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TANGO MINING LIMITED

Management's Discussion & Analysis

For the nine months ended

May 31, 2015 and 2014

The following Management's Discussion & Analysis ("**MD&A**") of the financial condition and results of the operations of Tango Mining Limited (the "**Company**" or "**Tango**") constitutes management's review of the factors that affected the Company's financial and operating performance for the nine months ended May 31, 2015 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes for the nine months ended May 31, 2015 and 2014, and the Company's audited consolidated financial statements and related notes for the years ended August 31, 2014 and 2013, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as published by the International Accounting Standards Board (IASB). All figures are in Canadian dollars unless otherwise stated. Additional information, including the above mentioned financial statements, are available on SEDAR and may be accessed at www.sedar.com.

Date

This MD&A is dated as of July 30, 2015.

Forward-Looking Information

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of resource and reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of Tango to obtain all permits, consents or authorizations required for its operations and activities; and health, safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Tango to fund the capital and operating expenses necessary to achieve its business objectives, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by Tango. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of Tango should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this document are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

Overall Performance

The Company is engaged in metallurgical and mining service contracts, mining, and mine development activities in Southern Africa and Central America.

1. Review of Mining Operations & Project Activities

1.1. Acquisition of South African operating entities

On October 20, 2014 the Company acquired a 51% interest in four private South African operating companies, African Star Minerals (Pty) Limited ("AS"), Kwena Mining Projects (Pty) Ltd. ("KMP"), Kwena Mining and Metallurgical Services (Pty) Ltd. ("KMMS") and Kwena Springlake Projects (Pty) Ltd. ("Springlake") (together referred to as the African Star Minerals Group ("ASM") which owns:

a. four thermal coal, metallurgical coal and processing plant and engineering contracts ("**Operations Service Contracts**") , and
b. 100% interest in the Oena Alluvial Diamond Project ("**Oena**")

In consideration for the interest in ASM, Tango issued 49,000,000 common shares ("**Payment Shares**") that are subject to escrow restrictions over a 30 month period and contemporaneously a total of 17,150,000 common shares held in escrow account pending the receipt of South African regulative approvals on the transaction to approve the change of control over the Oena property in favour of Tango. The regulatory approval was subsequently received on April 24, 2015 so the 17,150,000 shares were released from escrow.

1.2. South Africa, Metallurgical and Mining Service Contracts

Tango owns four mining service contracts and employs 307 engineering and operational skilled staff on mining facilities owned by conglomerates, Glencor and Total (SA). The current production performance supports a target of 6.5 million tonnes throughput for the financial year (19.5 million tonnes are contracted over next 3 years). The four projects are located within the Ogies and Highveld coalfields, Mpumalanga Province and Kliprivier coalfield, KwaZulu-Natal Province. There is a continued business development plan in place to grow the business using the successful past 18 year business model, an established market presence and proven successful operational reputation in the coal, base and precious metal and precious stone Southern African mining sector.

1.3. South Africa, Oena Alluvial Diamond Mine

Oena, a past producing alluvial diamond property covering 8,800 hectares (ha) located in the Northern Cape Province, South Africa, consists of a 4.8 kilometre (km) wide strip along a 15 km length of the Orange River in a well-established alluvial diamond-mining province that produces high quality and large sized diamonds. Oena is located 50 km upstream of Namdeb's Auchas and Daberas alluvial diamond mines which are on the Namibian or north bank of the Orange River, while Trans Hex's Reuning and Baken alluvial diamond mines are respectively 15 km and 60 km downstream of Oena on the South African or southern bank of the Orange River.

The Company announced on December 1, 2014, in conjunction with filing of a National Instrument (NI) 43-101 report (filed on SEDAR on December 1, 2014) its intent to activate the bulk-sampling program at Oena in Q2 2015, but it was subsequently delayed as a result of the outstanding regulatory approval which was received on April 24, 2015. For the nine months ended May 31, 2015, the Company spent $710,316 on site establishment, operational readiness and infrastructure development costs and invested $606,077 on plant and equipment.

