TANGO MINING LIMITED

Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

For the three and six months ended

February 28, 2015 and 2014

(Unaudited)

NOTICE TO READER

Responsibility for Financial Statements:
The accompanying unaudited condensed consolidated interim financial statements of Tango Mining Limited for the three and six months ended February 28, 2015 and 2014 have been prepared by management in accordance with International Financial Reporting Standards applicable to interim financial statements (see note 3 to the unaudited condensed consolidated interim financial statements). Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited financial statements, management is satisfied that these unaudited condensed consolidated interim financial statements have been fairly presented.

Auditors Involvement:
The external auditors of Tango Mining Limited have not audited or performed a review of the unaudited condensed consolidated interim financial statements for the three and six months periods ended February 28, 2015 and 2014.

TANGO MINING LIMITED

MANAGEMENT'S RESPONSIBILITY FOR QUARTERLY FINANCIAL REPORTING

The accompanying unaudited condensed consolidated interim financial statements of Tango Mining Limited, are the responsibility of the management and Board of Directors of the Company.

The unaudited condensed consolidated interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed consolidated interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed consolidated interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited condensed consolidated interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed consolidated interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed consolidated interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Marco Möller"
Chief Executive Officer

TANGO MINING LIMITED (formerly Tango Gold Mines Incorporated)
Condensed Consolidated Interim Statement of Financial Position (unaudited)
(Expressed in Canadian Dollars)

As at,		February 28, 2015		August 31, 2014
ASSETS				
Non-current assets				
Investments	$	857,500	$	-
Goodwill		1,470,095		-
Property, plant and equipment (*Note 10*)		1,792,642		20,759
		4,120,237		20,759
Current Assets				
Inventories		317,939		-
Other receivables (*Note 19*)		1,261,063		61,878
Prepaid expenses (*Note 14*)		6,669		1,223
Cash and cash equivalents		925,678		924,602
		2,511,349		987,703
TOTAL ASSETS	$	6,631,586	$	1,008,462
LIABILITIES AND EQUITY				
Shareholders' Equity				
Share capital (*Note 11*)	$	13,322,794	$	10,986,212
Shares to be issued (*Note 11*)		125,000		-
Reserve for warrants		297,590		297,590
Reserve for share based payments		2,010,133		1,927,947
Reserve for foreign exchange losses		(57,581)		44,334
Non-controlling interests		400,401		-
Accumulated deficit		(13,047,903)		(12,496,153)
		3,050,434		759,930
Non-Current Liabilities				
Long term loans		24,471		-
Current Liabilities				
Trade and other payables (*Note 20*)		1,563,515		200,084
Tax Provision		570,826		-
Promissory notes payable (*Note 11*)		25,000		25,000
Due to related parties (*Note 16*)		1,397,340		23,448
		3,556,681		248,532
TOTAL LIABILITIES AND EQUITY	$	6,631,586	$	1,008,462

Approved by the Board

Signed:

"Marco Möller"
Chief Executive Officer

Signed:

"Kalyan Paul"
Chief Financial Officer

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

TANGO MINING LIMITED (formerly Tango Gold Mines Incorporated)
Condensed Consolidated Interim Statements of Income and Comprehensive Income (unaudited)
(Expressed in Canadian Dollars)

	Three months ended February 28, 2015	Three months ended February 28, 2014	Six months ended February 28, 2015	Six months ended February 28, 2014
Revenues	$ 3,463,003	$ -	$ 6,841,369	$ -
Other operating expenses				
Raw material and engineering cost	(919,577)	-	(2,213,470)	-
Employee benefits expense	(1,919,824)	-	(3,823,391)	-
Professional fees	(15,791)	(35,421)	(34,845)	(49,244)
Management and consulting (*Note 16*)	(278,949)	(113,000)	(503,922)	(232,602)
Travel and promotion	(26,834)	(21,272)	(36,636)	(78,311)
Exploration and evaluation expenses *(Note 17)*	(5,097)	9,305	(19,818)	(99,835)
Office and general	(25,349)	(18,738)	(62,270)	(157,073)
Shareholder information	(6,659)	(18,742)	(37,209)	(25,721)
	264,923	(197,868)	109,808	(642,786)
Amortization	(48,967)	(7,084)	(104,975)	(11,048)
Share based payments (*Note 12*)	(26,316)	(55,699)	(82,186)	(163,303)
Foreign exchange loss	(3,233)	2,836	(7,107)	(16,217)
Operating profit/(loss)	186,407	(257,815)	(84,460)	(833,354)
Finance revenue	(1,363)	36	8,620	-
Finance cost	(110)	-	(110)	(10,084)
Profit/ (loss) before income tax	184,934	(257,779)	(75,950)	(843,438)
Income tax expense	(194,130)	-	(194,130)	-
Profit for the year	(9,196)	(257,779)	(270,080)	(843,438)
Total income /(loss) attributable to:				
Shareholders of the company	(233,702)	(257,779)	(551,750)	(843,438)
Non-controlling interests	224,506	-	281,670	-
	(9,196)	(257,779)	(270,080)	(843,438)
Other comprehensive income				
	-	-	-	-
Total comprehensive income for the period	(9,196)	(257,779)	(270,080)	(843,438)
Basic and fully diluted loss per common share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)
Weighted average number of shares outstanding	111,326,552	98,452,188	148,800,588	92,153,845

