Tango Mining Limited
202 – 5626 Larch Street
Vancouver, British Columbia
V6M 4E1, Canada
TSX Venture: TGV

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 January 29, 2018 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes for the three months ended November 30, 2017, as well as the audited financial statements for the year ended August 31, 2017.

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 $503,662 for the three months ended November 30, 2017 ("**Q1 2018**"), compared to a net loss of $122,705 for the three months ended November 30, 2016 ("**Q1 2017**"). Net loss increased between the two periods mainly due to Q1 2018 experiencing an increase in the fair value of the derivatively liability compared to a gain (reduction in the value of the liability) in the same quarter of 2017.

Non-Exploration Expense Summary

	Periods ended November 30, 2017	2016
Expenses		
Amortization	(4,890)	(7,006)
Amortization of service contracts	(4,692)	(16,177)
Employee benefits expense	(1,843,348)	(2,121,978)
Exploration and evaluation expenses	(44,366)	(31,691)
Foreign exchange gain	(28,988)	102,138
Management and consulting	(273,403)	(169,873)
Office and general	(65,094)	(108,169)
Professional fees	(55,283)	(48,146)
Project investigation costs	(100,809)	(47,760)
Raw material and engineering cost	(880,121)	(1,045,906)
Share based payments	(36,515)	(8,846)
Shareholder information	(17,441)	(2,068)
Travel and promotion	(35,600)	(18,486)
Net loss for the period	**(3,390,552)**	**(3,523,968)**

A summary of the material non-exploration activity variances during Q1 2018 and Q1 2017 are as follows:

- Amortization of equipment reduced with the reduction in book value of equipment as at November 30, 2017 compared to November 30, 2016.

- Amortization of service contracts decreased as a result of the impairment booked during the year ended August 31, 2017.

- Employee benefits decreased Q1 2018 compared to Q1 2017 due to additional provision for retrenchment packages in Q1 2017, linked to the closure of the Springlake property in Q2 2017.

- Exploration and evaluation expenditures increased marginally in Q1 2018 compared to Q1 2017 due to slightly higher staff costs and supplies expenses for Oena Project.

- The loss on foreign exchange arises mainly from unrealized losses on foreign denominated debt in Q1 2018 compared to unrealized gains recognized in Q1 2017.

- Management and consulting is higher in Q1 2018 compared to Q1 2017 as it takes into account higher staff compliment to the executive management team and the updated management fee structure that comprises a combination of cash & shares.

- General overheads such as office and general, shareholder information and travel and promotion increased during Q1 2018 compared to the comparative period as a result of a general increase in overall activity in the group.

- Professional fees increased marginally in Q1 2018 compared to Q1 2017, as a result of increased activity in exploration and project investigation. The Company chooses to contract in specialized skills when required, as opposed to full time employment.

- Project investigation costs increased in Q1 2018 compared to Q1 2017 as a result of the projects engaged in, and under review in Angola and Botswana.

- The reduction in raw materials and engineering cost is consistent with the reduction in turnover from coal processing due to lower tonnages processed Q1 2018 compared to Q1 2017, that in turn, is linked to the closure of Springlake in Q2 2017.

- The Share based payments expense for Q1 2018 takes into account the accounting expense linked to vesting based on previous issuances. No new share options were issued in Q1 2018.

Exploration and Evaluation Expenditures

The following is a breakdown of the exploration and evaluation expenditures for the Oena Project Q1 2018 and Q1 2017:

		November 30, 2017		**November 30, 2016**
Exploration expenditures:				
Project staff salaries, benefits and consulting	$	13,514	$	8,147
Travel expenses		8,314		14,635
Supplies Expense		22,539		8,909
Exploration and evaluation expenditures	**$**	**44,366**	**$**	**31,691**

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 November 30, 2017, the Company had a working capital deficiency of $1,161,138 compared to a working capital deficiency of $1,667,745 as at the year ended August 31, 2017. The biggest contributor to the strengthening working capital position relates to the increase in the value of the derivative liability linked to the $510,500 (US$400,000) convertible note issued that has been classified as equity.