In light of the grade and volume recovered, as announced on July 6, 2015, the Company is updating the mine plan with a focus on the higher grade resource. As a result, the Company pushed out the implementation of the Bourevestnik, Inc. manufactured high volume X-ray and recovery equipment ("BVX"), to free up cash flow in the short term. The Company has successfully mobilized a mining contractor with earthmoving equipment to support a total of 1.5 million tonnes per annum (tpa) throughput capacity, with pre-stripping commenced in February and March 2015 and bulk sample activities commencing June 22, 2015 as a the result of the receipt of the regulative approvals on April 24, 2015.

On July 6, 2015, the Company announced that initial bulk sample results to date supported a grade of 0.298 carats (ct) per hundred tonnes (cpht), 0.775 ct/100 m3 was recovered from 12,215 tonnes of run of mine gravel treated and an average stone size of 3.03 ct was achieved. In addition, a yellow fancy 11.5 ct and 5.3 makeable E colour diamond was recovered.

A diamond offtake agreement was signed with ATC Enterprises DMCC ("ATC"), as announced on June 17, 2015 for a period of 12 months. All diamonds traded by ATC are fully certified under the Kimberley Process Certification Scheme.

1.4. <u>Nicaragua , El Santo Project</u>

In March 2014, the Company announced the discovery of several high-grade low-sulphidation epithermal quartz veins, with gold and silver, on its 100% owned 2088.8 ha El Santo concession, in the Republic of Nicaragua. The Company received an environmental permit in October 2014, which would allow it to carry out exploration on the property and follow up the noted results. At this stage, the primary focus for the Company is to develop its South African operations, so it has engaged possible interest from third parties to develop El Santo in partnership with the Company.

2. Review of Financial Performance

2.1. Recent Financings

Nine Months ended May 31, 2015

On March 3, 2015, the Company announced that it had completed a non-brokered $200,000 private placement consisting of 4,000,000 units at a price of $0.05 per unit. Each unit consists of one common share and one transferable share purchase warrant to purchase one additional common share at a price of $0.10, expiring on March 2, 2017. The net proceeds of the financing were used for general working capital and corporate purposes.

Subsequent to Nine Months ended May 31, 2015

On June 17, 2015, the Company announced that it had raised USD $500,000 by the issuance to ATC of an unsecured one year convertible note (the "Unsecured Note") in consideration for an offtake on diamond production (the "Offtake Right") from Oena. The Unsecured Note bears interest at a rate of 10% per annum. ATC has the option at maturity, at its sole discretion, to be repaid all or a portion of the principal amount of the Unsecured Note by the issuance of common shares of Tango at a price of $0.05 per share. In the event that ATC elects to have the accrued and unpaid interest payable by the issuance of common shares of Tango, the Company shall make application to the TSX Venture Exchange (“TSX.V”) for approval to have the shares issued at the market price at the time that the accrued interest becomes due and payable. A cash finder's fee equal to 6% of the gross proceeds raised for the Unsecured Note is payable. The Unsecured Note and the underlying common shares issuable upon conversion are subject to a four-month hold period expiring on October 18, 2015. The proceeds from the Unsecured Note will be used for ongoing development of the Company's current projects, acquisition of new projects and for general working capital purposes.

The Offtake Right is effective as of the date of issuance of the Unsecured Note and shall expire on the later of: (i) the date that is 12 months after the date that ATC takes delivery of the first diamond; and (ii) the date that ATC has received a minimum of 2,000 carats.

On June 22, 2015, the Company announced the completion of the first tranche of a 12% secured notes ("Secured Notes") financing for gross proceeds of $525,000. The non-transferable convertible Secured Notes have a one year term and bear interest at a rate of 12% per annum. The holders of the Secured Notes may elect, at any time after issuance, at the holder's sole discretion, to be repaid all or a portion of the principal amount of the Secured Note in common shares of the Company at a price of $0.05 per common share. In the event that the holders elect to have the accrued and unpaid interest payable by the issuance of common shares of Tango, the Company shall make application to the TSX.V for approval to have the shares issued at a price not below the market price at the time that the accrued interest becomes due and payable.