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

TANGO MINING LIMITED (formerly Tango Gold Mines Incorporated)
Condensed Consolidated Interim Statement of Changes in Equity (unaudited)
(Expressed in Canadian Dollars)

	Share Capital		Reserves						
	Number of shares	Amount	Share based payments	Warrants	Foreign Exchange	Subscriptions	Non-controlling Interests	Deficit	Total
Balance, August 31, 2013	**79 452 188**	**$ 10 053 667**	**$ 1 705 750**	**$ 297 590**	**$ 42 070**	**$ 130 000**	**$ -**	**$ (11 139 992)**	**$ 1 089 085**
Share based payments	-	-	163 303	-	-	-	-	-	163 303
Shares issued, net of cost (*Note 11*)	19 000 000	932 545	-	-	-	-	-	-	932 545
Share subscriptions	-	-	-	-	-	(130 000)	-	-	(130 000)
Currency translation adjustment	-	-	-	-	9 570	-	-	-	9 570
Net loss for the period	-	-	-	-	-	-	-	(843 438)	(843 438)
Balance, February 28, 2014	**98 452 188**	**$ 10 986 212**	**$ 1 869 053**	**$ 297 590**	**$ 51 640**	**$ -**	**$ -**	**$ (11 983 430)**	**$ 1 221 065**
Share based payments	-	-	58 894	-	-	-	-	-	58 894
Currency translation adjustment	-	-	-	-	(7 306)	-	-	-	(7 306)
Net loss for the period	-	-	-	-	-	-	-	(512 723)	(512 723)
Balance, August 31, 2014	**98 452 188**	**$ 10 986 212**	**$ 1 927 947**	**$ 297 590**	**$ 44 334**	**$ -**	**$ -**	**$ (12 496 153)**	**$ 759 930**
Issued on acquisition of African Star Companies (*Note 11*)	49 000 000	2 450 000	-	-	-	-	-	-	2 450 000
Issued to Finders on acquisition of African Star companies (*Note 11*)	1 474 522	(113 418)	-	-	-	-	-	-	(113 418)
Issued to an insider on successful acquisition of ASM (*Note 11*)	500 000	-	-	-	-	-	-	-	-
Share subscription through private placement (*Note 11)*	-	-	-	-	-	125 000	-	-	125 000
Capital reserve	-	-	-	-	-	-	-	-	-
Share based payments	-	-	82 186	-	-	-	-	-	82 186
Currency translation adjustment	-	-	-	-	(101 915)	-	-	-	(101 915)
Non-controlling interests	-	-	-	-	-	-	400 401	-	400 401
Net loss for the year	-	-	-	-	-	-	-	(551 750)	(551 750)
Balance, February 28, 2015	**149 426 710**	**$ 13 322 794**	**$ 2 010 133**	**$ 297 590**	**$ (57 581)**	**$ 125 000**	**$ 400 401**	**$ (13 047 903)**	**$ 3 050 434**

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

TANGO MINING LIMITED (formerly Tango Gold Mines Incorporated)
Condensed Consolidated Interim Statements of Cash Flows (unaudited)
(Expressed in Canadian Dollars)

