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Interim Management's Discussion & Analysis

** Quarterly Highlights **

This Management's Discussion & Analysis – Quarterly Highlights ("**Quarterly Highlights**") of Tango Mining Limited (the "**Company**" or "**Tango**") is prepared as of Jul 28, 2017 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, 2017, as well as the audited financial statements for the year ended August 31, 2016.

The interim unaudited financial statements have been prepared by management in accordance with International Accounting Standards ("**IAS**") 34 'Interim Financial Reporting' ("**IAS 34**") using accounting policies consistent with the International Financial Reporting Standards issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee.

All figures are in Canadian dollars unless otherwise stated. Additional information, including the above mentioned financial statements, which contain extensive disclosure of the history and properties of the Company are available on SEDAR and may be accessed at www.sedar.com.

Forward-Looking Information

This Quarterly Highlights 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.

Analysis of the Company's Financial Performance and Condition

The Company incurred a net loss of $498,918 for the nine months ended May 31, 2017 ("**Q3 2017**") and a net loss of $171,522 for the three months ended May 31, 2017, compared to a net loss of $1,489,241 for the nine months ended May 31, 2016 ("**Q3 2016**") and a net loss of $1,632 for the three months ended May 31, 2016. Net loss decreased between Q2 and Q3 mainly due to an increase in the diamond recoveries made under the Oena exploration project, foreign exchange gains made on assets denominated in South African Rands, a reduction in costs associated with project investigation as well as a reduction in the value of the derivative liability. The loss for the three months period May 2017 is higher compared to the comparative three month period, manly due to a top up accrual for management fees in the three months Q2 2016 resulting in a lower accrual in the three months Q3 2016, and an expense related to the fair vale of warrants incurred in the three months Q3 2017 disclosed under finance charges.

Operating Expense Summary

	Three months ended May 31,		Nine months ended May 31,	
	2017	2016	2017	2016
Revenues	$ 3,118,677	$ 2,969,933	$ 10,037,699	$ 9,685,319
Operating expenses				
Amortization	(500)	(8,129)	(14,681)	(24,317)
Amortization of service contracts	(17,430)	(53,084)	(50,297)	(159,252)
Employee benefits expense	(1,865,549)	(1,724,354)	(6,295,308)	(5,397,873)
Exploration and evaluation expenses *(Note 18)*	76,218	(12,628)	39,121	(491,196)
Foreign exchange (loss)/gain	2,227	(561)	206,583	10,478
Management and consulting (*Note 17*)	(212,922)	(55,916)	(610,266)	(527,246)
Office and general	(74,197)	(43,809)	(310,206)	(308,136)
Professional fees	(47,095)	(12,753)	(124,166)	(128,578)
Project investigation costs	(25,311)	(87,107)	(125,647)	(378,810)
Raw material and engineering cost	(1,106,662)	(1,192,747)	(3,036,076)	(3,307,605)
Share based payments (*Note 20*)	(57,526)	-	(219,021)	(5,158)
Shareholder information	(30,669)	(14,499)	(48,144)	(18,432)
Travel and promotion	(27,482)	2,187	(95,754)	(69,561)
	(3,386,899)	(3,203,400)	(10,683,863)	(10,805,686)

A summary of the material operational expense variances during Q3 2017 and Q3 2016 are as follows:

- The amortization expense of service contracts for Q3 2017 decreased from Q3 2016 as a result of the impairment done during the year ended August 31, 2016. The amortization is lower for the three months ended May 31, 2017 compared to the three months May 31, 2016 due to the weakening of the Rand in the last quarter.

- Employee benefits: The expense for employee benefits increased for both the three and nine months periods in line with the annual inflationary increases. In addition, expenditure related to senior engineers that were included in raw material and engineering costs in 2016 will be included in employee benefits going forward.

- The cost associated with exploration reversed course and the Company is reporting a net income for both the three and nine months periods ended May 31, 2017, compared to losses incurred in the comparative periods 2016. This is attributable to positive diamond recoveries made at the Oena mine.

- The foreign exchange gain rose mainly from the revaluation of the ZAR denominated intangibles in customer contracts and the Oena Project exploration asset brought on by the strengthening of the South African Rand (ZAR) against the Canadian Dollar; in particular, during the first two quarters of 2017 compared to the same period in 2016. The ZAR however lost ground again in the third quarter of 2017, compared 2016 thereby eliminating any further unrealized exchange gains.

- Management and consulting was marginally higher for Q3 2017 compared to the same period 2016 in line with approved compensation packages. The three months ended May 31, 2016 reports a lower expense than the three months ended May 31, 2017 due to a top up accrual for management fees that were incurred in the second quarter of 2016.

- Office and general, for Q3 2017, are in line with Q3 2016 and slightly higher for the three months ended May 31, 2017 compared to May 31, 2016 due to the timing of when the expenses are incurred.

- Professional fees for Q3 2017 are in line with the comparative period in 2016 and slightly higher for the three months ended May 31, 2017 compared to May 31, 2016. This expenditure relates to the use of professional consultants when their expertise was required, as opposed to full time employment.

- Project investigation costs decreased for the three and nine months ended May 31, 2017 compared to the same periods in 2016 mainly as a result of the costs involved with the proposed BK11 acquisition in 2016. The BK11 acquisition agreement lapsed during the year ended August 31, 2016 and project investigation costs related to that project ceased. The Company is, however, still continuing investigation into new projects.