The aggregate offering of the Secured Notes, in the amount of up to $2,500,000, are secured against Tango's 51% interest in African Star Minerals (Pty) Ltd, and the closing and completion of any lesser amount of Secured Notes shall result in a pro-rata reduction of pledged interest, which, only perfects and becomes realizable by the holder upon an event of default by Tango under the terms of the Secured Notes. Until April 24, 2015 Tango's 51% interest was subject to completion of the transfer of the underlying securities representing same in respect of the application for transfer made to the Minister of Mineral Resources pursuant to section 11 of the draft Mineral and Petroleum Resources Development Act No. 28 of 2002, Republic of South Africa. All conditions to the sale was met around June 22, 2015.

A cash finder's fee equal to 6% ($16,500) is payable on $275,000 of the gross proceeds raised on the first tranche. The Secured Notes and the underlying common shares issuable upon conversion are subject to a four-month hold period expiring on October 20, 2015. The proceeds from the private placement offering of Secured Notes will be used for ongoing development of the Company's current projects, acquisition of new projects and for general working capital purposes.

2.2. Summary of Quarterly Results

The following table sets forth selected financial information for the Company for the eight most recently completed fiscal quarters and should be read in conjunction with the Company's financial statements and related notes for such periods.

	May 31,2015	***Feb 28, 2015***	***Nov 30, 2014***	***Aug 31, 2014***	***May 31, 2014***	***Feb 28, 2014***	***Nov. 30, 2013***	***Aug. 31, 2013***
CAD$	***000***	***000***	***000***	***000***	***000***	***000***	***000***	***000***
Revenues	*3,445*	*3,463*	*3,378*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Loss Before Taxation and other items	*(1,665)*	*185*	*(261)*	*(239)*	*(273)*	*(258)*	*(586)*	*(845)*
Loss per share before other items – basic and diluted (1)	-	-	-	-	-	-	-	-
Shares Outstanding	*153,427*	*153,427*	*148,181*	*98,452*	*98,452*	*98,452*	*98,452*	*79,452*

2.3. Results of Operations

For the nine months ended May 31, 2015 and 2014 the Company incurred a loss before tax of $1,740,144 and $1,116,681, respectively. Of this amount $1,664,191 (2014 – $273,243) was incurred in the three months ended May 31, 2015. The biggest contributors to the net loss before tax for the nine months ended May 31, 2015 and 2014 is as a result of $710,316 (2014 - $Nil) spent on operational readiness at Oena, and $47,614 (2014 - $266,551) related to running of the office in Nicaragua corporate costs amounting to $1,207,880 (2014 - $850,130) and a positive contribution from mining projects of $225,666 (2014 – nil).

During the nine months ended May 31, 2015, the Company reported revenues of $10,286,262 (2014 – nil), of which $3,444,893 (2014 – nil) relates to the three months ended May 31, 2015. The revenue income arose as a result of consolidating the South African operation of ASM (exclusive of Oena) effective September 1, 2014.

Raw material and engineering costs were up $3,201,787 (2014 – nil), in line with production for the nine month period May 31, 2015, of which $988,317 (2014 – nil) relates to the third quarter. No raw material and production costs were incurred in 2014 as the South African operations were consolidated from September 1, 2014.

Employee benefits expenses amounted to $6,905,320 (2014 – nil) during the nine month period ended May 31, 2015 of which $3,081,929 (2014 – nil) relates to the three month period May 21, 2015.

Professional fees for the nine and three months ended May 31, 2015 of $57,395 and $22,550 decreased from $70,947 and $21,703 respectively in 2014 directly as a result of legal fees incurred related to the Company refocussing its attention from Nicaragua to pursue further diamond acquisition targets in the Southern African region.

During the nine and three months ended May 31, 2015, management and consulting expenses increased to $674,815 and $170,893 respectively compared to $353,348 and $120,746 in 2014, and relates to the restructuring of management's positions and fees. The increase is also partially due to additional compliance for corporate governance and increased activities as a result of the acquisition of South African operations.

Travel and promotion expenses decreased in both the nine and three month periods ended May 31, 2015 because of the Company's effort to reduce and closely manage expenditures. For the nine month period ended May 31, 2015 expenditure came down from $125,541 in 2014 to $59,180 in 2015 and for the three months period May 31, 2014 down from $47,230 to $22,544.