Six months period ended February 28,	2015	2014
Operating Activities		
Loss before tax	$ (75,950)	$ (843,438)
Adjustments to reconcile loss before tax to net cash flows:		
Tax provision	(194,130)	-
Share based payments (*Note 12*)	82,186	163,303
Amortization	104,975	11,048
Loss on disposal of assets	4,277	-
Operational cash cost	(78,642)	(669,087)
Movements in non-cash reserves:		
Movement in foreign exchange reserve	(101,915)	9,570
Minorities portion of opening retained income	118,730	-
Net change in working capital items:		
Inventories	(317,939)	-
Accounts receivables and advances	(1,199,185)	(39,254)
Prepaid expenses	(5,446)	23,848
Accounts payable and accrued liabilities	1,934,257	(129,163)
Due to related parties	1,373,893	42,741
Cash flow generated in operating activities	1,723,753	(761,345)
Financing Activities		
Capital raised through private placement	2,336,582	932,545
Share subscription received	125,000	(130,000)
Promissory note repaid	-	(145,000)
Long term liabilities recognized	24,471	-
Cash flow provided from financing activities	2,486,053	657,545
Investing Activities		
Increase in property, plant and equipment	(1,881,134)	-
Investment in ASM net of assets	(2,327,596)	-
Cash flow used in investing activities	(4,208,730)	-
Net increase in cash and cash equivalents	1,076	(103,800)
Cash and cash equivalents, beginning of the period	924,602	1,467,081
Cash and cash equivalents, end of the period	$ 925,678	$ 1,363,281

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

1. CORPORATE INFORMATION

Tango Mining Limited ("the Company" formerly known as Tango Gold Mines Incorporated) was incorporated under the British Columbia Business Corporations Act on April 10, 2007. The Company is engaged principally in the acquisition, exploration and development of mineral properties and has a number of operation service contracts in South Africa. On April 13, 2007, the Company acquired all of the issued and outstanding common shares of F.D.G. Mining Inc. ("FDG Nevada") a company incorporated under the laws of the State of Nevada on April 20, 2006 from a director of the Company. As a result of this transaction, the entity is considered to be a continuation of FDG Nevada. The Company is listed on the TSX Venture Exchange, having the symbol TGV, and is in the process of exploring its mineral properties.

The address of the Company's corporate office is 5626 Larch Street, Suite 202, Vancouver, British Columbia, V6M 4E1, Canada.

2. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which presumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations in the foreseeable future. Realization values may be substantially different from carrying values as shown and these unaudited condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

As at February 28, 2015 the Company has not yet determined whether its certain mineral properties contain reserves that are economically recoverable. The recoverability of amounts spent on mineral property acquisition and exploration is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral property in accordance with industry practice, the ability of the Company to obtain necessary financing to complete development of its mineral property and upon future profitable production.

At February 28, 2015, the Company has accumulated losses of $13,047,903 since inception. The Company is generating profits from its thermal coal, metallurgical and mining projects in South Africa, however expects to incur further losses in the development of its business for gold and diamonds. The Company may require additional financing in order to conduct its planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly these unaudited condensed consolidated interim financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these unaudited condensed consolidated interim financial statements.

3. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

3.1 Statement of compliance

These unaudited condensed consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited interim condensed consolidated financial statements were authorized by the Board of Directors of the Company on April 29, 2015.

3.2 Basis of presentation

These unaudited condensed consolidated interim financial statements have been prepared on the basis of same accounting policies, methods of computation and presentation followed in its preparation with those applied in the Company's August 31, 2014 annual financial statements.

3.3 Principles of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned (100%) subsidiaries, F.D.G Mining S.A., Incasur S.A., Corlasur S.A., Tango Gold S.A. and partially-owned 51% interest in South African subsidiaries, 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").

The results of each subsidiary will continue to be included in the unaudited condensed consolidated interim financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Intercompany balances and transactions, including unrealized gains and losses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Foreign Currency Transactions

The functional currency of Tango Mining Limited, the parent, is the Canadian Dollar; the Nicaragua subsidiaries are Nicaraguan Cordoba Oro ("NIO") and the South African subsidiaries are South African Rand ("ZAR") (collectively "the Functional Currency"). The Presentation currency of the unaudited condensed consolidated interim financial statements is the Canadian Dollar. Foreign currency accounts are translated into the Presentation Currency as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the Functional Currency by the use of the exchange rate in effect at that date. At the period end date, unsettled monetary assets and liabilities are translated into the Functional Currency by using the exchange rate in effect at the period end and the related translation differences are recognized in the Company's profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Standards and amendments effective in the current year

The IASB issued new standards and amendments effective for, and adopted in the current year. The adoption of the following accounting policies had no impact on the Company's financial statements:

IFRS 13 *Fair Value Measurement* aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP. The application of this IFRS did not have a material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

