 2023. Professional fees were high in 2022 due to the IPO.
- Share-based compensation – A increase of $110,600 from $268,675 during the year ended December 31, 2022, to $379,275 for the year ended December 31, 2023. The Company closed private placements during the year ended December 31, 2023, and granted options and warrants to its subscribers and finders. Additionally, the restricted share units previously granted were vested during the year.
- Impairment – A significant increase of $331,456 from $Nil during the three months ended December 31, 2022, to $331,456 during the three months ended December 31, 2023. This is due to the Company deciding not to pursue the May Lake Project and a portion of the claims included in the Salt Properties.
- Write-off of accounts payable – An increase of $19,488 from $Nil during the year ended December 31, 2022 to $19,488 during the year ended December 31, 2023 as the Company agreed with its previous auditor to write off the accounts payable.

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"), and companies controlled by directors and key officers of the Company.

	Year ended December 31, 2023	**Year ended December 31, 2022**
	$	$
Consulting fees	278,500	-
Management and directors' fees	183,806	-
Exploration and evaluation costs – capitalized	19,525	-
Share-based compensation	114,904	157,509
Total key management compensation	**596,735**	**157,509**

As at December 31, 2023, $14,974 (2022 - $Nil) was due to key management and is included in accounts payable. The amounts due bear no interest and are due on demand.

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 December 31, 2023, the Company had an accumulated deficit of $3,139,388, and a working capital balance of $1,097,123 including cash of $1,131,497 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 December 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 December 31, 2023 and the date of this MD&A, the Company had 49,604,125 and 73,399,588 common shares issued and outstanding, respectively.

As at December 31, 2023 and the date of this MD&A, the Company had 19,329,876 and 40,019,339 warrants issued and outstanding, respectively.

As at December 31, 2023 and the date of this MD&A, the Company had 1,500,000 options issued and outstanding.

Management Changes

During the year ended December 31, 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 February 20, 2024, the Company announced that it has signed a definitive option agreement with an arm's-length party, to acquire up to a 75% interest in the Atlantic uranium project, located in the eastern Athabasca basin of Northern Saskatchewan.

Pursuant to the Option Agreement, the Company has been granted the option to earn a 75% interest over three years in the Project. The option is exercisable by the Company completing cash payments, arranging for the issuance of common shares to the optionor and incurring exploration expenditures on the Project, summarized as follows:

	Consideration payments	Consideration shares	Exploration expenditures	Operator fee (10-12%)
	$		$	$
On signing	110,000	3,000,000	-	-
Year 1	120,000	6,000,000	1,300,000	130,000
Year 2	200,000	6,000,000	2,000,000	240,000
Year 3	-	-	3,000,000	360,000
Total	430,000	15,000,000	6,300,000	730,000

On March 18, 2024, the Company closed the first tranche of its non-brokered private placement and issued 6,200,000 flow-through units ("FT") at a price of $0.0575 per FT unit and 10,760,000 non-flow-through units ("NFT") at a price of $0.05 per NFT unit for gross proceeds of $894,500. Each unit consists of one common share of the company and one transferable common share purchase warrant, entitling the holder thereof to purchase one additional share at a price of $0.15 until March 18, 2026.

In connection with closing of the offering, the Company paid finders' fees totaling $4,790 and issued 94,000 warrants.

On April 11, 2024, the Company closed the final tranche of its non-brokered private placement and issued 3,635,463 NFT at a price of $0.05 per NFT for gross proceeds of $181,773. Each NFT consists of one common share of the Company and one transferable common share purchase warrant, entitling the holder to purchase one additional common share at a price of $0.15 until April 11, 2026.

On April 24, 2024, the Company issued 200,000 common shares in relation to the Flat Bay Project.