Mine development cost during the nine months ended May 31, 2015 of $710,316 is the cost associated to on site establishment, operational readiness and infrastructure development costs related to the Oena operation. Exploration and evaluation expenses during the nine months ended May 31, 2014 were $101,632 and relate to Nicaragua.

Office and general expenses decreased to $99,291 during the nine months ended May 31, 2015, compared to $196,903 for the same period in 2014 due to the Company's efforts to manage and reduce general expenditures in order to conserve cash for current and future expansion. For the three months May 31, 2015 the expense amounted to $37,021 and is in line with the three month May 31, 2014 expenditure of $39,830.

During the nine months review period May 31, 2015, shareholder information increased to $64,652, compared to $26,653 in the same period during 2014, due to the increased number of news releases and costs related to the acquisition of South African operations in Q1 2015. About half of the value was spent in the current quarter amounting to $27,443 compared to $932 spent in quarter three 2014.

The Company incurred higher values for amortisation compared to the prior year as a result of the equipment included in the acquisition of ASM, amounting to $159,932 (2014 – $14,026) in the nine months ended May 31, 2015 and $54,957 (2014 – $2,978) for the three months ended May 31, 2014.

Share based payments expense for the nine month period ended May 31, 2015 was $90,462, compared to $193,065 during the same period in 2014 and $8,267 (2014 – $29,762) for the three months quarter May 31, 2015. The expense is booked based on the vesting schedule of the options issued to officers and directors during the last two periods. The Company uses the Black-Scholes valuation model to determine the stock-based compensation.

Nine months ended May 31, 2015	**Mining projects & operations**	**Development projects**	**Corporate**	**Total**
	CAD$	**CAD$**	**CAD$**	**CAD$**
Revenue	10,286,262	-	-	10,286,262
Earnings before interest, depreciation , amortization, tax, share based payments and foreign exchange loss	377,250	(756,164)	(1,107,581)	(1,486,494)
Operating Profit / (Loss)	225,837	(757,930)	(1,216,159)	(1,748,252)
Loss before taxation	225,666	(757,930)	(1,207,880)	(1,740,144)
Non-Current Assets	163,260	555,092	1,287,467	2,005,819
Inventories	1,140,808	-	-	1,140,808
Other receivables	1,338,633	-	285,830	1,624,462
Cash on hand	521,305	-	292,491	813,796
Current Liabilities	(1,183,003)	(112,849)	(1,549,397)	(2,845,248)
Net working capital position	1,817,744	(112,849)	(971,076)	733,818

Nine months ended May 31, 2014	Mining projects & operations	Development projects	Corporate	Total
	CAD$	CAD$	CAD$	CAD$
Revenue	-	-	-	-
Earnings before interest, depreciation , amortization, tax, share based payments and foreign exchange loss	-	(252,525)	(622,499)	(875,024)
Operating Profit / (Loss)	-	(266,551)	(840,046)	(1,106,597)
Loss before taxation	-	(266,551)	(850,130)	(1,116,681)
Non-Current Assets	-	20,759	-	20,759
Inventories	-	-	-	-
Other receivables	-	10,693	52,408	63,101
Cash on hand	-	-	924,602	924,602
Current Liabilities	-	(109,406)	(139,126)	(248,532)
Net working capital position	-	(98,713)	837,884	739,171

The Company maintained a positive working capital position of $733,818 (2014 – $739,171) as of May 31, 2015. Included in current liabilities is an amount of $606,077 owing to the related party African Star Minerals (Pty) Ltd. ASM will be consolidated into the group accounts from quarter four, having the effect that the amount due will be eliminated on consolidation, resulting in a further improved in working capital.

2.4. Expense summary exclusive of mine development cost (2015) and exploration (2014)

A summary of costs exclusive of mine development cost (2015) and exploration (2014) is as follows:

Nine months ended May 31, 2015	2015 CAD$	2014 CAD$
Revenues	10,286,262	-
Raw material and engineering cost	(3,201,787)	-
Employee benefits expense	(6,885,469)	-
Professional fees	(54,825)	(70,947)
Management and consulting (Note 16)	(674,815)	(353,348)
Travel and promotion	(57,642)	(125,541)
Office and general	(76,593)	(196,903)
Shareholder information	(64,652)	(26,653)
Earnings/(loss) before interest, depreciation, amortization and tax (EBITDA)	**(729,521)**	**(773 392)**

2.5. Dividend Report and Policy

The Company has not paid any dividends to date. The Company intends to retain its future earnings, if any, for use in its business and does not expect to pay dividends on its shares in the foreseeable future.