4.3 Standards issued but not yet effective

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 2 – 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 share based payment transactions for which the grant date is on or after July 1, 2014. The Corporation is in the process of determining the impact of the amendment of IFRS 2 on its condensed consolidated interim financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

There are no initial estimates, which significantly impact these financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed consolidated interim financial statements within the next financial year are discussed below:

Judgments:

5.1 Title to mineral property interests

Although the Company takes steps to verify title to mineral properties in which it has an interest, these procedures do no guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

5.2 Functional Currency

The functional currency for the Company and the Company's active subsidiaries are the currency of the primary economic environment in which the entity operates. The Company has determined that the functional currency of the parent is the CAD and the functional currencies of the subsidiaries are the Nicaraguan Cordoba (NIO) and South African Rand (ZAR). Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

6. ACQUISITION OF AFRICAN STAR MINERALS GROUP

On September 30, 2014, the Company acquired a 51% interest in four private South African 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:

- holds a 100% interest in the Oena Diamond Project ("Oena"), a past producing alluvial diamond property covering 8,800 hectares located in the Northern Cape Province, South Africa;
- and has four thermal coal, metallurgical and processing plant and engineering contracts ("Operations Service Contracts") that process 6.5 million tonnes per annum (19.5 million tonnes are contracted over next 3 years), with clientele that include Total (SA) and Glencor. The four projects are located within the Ogies and Highveld coalfields, Mpumalanga Province and Kliprivier coalfield, KwaZulu-Natal Province.

In consideration for the interest in ASM, Tango Mining issued 49,000,000 common shares ("Payment Shares"), that are subject to a four month regulatory hold period that expired on February 17, 2015 and escrow restrictions over a 30 month period. Contemporaneously, 17,150,000 of the Payment Shares are held in escrow pending receipt of applicable approvals required under South African legislation.

In accordance with IFRS 3, Business Combinations, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that are capable of being conducted and managed to provide a return for investors.

(Expressed in Canadian Dollars)

6. ACQUISITION OF AFRICAN STAR MINERALS GROUP (continued)

The purchase price allocation is as follows:

Equipment (net)	$	136,978	
Trade receivables		519,534	
Cash		326,479	
Trade payables		(405,658)	
Accrued liabilities		(454,928)	
Mineral properties		857,500	*
Goodwill		1,470,095	
	$	**2,450,000**	

Value of common shares issued on acquisition	$	1,960,000
Capital reserve		490,000
	$	**2,450,000**

* Mineral properties pertaining to Oena Mine is included in the purchase price allocation, however African Star Minerals (Pty) Ltd has not been consolidated into the consolidated financial results as approval from the Ministry in South Africa was still pending. Subsequent to the reporting period approval from the Ministry in South Africa was approved effective April 24, 2015.

7. CAPITAL RISK MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its shareholders' equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the six months period ended February 28, 2014.

The Company considers its capital to be shareholders' equity, which is comprised of capital stock, reserves, and deficit, which as at February 28, 2015 totaled $3,050,434 (August 31, 2014 - $759,930). There are no external restrictions on the Company's capital.

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the identification and development of precious metals deposits.

7. CAPITAL RISK MANAGEMENT (continued)

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company invests all capital that is surplus to its immediate operational needs in short term, liquid and highly rated financial instruments, such as cash, and short term guarantee deposits, all held with major Canadian financial institutions.

8. FINANCIAL INSTRUMENTS

Fair Value

Cash and cash equivalents and other receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair value. Trade and other payables, promissory notes payable, and due to related parties are classified for accounting purposes as other financial liabilities, which are measured at amortized cost, which also equals fair value. Fair value of other receivables (excluding tax recoverable) and trade and other payables, promissory notes payable, and amounts due to related parties are determined from transaction values, which were derived from observable market inputs. As at February 28, 2015, all financial instruments measured at fair value are considered level 1.

The carrying amount of cash and cash equivalents, other receivables, trade and other payables and promissory notes payables and due to related parties approximate fair value due to the relatively short term maturity of these financial instruments. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exists.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group trades only with recognised creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures, which include an assessment of credit rating, short-term liquidity and financial position. The Group obtains sufficient collateral (where appropriate) from customers as a means of mitigating the risk of financial loss from defaults. In addition, receivable balances are monitored on an ongoing basis, with the result that the Group’s exposure to bad debts is not significant.