- Raw materials and engineering costs were consistent for the three and nine months ended May 31, 2017 compared to the comparative periods in 2016.

- The biggest contributor to the share based payments expense relates to the 4.5m options issued to senior managers in the group. The liability is valued based on the Black Scholes Option Pricing model and vest 50% on grant date and 50% within 365 days from the grant date. See note 20 to the unaudited condensed consolidated interim financial statements.

- Shareholder information costs were higher in the three and nine-month periods ended May 31, 2017 compared to the comparative periods in 2016 due to the increased operational and financing activity during Q3 2017.

- Costs associated with travel and promotion are indirectly linked to the increase in operational activity and increased accordingly for both the three and nine months periods 2017 compared to 2016.

Exploration and Evaluation Expenditures

The following is a breakdown of the exploration and evaluation expenditures for Q3 2017 and Q3 2016:

	Oena Project three months		
	Q3 2017	**Q2 2017**	**Q1 2017**
Exploration expenditures:			
Project staff salaries, benefits and consulting	$ (11,092)	$ (6,610)	$ (8,147)
Travel expenses	(125,135)	(38,484)	(14,635)
Supplies Expense	(934,996)	(263,720)	(8,909)
Recoveries	1,147,441	303,408	-
Exploration and evaluation expenditures	**$ 76,218**	**$ (5,406)**	**$ (31,691)**

	Oena Project three months		
	Q3 2016	**Q2 2016**	**Q1 2016**
Exploration expenditures:			
Project staff salaries, benefits and consulting	$ (4,139)	$ (156,861)	$ -
Travel expenses	(101)	(3,821)	-
Supplies Expense	-	(371,886)	-
Recoveries	45,612	-	-
Exploration and evaluation expenditures	**$ 41,372**	**$ (532,568)**	**$ -**

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, 2017, the Company had a working capital deficiency of $1,415,710, compared to a working capital deficiency of $2,105,850 as at the year ended August 31, 2016. The biggest contributor to the decrease was the shares for debt conversion undertaken in Q2 and Q3 2017.

As at May 31, 2017, the Company had total assets of $4,789,383 (August 31, 2016 - $4,190,475) including cash and cash equivalents of $695,238 (August 31, 2016 - $970,048). The reduction in cash was due to meeting the continuous operational expenses for its properties, management fees and other corporate expenses in Canada. Refer to the cash flow statement in the unaudited condensed consolidated financial statements.

The total liabilities of the Company as at May 31, 2017 were $5,115,759 (August 31, 2016 - $5,297,252). The reduction of total liabilities was due to the shares for debt conversions and payments to creditors.

Recent Activity

During the nine month period ended May 31, 2017 an aggregate of 17,496,059 common shares were issued as settlement of debt with various parties for a total value of $1,258,972 and 4,500,000 common shares were issued as part of a private placement for a total value of $225,000.

Transactions with Related Parties

The Company incurred the following expenditures charged by companies controlled by directors and officers of the Company:

	Nine month ended May 31, 2017		2016	
Management fees (included in Management and consulting and Employee benefits expense)	$	583,266	$	475,076
Consulting fees (included in Management and consulting)		27,000		52,170
Share based payments		219,021		5,158
Total	**$**	**829,287**	**$**	**532,404**

As at May 31, 2017, $924,483 (August 31, 2016 - $806,837) is owed to the CFO, CEO and certain directors of the Company. Amounts owing are non-interest bearing, unsecured and due on demand.

Subsequent Events

On July 7, 2017, the Company announced that, pursuant its news release dated 17 June 2015, it had reached a settlement with ATC Enterprises DMCC ("ATC") to settle accrued interest, balance due on last tender and the outstanding amount owing for the Oena offtake right for debt totalling C$342,895 by the issuance of 6,857,900 common shares at a price of $0.05 per share. This settlement with ATC effectively terminates the diamond offtake right with ATC with regard to the Company's Oena property, thereby eliminating the 10% fee that was payable on the first 2,000 carats of diamond sales.

The Company also announced that ATC had converted US$50,000 (C$65,000) of its remaining unsecured convertible note into common shares at a price of $0.05 per share, for a total of 1,300,000 common shares. ATC has also agreed to extend the term of conversion of their remaining US$200,000 unsecured convertible note to December 31, 2017.

On July 20, 2017, the Company announced that in partnership with the GZA Group it incorporated a new South African subsidiary, TML Equipment Solutions (Pty) Ltd ("TML"), that will own and lease processing equipment to be used for alluvial diamond recovery. The total capital investment into TML will be USD $1,175,000 and is fully committed. TML has secured a new Bourevestnik X-Ray (BVX) recovery unit, a Flow Sort X-Ray Separator and a Single Particle Sorter (the "Equipment"). Tango will have a 25% equity stake in the TML and will maintain operational control.

TML`s Equipment will be used at Oena and will be operated under contract by Consulmet (Pty) Limited ("Consulmet"). Consulmet, with its headquarters in Johannesburg, is a specialist engineering group focused on fast-tracked design and construction of minerals processing plants on a fixed price basis and excel in delivering projects in remote locations and developing countries. Consulmet have built several diamond processing plants for diamond producers and are experts in the application of DMS, diamond processing and final recovery using optical and X-Ray sorters.

Tango terminated the contracting agreement, as announced on 18 November 2016, with African Mineral Recovery Solutions CC ("AMRS"), effective July 28, 2017 due to breach of contract and underperformance by AMRS.