2.6. Liquidity

Although the Company has commenced generating revenues from certain of its operations, it has relied upon the issuance of equity securities and working capital generated from operations to carry on business activities during the period under review.

As at May 31, 2015, the Company had total assets of $5,584,885 (2014 - $1,008,462) including cash and cash equivalents of $813,796 (2014 - $924,602). The cash balance remained at roughly the same level as cash generated from operations were sufficient to meet operational expenditure requirements for South Africa, Nicaragua and Canada. Adequate capital was raised to meet capital expansion into operational readiness and site establishment of Oena.

The total liabilities of the Company as of May 31, 2015 were $2,882,609 (August 31, 2014 – $248,532) that consisted of trade and other payables of $1,941,567 (August 31, 2014: $200,084), promissory notes payable of $25,000, (August 31, 2014 - $25,000), and an amount due to related parties of $878,681 (August 31, 2014 - $23,448).

2.7. Requirement of Additional Equity Financing

Historically, the Company has relied on equity financings and short-term interest bearing loans for all funds raised to date for its project development programs. The Company intends to develop the cash generating capabilities of its operations to be less reliant upon the issuance of securities to finance its operations and acquisitions pursuant to private placements, the exercise of warrants and stock options and short term or long-term loans. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. The Company's growth and success is dependent on external sources of financing which may not be available on acceptable terms, timely or at all.

2.8. Transactions with Related Parties

Related party transactions for the period are summarized as follows:

	May 31, 2015 CAD $	**May 31, 2014 CAD $**
Management fees (1)	579,220	$ -
Consulting fees (2)	73,096	222,863
Rent	-	12,020
Contract fees (3)	174,525	-
Asset finance (4)	606,077	-
Balance payable		
Contract fees (3)	174,546	-
Asset Finance (4)	606,077	-
Management & Consulting fees (2)	98,079	23,488

(1) Included in management fees are salaries/fees paid to Executive Chairman Terry L. Tucker, CEO Marco Möller, Kevin Gallagher, a director of the Company, as well as key management personnel as defined in IAS 24 – Related Parties.

(2) Represents the fees paid to Imperial Accounting and Management Services, a company controlled by CFO Kalyan Paul and Wiklow Corporate Services, a company owned by Donna M. Moroney, Corporate Secretary.

(3) The Company contracted services from a related party of which Kevin Gallagher a director of the Company, is a director.

(4) The Company financed the procurement of Oena mining equipment through related entities of which CEO Marco Möller is a director.

3. Financial Instruments and Risk Management

The Company is exposed to the following financial risks:
- Market Risk
- Credit Risk
- Liquidity Risk

3.1. General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receive periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

a. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of two types of risk: foreign currency risk and interest rate risk.

b. Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company operates in Canada, Nicaragua and South Africa, giving rise to market risks from changes in foreign exchange rates. The Company believes that the results of the operations and cash flows would be affected by a sudden change in foreign exchange rates, but would not impair or enhance its ability to pay its Nicaraguan Cordoba Oro or South African Rand denominated obligations. Most of the Company's capital and operating expenditure is based on its South African operations, which is funded from the same functional currency as its coal and metallurgical services contracts.

c. Interest Rate Risk

The Company has cash balances and no variable interest bearing debt. The Company has fixed rates on its debt, changes in interest rates could result in fair value risk on the Company's fixed rate debt.

d. Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, and other receivables. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents are held with reputable Canadian, Nicaraguan and South African chartered banks, which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash and cash equivalents other receivables is minimal.

e. Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at May 31, 2015, the Company had current assets of $3,579,066 (August 31, 2014 - $987,703) to settle current liabilities of $2,845,248 (August 31, 2014 - $248,532) resulting in a working capital surplus of $733,818 (August 31, 2014 – $739,171). All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms.

4. Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. The Statement of Financial Position carrying amounts for cash and cash equivalents, due from related parties, advances and other receivables, deposits, accounts payables and accrued liabilities, and due to related parties approximates fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

4.1. Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 Unadjusted quoted prices in active markets for identical assets or 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).

Changes in valuation methods may result in transfers into or out of an investment's assigned level.

During the period ended May 31, 2015, there were no significant transfers between level 1 and 2.

5. Disclosure of Outstanding Securities

The authorized capital of the Company consists of an unlimited number of common shares without par value, of which 153,426,710 common shares are issued and outstanding as of the date hereof.

The following tables summarize the current outstanding incentive stock options and share purchase warrants of the Company:

Stock Options	Number	Exercise Price	Expiry Date
	350,000	$0.10	July 19, 2017
	350,000	$0.10	November 6, 2017
	3,050,000	$0.13	April 3, 2018
	4,350,000	$0.05	February 21, 2019
	2,050,000	$0.05	October 27, 2019
Total Stock Options	**10,150,000**		

Share Purchase Warrants	Number	Exercise Price	Expiry Date
	4,000,000	$0.10	March 2, 2017
Total Warrants	**4,000,000**		

There are no assurances that the options, warrants or other rights described above will be exercised or issued in whole or in part. Except as disclosed above, there are no options, warrants or other rights to acquire common shares of the Company outstanding.

6. Mineral Properties Expenditures

For the nine months ended May 31, 2015, the Company spent $710,316 on site establishment, operational readiness and infrastructure development costs and invested $606,077 on plant and equipment at Oena. The primary focus of the Company is to develop its South African operations, so it has engaged possible interest from third parties to develop its El Santo property in Nicaragua.

7. Subsequent Events

On June 17, 2015, the Company announced that it had raised USD $500,000 by the issuance to ATC of an unsecured one year convertible note (the "Unsecured Note") in consideration of an offtake of diamond production (the "Offtake Right") from the Oena as detailed in section 2.1 Recent Financings.

On June 22, 2015, the Company announced the completion of the first tranche of the 12% secured notes ("Secured Notes") for gross proceeds of $525,000 as detailed in section 2.1 Recent Financings.

On July 9, 2015, the Company announced that it had entered into a Sale of Shares and Claims Agreement with Firestone Diamonds Limited ("Firestone") (the "Firestone Agreement"), whereby the Company agreed to acquire 100% of Firestone's right in the processing facility, and interest and title in the mineral rights comprising its Botswana diamond operations (the "BK11 Mine"), held directly or indirectly, through Firestone's 100% owned subsidiary, Firestone Diamonds Botswana (Pty) Limited ("Firestone Botswana"), and Firestone's 90% owned subsidiary, Monak Ventures (Pty) Limited ("Monak"). Tango is currently in negotiations to acquire the remaining 10% interest in Monak from Tema Thuo (Pty) Ltd. ("Tema Thuo").

The BK11 Mine is a past producing diamond project located in the Orapa District of Botswana, one of the largest diamond producing countries in the world. The Orapa District includes Debswana's Orapa, Letlhakane and Damtshaa Mines and is located within 5km of the Karowe Mine operated by Lucara Diamond Corp. Mining Licence No. 2010/59L was awarded to the BK11 Mine commencing on 1 July 2010.

Tango is currently preparing a comprehensive development strategy to reactivate the past producing open pit mining operation. Tango recognises that by employing autogenous milling, as has been successfully implemented at Lucara's Karowe Mine, it could provide for improved liberation of diamonds and reduce the probability of diamond damage. It could also provide for lower operating costs relative to conventional techniques.

Prior to the BK11 Mine being put on care and maintenance in February 2012, total expenditures in excess of US$45 million had been invested in capitalised pit development and processing plant and infrastructure. As noted above, the BK11 is located close to some of Botswana's largest diamond mines with it comprising one pipe-shape diamond-bearing kimberlite structure with a surface area of 9.8 hectares. There are excellent paved roads, water supply and nearby power supply from the recently upgraded national grid. The Company is in the process of preparing a report on BK11 in accordance with NI 43-101.