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 February 28, 2015, the Company had current assets of $2,511,349 (August 31, 2014 - $987,703) to settle current liabilities (exclusive of amounts owing to related parties) of $2,159,341 (August 31, 2014 - $225,084) resulting in a working capital surplus of $352,008 (August 31, 2014 – $762,619). All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms.

8. FINANCIAL INSTRUMENTS (continued)

Market Risks

a) 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.

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.

9. MINERAL PROPERTIES & OPERATIONS SERVICE CONTRACTS

South Africa:

On September 30, 2014, the Company acquired a 51% interest in four private South African 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 have:

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

Coal – Metallurgical and Mining Projects

Tango has four thermal coal, metallurgical and processing plant and engineering Operations Service Contracts that process 6.5 million tonnes per annum (19.5 million tonnes are contracted over next 3 years), with clientele that include Total (SA) and Glencor. 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 plans in place to grow the business using the successful past 18 year business model, an established market presence and its proven successful operational reputation in the coal, base and precious metal and precious stone Southern African mining sector.

Oena

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. 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.

9. MINERAL PROPERTIES & OPERATIONS SERVICE CONTRACTS (continued)

On December 1, 2014, in conjunction with filing of a National Instrument (NI) 43-101 report (filed on SEDAR on December 1, 2014), a bulk-sampling program at Oena has commenced in Q2 2015 (December 2014 to February 2015). An infrastructure and operational readiness program of $618,000 was completed prior to Tango Mining's acquisition in October 2014.

The Company has invested a capital deposit to secure BVX equipment. On March 3, 2015 the company announced commencement of a bulk-sampling program at Oena. 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. Prestripping occurred in February and March 2015 and >30,000 tonnes was excavated. The BVX equipment was not commissioned in March 2015 as planned and has not arrived on site as of the date of this report due to banking and regulatory approval delays. Planned mobilization of the BVX equipment should occur during Q3 2015.

Nicaragua:

El Santo

The Company received an environmental permit in October 2014 which would allow it to carry out exploration on the property. The Company`s primarily focus in the short term is to develop its South African operations and has subsequently engaged possible interest from third parties to develop El Santo.

(Expressed in Canadian Dollars)

10. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment & Software	Furnishings	Vehicles	Construction in process	Equipment	Total
Cost						
As at August 31, 2013	**4,299**	**35,567**	**22,979**	**4,056**	**-**	**66,901**
Disposals	-	-	-	(4,056)	-	(4,056)
As at August 31, 2014	**4,299**	**35,567**	**22,979**	**-**	**-**	**62,845**
Additions	-	-	-	-	1,881,138	1,881,138
Disposal	-	(5,684)	-	-	-	(5,684)
As at February 28, 2015	**4,299**	**29,883**	**22,979**	**-**	**1,881,138**	**1,938,299**
Accumulated Amortization						
As at August 31, 2013	**4,299**	**13,166**	**6,941**	**-**	**-**	**24,406**
Additions	-	13,940	3,740	-	-	17,680
As at August 31, 2014	**4,299**	**27,106**	**10,681**	**-**		**42,086**
Additions	-	2,177	5,000	-	97,798	104,975
Removed on disposal	-	(1,403)	-	-	-	(1,403)
As at February 28, 2015	**4,299**	**27,880**	**15,681**	**-**	**97,798**	**145,658**
Net Book Value						
As at August 31, 2013	**-**	**22,401**	**16,038**	**4,056**	**-**	**42,495**
As at August 31, 2014	**-**	**8,461**	**12,298**	**-**	**-**	**20,759**
As at February 28, 2015	**-**	**2,003**	**7,298**	**-**	**1,783,340**	**1,792,641**

(Expressed in Canadian Dollars)

11. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

	Number of Shares		Stated Value
COMMON SHARES			
Balance, August 31, 2013	**79,452,188**	**$**	**10,053,667**
Shares issued for property	19,000,000		950,000
Shares issued for bonus shares for promissory note private placement	-		(17,455)
Balance, August 31, 2014	**98,452,188**		**10,986,212**
Issued on acquisition of African Star Minerals Group (ASM)	49,000,000		2,450,000
Finder's Fee (as was done above)			(113,418)
Issued to finders on acquisition of African Star Minerals Group	1,474,522		-
Issued to an insider on successful acquisition of ASM	500,000		-
Balance, February 28, 2015	**149,426,710**	**$**	**13,322,794**

On October 30, 2013 the Company issued 19,000,000 common shares at $0.05 for gross proceeds of $950,000 in connection with a private placement. Finder's fees in the amount of $17,455 have been recorded as owing in connection with the private placement.