As at November 30, 2017, the Company had total assets of $4,244,323 (August 31, 2017 - $2,775,698) including cash and cash equivalents of $1,140,985 (August 31, 2017 - $641,527). The increase in cash was due to the issuance of a $510,500 (US$400,000) convertible note, offset by meeting the continuous operational expenses for its properties, management fees and other corporate expenses in Canada. Refer to the cash flow statement in the accompanying unaudited condensed consolidated financial statements.

The total liabilities of the Company as at November 30, 2017 was $4,816,174 (August 31, 2017 $4,590,268). The increase of total liabilities was due to the increase in the value of the derivative liability as well as a financial liability recognized in African Star Minerals (Pty) Ltd related to a funding arrangement. Refer to Note 16 in the accompanying quarterly financial statements.

Recent Activity

On September 11, 2017, the Company announced that it had signed a three-year renewable Services Agreement for Mining and Marketing of Diamonds with Txapemba Canguba R.L ("Txapemba") which is a Cooperativa Exploração Semi-Industrial de Diamantes located in the Municipality of Cambulo, Province of Lunda Norte, Republic of Angola. Txapemba was granted an 84-square kilometer ("km") concession for the semi-industrial exploitation of diamonds within the Luembe River basin in an area that was a past alluvial diamond producer and well known for both alluvial and kimberlite diamonds (the "Property").

Tango will be responsible for capital expenditures associated with alluvial mine design and equipment acquisition and will be the sole operator. As remuneration, Tango will receive 60% of the proceeds from the sale of produced stones. All of Tango's operational costs are deductible.

During October 2017, the Company entered into a Contract Mining and Diamond Recovery Agreement with Bluedust 7 Proprietary Limited ("Bluedust") at Oena Diamond Mine ("Oena"). The agreement consists of two parts, one being for the processing of virgin material and the other for the processing of existing mine and bantam tailings. The agreement made provision for a two-month test period up to end of December 2017 which was extended to end of February 2018. Bluedust has mobilized and commissioned mining and processing equipment, including a Bourevestnik X-ray sorter ("BVX"), to Oena. For more information refer to the Company website.

The Company issued a C$510,500 (US$400,000) one-year unsecured convertible note (the "Unsecured Note") bearing interest at a rate of 3% per annum. The Company has the option on or before the maturity date to convert, at its sole discretion, all or a portion of the Unsecured Note into units of Tango, with each unit consisting of one common share at a price of C$0.05 per share and one share purchase warrant, exercisable for two years, to purchase one additional share at C$0.10 per share.

Transactions with Related Parties

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

		November 30, 2017	November 30, 2016
Management fees (included in Management and consulting and Employee benefits expense)	$	264,403	160,873
Consulting fees (included in Management and consulting)		9,000	9,000
Office rental included in office and general		14,702	12,518
Relates party supplies included in raw materials and engineering cost		158,974	155,483
Share based payments		36,515	8,864
Total	**$**	**483,594**	**346,738**

As at November 30, 2017 $1,143,885 (August 31, 2017 - $1,220,259) is owed to the CFO, CEO and certain directors and insiders of the Company. Amounts owing are non-interest bearing, unsecured and due on demand. See subsequent events note for conversion of amounts owing to related parties as part of shares for debt settlement agreements.

All transactions with related parties were in the normal course of operations and are recorded at the exchange amount as agreed to by the parties involved.

Subsequent Events

During December 2017, the Company received TSX.V approval to issue 17,895,380 common shares in its capital stock at a price of $0.05 per share to settle indebtedness in the aggregate of $894,769. Of this, 16,334,720 shares relate to accrued and overdue management fees to directors, officers and senior management.

Tango announced on December 13, 2017 that it had retained Lakeshore Securities Inc. of Toronto, Ontario to provide market-making services. The market-making services will be undertaken by Lakeshore in compliance with the guidelines of the TSX Venture Exchange.

On December 21, 2017, the Company announced that it will acquire a 75% unencumbered interest in an alluvial diamond property in Botswana called the Middlepits Project from Metswedi Mining (Pty) Ltd. Tango will be responsible for all further exploration and development expenditures on the Property upon closing.

.