Pursuant to the Firestone Agreement, the Company has agreed to purchase 100% of all issued and outstanding shares of Firestone Botswana owning the existing production facility for the BK11 Mine and 90% of all issued and outstanding shares of Monak owning the BK11 Mining Licence No. 2010/59L for an aggregate purchase price of US$8,000,000, of which US$650,000 is payable by Tango as follows; US$350,000 (which is non-refundable) on the execution of the Firestone Agreement, and another US$300,000 (the "Deposit") on or before September 30, 2015. In addition, in the period from the execution of the Firestone Agreement to its closing, Tango shall pay the care and maintenance fees in respect of the BK11 Mine for the previous month to a maximum of US$40,000 per month (the "Maintenance Fees").

The Company will pay into escrow pursuant to an escrow agreement entered into among the Company, Firestone and an unrelated third party as an escrow agent: (i) the Deposit, by no later than September 30, 2015 and (ii) the Maintenance Fees, starting from the signature date with the first payment in August 2015 and thereafter on the 15th business day of each month ensuing until closing of the transaction contemplated under the Firestone Agreement (the "Firestone Closing").

The Firestone Agreement contemplates that Firestone Closing will occur within six months from the date of signing of the Firestone Agreement. If by then, the required regulatory approvals from Botswana Competition Authority and from the Minister of Minerals, Energy and Water Affairs in Botswana regarding the transfer of the controlling interest in Monak (the "Regulatory Approvals") are not obtained, then the Firestone Closing will be extended to 15 February 2016, or such further date as the parties may agree (the "Drop Dead Date").

On Firestone Closing, the Deposit, the Maintenance Fees and the balance of the Purchase Price payable to Firestone in the amount of US$7,350,000 will be released from escrow to Firestone. If, though by no fault of the Company, the parties are not able to obtain the Regulatory Approvals, or if Firestone fails to deliver certain documents to the Company on or before the Drop Dead Date, then the Firestone Closing will not occur and the aggregate of the Deposit and the Maintenance Fees will be returned to the Company together with all accrued interest. All the fees of the escrow agent pursuant to the Escrow Agreement are payable by Firestone.

Tango is currently negotiating an agreement (the "Tema Thuo Agreement") with Tema Thuo to purchase the balance of 10% of the issued and outstanding shares in Monak for an aggregate purchase price of US$800,000 payable on closing. The closing of the transactions under the Tema Thuo Agreement (the "Tema Thuo Closing") will be conditional on the Firestone Closing.

Tango has received a conditional approval from the TSX.V regarding the Firestone Agreement and the Tema Thuo Agreement. The Firestone Closing and the Tema Thuo Closing are subject to final acceptance of the TSX.V and receipt by the parties of the Regulatory Approvals, as well as certain other conditions standard for a transaction of this type.

8. Adoption of new and revised standards and interpretations

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The Company intends to adopt those standards when they become effective.

IFRS 9, Financial Instruments, Recognition and Measurement

IFRS 9, Financial Instruments ("**IFRS 9**") was issued by the IASB on November 12, 2009 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("**IAS 39**"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is assessing the impact of IFRS 9 on its results of operations.

IFRS 2, Share-based Payment

In December 2013, the IASB amended IFRS 9 – Share-based Payment. The amendment clarifies vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition. The amendment is effective for annual periods beginning on or after July 1, 2014. The Company is in the process of determining the impact of the amendment of IFRS 2 on its consolidated financial statements.

IAS 32, Financial instruments, Presentation.

IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date. The amendments apply to annual periods beginning on or after January 1, 2014. The change in accounting standard will not have a significant impact on the Company's consolidated financial statements.

IAS 24, Related Party Disclosures.

The amendments to IAS 24 clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after January 1, 2014. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

IFRIC 21, Levies.

The IASB issued IFRIC 21 – Levies ("**IFRIC 21**"), an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("**IAS 37**"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("**Obligating Event**"). IFRIC 21 clarifies that the Obligating Event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

None of the other new standards, interpretations and amendments, which have not been adopted early, are expected to have a material effect on the Company's future consolidated financial statements.

9. Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.