On September 30, 2014 the Company issued 49,000,000 common shares at fair value to certain shareholders of African Star Companies in connection with the acquisition of 51% interests in African Star Companies. A finder's fees of $113,418 (USD$100,000) was paid in connection with the acquisition.

On October 16, 2014 the Company also issued 1,474,522 common shares (at a deemed price of CAD $0.05 per share) as consideration for consulting services rendered to an arm's length third party. These shares were restricted from trading until expiry of the regulatory hold period which was February 17, 2015.

On January 23, 2015, the Company issued 500,000 common shares at a deemed price of CAD$0.05 per share to a member of the management team in recognition of his efforts to successfully complete the Company's acquisition of ASM.

On February 26, 2015, the Company has received a share subscription for issuance of 2,500,000 units ("Units") at a price of $0.05 per Unit for gross proceeds of $125,000 (the "Financing") in connection with non-brokered private placement closed subsequent to the period ending February 28, 2015. Each Unit consisted of one common share (a "Share") and one transferable share purchase warrant (a "Warrant") to purchase an additional share at a price of $0.10 for a period of 24 months, expiring on March 2, 2017.

(Expressed in Canadian Dollars)

12. SHARE BASED PAYMENTS

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX). Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as a director or officer of the Company and, in the case of death, expire within one year thereafter. Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option. Stock options vest on grant date, except for certain investor relations consultants.

A summary of stock options issued and outstanding is as follows:

		February 28, 2015			August 31, 2014	
		Weighted Average Exercise Price	**Number of Options**		**Weighted Average Exercise Price**	**Number of Options**
Outstanding at beginning of period	$	0.08	8,100,000	$	0.13	7,325,000
Cancelled/forfeited					0.13	(1,725,000)
Cancelled					0.10	(1,151,000)
Cancelled					0.25	(699,000)
Granted					0.05	4,350,000
Granted		0.05	2,050,000			
Outstanding at end of the period	**$**	**0.07**	**10,150,000**	**$**	**0.08**	**8,100,000**
Exercisable at end of period	**$**	**0.08**	**9,466,667**	**$**	**0.10**	**4,587,500**

The following table provides additional information about outstanding stock options at February 28, 2015:

Exercise Price	**No. of Options Outstanding**	**Weighted Average Remaining Life (Years)**		**Weighted Average Exercise Price**	**No. of Options Currently Exercisable**		**Weighted Average Exercise Price – Exercisable Options**
$ 0.10	700,000				700,000		
$ 0.13	3,050,000				3,050,000		
$ 0.05	4,350,000				4,350,000		
$ 0.05	2,050,000				1,366,667		
$ 0.05 - $ 0.13	**10,150,000**	**3.93**	**$**	**0.07**	**9,466,667**	**$**	**0.08**

(Expressed in Canadian Dollars)

12. SHARE BASED PAYMENTS (continued)

Share based payments

The following table summarizes the weighted average assumptions used with the Black-Scholes valuation model for the determination of the share based payments for the stock options issued at the corresponding periods:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Risk-Free Interest Rate	Expected Life (Years)	Volatility Factor	Dividend Yield
April 3, 2013	April 3, 2018	$0.14	$0.13	1.26%	5	155%	Nil
August 7, 2013	August 7, 2018	$0.10	$0.13	1.77%	5	160%	Nil
February 21, 2014	February 21, 2019	$0.04	$0.05	1.69%	5	159.93%	Nil
October 27, 2014	October 27, 2019	$0.035	$0.05	1.50%	5	159.93%	Nil

On April 3, 2013 the Company granted 3,775,000 stock options to directors, officers, employees and consultants to purchase up to 3,775,000 common shares of the Company for a period of five years at an exercise price of $0.13 per share. The options vest 50% on the date of grant and 50% one year from the grant date. For the year ended August 31, 2014, the Company recorded a charge of $112,230 (2013 - $343,923) in stock-based compensation. A weighted average fair value of $0.09 per share on the stock options granted was estimated using the Black-Scholes option pricing model with the assumptions listed in the table above.

On August 7, 2013 the Company granted 1,000,000 stock options to an officer to purchase up to 1,000,000 common shares of the Company for a period of five years at an exercise price of $0.13 per share. The options vest 50% on the date of grant and 50% one year from the grant date. For the year ended August 31, 2013, the Company recorded a charge of $57,575 in stock-based compensation. For the year ended August 31, 2014, the Company recorded a recovery of $12,086 for prior year's stock based compensation recognized related to unvested forfeitures. A weighted average fair value of $0.06 per share on the stock options granted was estimated using the Black-Scholes option pricing model with the assumptions listed in the table above.

On February 21, 2014 the Company granted 4,350,000 stock options to directors, officers and employees to purchase up to 4,350,000 common shares of the Company for a period of five years at an exercise price of $0.05 per share. The options vest 50% on the date of grant and 50% within 365 days from the grant date. For the year ended August 31, 2014, the Company recorded a charge of $122,053 in stock-based compensation. A weighted average fair value of $0.0368 per share on the stock options granted was estimated using the Black-Scholes option pricing model with the assumptions listed in the table above.

On October 27, 2014 the Company granted 2,050,000 stock options to directors, officers and employees to purchase up to 2,050,000 common shares of the Company for a period of five years at an exercise price of $0.05 per share. The options vest 50% on the date of grant and 50% within 365 days from the grant date. For the six months ended February 28, 2015, the Company recorded a charge of $43,990 in stock-based compensation. A weighted average fair value of $0.032 per share on the stock options granted was estimated using the Black-Scholes option pricing model with the assumptions listed in the table above.

Total expenses arising from share-based payment transactions recognized during the three and six months ended February 28, 2015 as part of stock-based compensation were $26,316 and $82,186 (2014 - $55,699 and $163,303).

(Expressed in Canadian Dollars)

13. WARRANTS

	February 28, 2015			August 31, 2014		
		Weighted Average Exercise Price	**Number of Warrants**		**Weighted Average Exercise Price**	**Number of Warrants**
Outstanding at beginning of year	$	0.12	32,994,000	$	0.12	32,994,000
Expired during the period		-	(32,994,000)		-	-
Outstanding at end of the period	**$**	**-**	**-**	**$**	**0.12**	**32,994,000**

The following table summarizes the weighted average assumptions used with the Black-Scholes valuation model for the determination of the fair market value of the warrants issued at the corresponding periods:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Risk-Free Interest Rate	Expected Life (Years)	Volatility Factor	Dividend Yield
21-Mar-13	21-Mar-15	$0.16	$0.12	0.98%	2	141%	Nil
22-Mar-13	22-Mar-15	$0.15	$0.12	0.99%	2	141%	Nil

Exercise price	Issue date	Expiry date	Balance August 31, 2014	Expired	Exercised	Balance February 28, 2015
$ 0.12	March 21, 2013	March 21, 2015	26,000,000	26,000,000	-	-
$ 0.12	March 22, 2013	March 22, 2015	6,994,000	6,994,000	-	-
Total			**32,994,000**	**32,994,000**	**-**	**-**

14. PREPAID EXPENSES

	February 28, 2015		August 31, 2014	
Prepaid insurance	$	5,431	$	-
Other		1,238		1,223
Total prepaid expenses	**$**	**6,669**	**$**	**1,223**

(Expressed in Canadian Dollars)

15. SEGMENTED INFORMATION

The Company has two reportable operating segments, being the acquisition and exploration of mineral properties. Geographic information comprising property, plant and equipment is as follows:

FEBRUARY 2015		**RSA**	**CAD**	**NIC**	**Total**
GEOGRAPIC SEGMENTS					
Non-current assets	$	4,110,937	-	9,300	4,120,237
Current assets		2,238,377	264,902	8,070	2,511,349
Shareholders' equity		3,135,534	81,659	(166,759)	3,050,434
Non-current liabilities		24,471	-	-	24,471
Current liabilities		3,189,309	183,243	184,129	3,556,681
Revenue		6,841,369	-	-	6,841,369
Operating profit / (loss)		693,400	(717,235)	(60,625)	(84,460)
Profit before tax		693,287	(708,612)	(60,625)	(75,950)
Profit for the year		499,157	(708,612)	(60,625)	(270,080)

AUGUST 2014		**CAD**	**NIC**	**Total**
GEOGRAPIC SEGMENTS				
Non-current assets	$	-	20,759	20,759
Current assets		977,010	10,693	987,703
Shareholders' equity		837,884	(77,954)	759,930
Non-current liabilities		-	-	-
Current liabilities		139,126	109,406	248,532

FEBRUARY 2014 ***(Six months)***		**CAD**	**NIC**	**Total**
GEOGRAPIC SEGMENTS				
Revenue	$	-	-	-
Operating profit / (loss)		(617,960)	(225,478)	(843,438)
Profit before tax		(617,960)	(225,478)	(843,438)
Profit for the year		(617,960)	(225,478)	(843,438)

(Expressed in Canadian Dollars)

16. RELATED PARTY TRANSACTIONS

Related party transactions are as follows:

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

	Three months ended February 28,		Six months ended February 28,	
	2015	2014	2015	2014
Transactions				
Management fees	$ 255,949	$ -	$ 442,326	$ -
Consulting fees	18,000	72,216	56,596	146,128
Directors' fees	5,000	-	5,000	-
Rent	-	5,531	-	10,739
	278,949	**77,747**	**503,992**	**156,867**

Balances due	February 28, 2015	August 31, 2014
Asset finance	1,281,054	-
Contract fees	43,041	-
Consulting fees	73,245	23,488
	1,397,340	**23,488**

During the three and six months period ended February 28, 2015, remuneration of $278,949 and $503,922 (February 28, 2014 - $77,747 and $156,867) were paid to chief executive officer, executive chairman, directors, companies with common officer and key management personnel as defined in IAS 24 – Related Parties. During the three and six months ended February 28, 2015 share-based payments of $26,316 and $82,186 (February 28, 2014 - $55,699 and $163,303) were granted to a former and current chief executive officer, current chief financial officer, current company secretary, current director and certain management employees.

As at February 28, 2015, $1,281,054 (August 31, 2014 - $23,448) is owed to current officers and certain management employees. Amounts owing are non-interest bearing, unsecured and due on demand. 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.

During the three and six months period ended February 28, 2015 the company obtained asset finance to the value of $1,281,054 and incurred contract fees to the value of $43,041 through related party entities.

(Expressed in Canadian Dollars)

17. EXPLORATION AND EVALUATION EXPENDITURES

The evaluation and exploration expenses for the Company are broken down as follows:

		February 28, 2015		August 31, 2014		Cumulative to date
Nicaragua and South Africa Properties						
Acquisition expenditures	**$**	-	$	-	$	517,582
Exploration expenditures:						
Project Staff Salaries and Benefits		-		67,763		1,835,004
Project management		-		12,049		689,001
Travel expenses		-		1,917		51,912
Laboratory Analysis Costs -Minerals Sampling		-		213		263,480
Supplies & Repairs		14,721		847		52,379
Authorizations, permits, licenses		5,097		11,327		311,829
Exploration and evaluation expenditures	**$**	19,818	$	94,116	$	3,721,187

18. COMMITMENTS

There are no ongoing commitments for the South African projects for six months ending February 28, 2015 and minimal on-going commitments on maintaining the El Santo mineral permit.

19. OTHER RECEIVABLES

		February 28, 2015		August 31, 2014
GST/HST receivables	$	2,749	$	52,955
Trade receivables		1,133,314		-
Other receivables		125,000		8,923
Total other receivables	**$**	**1,261,063**	**$**	**61,878**

20. TRADE AND OTHER PAYABLES

		February 28, 2015		August 31, 2014
Trade payables	$	1,368,284	$	159,525
Accruals		195,231		40,559
Total other receivables	**$**	**1,563,515**	**$**	**200,084**

21. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flows. During the six months ended February 28, 2015, and 2014, the following transactions were excluded from the consolidated statement of cash flows:

i) The Company issued 1,474,522 common shares at a deemed price of CAD$0.05 per share (2013 – Nil) valued at $Nil (2013 - Nil) as the finder's consulting fees.

ii) The Company issued 500,000 common shares at a deemed price of CAD$0.05 per share (2013 – Nil) valued at $Nil (2013 – Nil) to a member of the management team in recognition of his efforts to successfully complete the Company's acquisition of ASM.

22. SUBSEQUENT EVENTS

i) On March 3, 2015, the Company issued a total of 4,000,000 units ("Units") at a price of $0.05 per Unit for gross proceeds of $200,000 (the "Financing") in connection with non-brokered private placement. Each Unit consisted of one common share (a "Share") and one transferable share purchase warrant (a "Warrant") to purchase an additional share at a price of $0.10 for a period of 24 months, expiring on March 2, 2017. All securities issued in connection with the Financing are subject to a four month and one day hold period expiring on July 3, 2015.

ii) Subsequent to the six months period ended February 28, 2015, 26,000,000 warrants expired on March 21, 2015 and 6,994,000 expired on March 22, 2015.

iii) Ministerial approval for the transfer of shares in African Star Minerals (Pty) Ltd was granted effective April 24, 2015.