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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 July 30, 2018 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, 2018, 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 ("**IFRS**") 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 $1,015,627 for the nine months ended May 31, 2018 ("**Q3 2018**") and a net loss of $311,709 for the three months ended May 31, 2018, compared to 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. The loss increased when comparing Q3 2018 against Q3 2017 due to an increase in management fees and valuation type adjustments that are discussed in more detail below. The loss for the three month period ended May 31, 2017 is lower compared to the comparative three-month period in 2018 due to relatively small movements on all of the reporting line items. These movements are discussed in more detail below.

Operating Expense Summary

	Three months ended May 31,		Nine months ended May 31,	
	2018	2017	2018	2017
Revenues	$ 3,508,114	$ 3,118,677	$ 9,733,956	$ 10,037,699
Operating expenses				
Amortization	(5,571)	(500)	(15,772)	(14,681)
Amortization of service contracts	(5,369)	(17,430)	(15,216)	(50,297)
Employee benefits expense	(2,266,933)	(1,865,549)	(6,312,651)	(6,295,308)
Exploration and evaluation expenses	41,652	76,218	(1,379)	39,121
Foreign exchange (loss)/gain	(93,511)	2,227	76,393	206,583
Management and consulting	(293,461)	(212,922)	(856,828)	(610,266)
Office and general	(85,246)	(74,197)	(245,736)	(310,206)
Professional fees	(34,659)	(47,095)	(160,974)	(124,166)
Project investigation costs	(38,691)	(25,311)	(241,580)	(125,647)
Raw material and engineering cost	(991,572)	(1,106,662)	(2,713,433)	(3,036,076)
Share based payments	(1,107)	(57,526)	(74,550)	(219,021)
Shareholder information	(15,572)	(30,669)	(61,148)	(48,144)
Travel and promotion	(31,355)	(27,482)	(104,501)	(95,754)
	$ (3,821,395)	$ (3,386,899)	$ (10,727,375)	$ (10,683,863)

A summary of the material operational expense variances during Q3 2018 and Q3 2017 are as follows:

- Amortization on plant and equipment is marginal and will show a slight increase whenever new equipment is acquired.

- The amortization expense of service contracts for Q3 2018 decreased from Q3 2017, and also for the three months ended May 31, 2018 compared to the three months ended May 31, 2017 as a result of the impairment during the year ended August 31, 2017. The amortization is done on a straight-line basis over five years from date of acquisition.

- The expense for employee benefits remained static when comparing Q3 2018 to Q3 2017 but increased for the three months period ended May 31, 2018 compared to the three months ended May 31, 2017 due to the annual inflationary increases for waged and salaried employees.

- Exploration reports a net income position for all the reporting periods except for the nine months ended May 31, 2018. This is attributable to positive diamond recoveries at the Oena Diamond Mine

("Oena"), South Africa. The decrease in positive recoveries for both the three and nine months reporting periods is attributable to the timing related to changing the mining contractor from African Minerals Recovery Solutions (Pty) Ltd ("AMRS"), which operated from December 2016 to August 2017, and Bluedust 7 (Pty) Ltd ("Bluedust") which commenced operations from December 2017 to date. The agreement with Bluedust allowed for a due diligence period to test various areas of Oena before commencing larger scale production. Bluedust were satisfied with the results of its due diligence program and plans to increase their mining and processing capabilities to increase production.

- The foreign exchange gain for Q3 2018 is lower than Q3 2017 mainly as a result of a foreign exchange loss recognised in the three months ended May 31, 2018. The foreign exchange gains and losses comprise both realized and unrealized components. Gains and losses will realize when a foreign denominated debt is derecognized or settled. Gains and losses will remain unrealized as long as the debt remains on the books. The timing of when settlement or derecognition occurs will impact whether a gain or loss becomes realized or remains unrealized. The group had an number of debt settlement transactions in multiple currencies.

- Management and consulting was higher for Q3 2018 compared to the same period in 2017 as well as for the three months periods ended May 31, 2018 and May 31, 2017 in line with approved increases in compensation packages and an additional staff complement.

- Office and general expenses for Q3 2018, are marginally down compared to Q3 2017 and slightly higher for the three months ended May 31, 2018 compared to May 31, 2017 due to the timing of when expenses are incurred.

- Professional fees for Q3 2018 are marginally higher compared to Q3 2017 and slightly lower for the three months ended May 31, 2018 compared to May 31, 2017. This expenditure relates to the use of professional consultants when their expertise is required, as opposed to full time employment, and will show modest fluctuations.

- Project investigation cost increased for the three and nine months ended May 31, 2018 compared to the same periods in 2017 mainly as a result of investigation of various opportunities in Angola as well as Botswana. More information on these projects can be found on the website of the Company under the "News" section.

- Raw materials and engineering cost show a decrease for both the three and nine months ended May 31, 2018 compared to the comparative periods in 2017, which is in line with the reduction in revenue related to the closure of the Springlake Colliery in February 2017.

- The expense for share based payments decreased for both the three and nine months ended May 31, 2018 since no new share options were awarded in the 2018 financial periods. The expense recorded relates to the manner in which IFRS require recognition over the period of vesting as opposed to the full expense on the date of granting and that is why Q3 2018 has a marginal expense related to share-based payments.

- Shareholder information costs were higher in the three and nine-month periods ended May 31, 2018 compared to the comparative periods in 2017 due to the increased operational and financing activity during Q3 2018 compared to Q3 2017, all of which required announcement and reporting.

- Costs associated with travel and promotion increased marginally for both the three and nine months periods ended May 31, 2018 compared to the same periods in 2017 and is attributable to increased activity over all segments of the organization.

Exploration and Evaluation Expenditures

The following is a breakdown of the exploration and evaluation expenditures for Q3 2018 and Q3 2017:

	Oena Project Nine months			
		May 31, 2018		May 31, 2017
Project staff salaries, benefits and consulting	$	(63,526)	$	(25,849)
Travel expenses		(34,547)		(178,254)
Supplies Expense		(443,994)		(1,207,625)
Recoveries		540,688		1,450,849
Exploration and evaluation expenditures	**$**	**(1,379)**	**$**	**39,121**

	Oena Project Three months			
		Q3 2018		Q2 2017
Exploration expenditures:				
Project staff salaries, benefits and consulting	$	(28,218)	$	(11,029)
Travel expenses		(7,174)		(125,055)
Supplies Expense		(296,779)		(934,996)
Recoveries		373,824		(1,147,441)
Exploration and evaluation expenditures	**$**	**41,652**	**$**	**76,218**

Movements in the line items making up exploration costs for both the three and nine months ended May 31, 2018 relates to the project having a slightly larger staff compliment in 2018 compared to 2017 which is why there is an increase in staff cost. Travel cost is down compared to the previous period due to cost saving efforts. The expense for supplies is down in line with the recoveries line item, due to changing the mining and processing contractor from AMRS to Bluedust. The agreement with Bluedust allowed for a due diligence period to test various areas of Oena before commencing larger scale production. Bluedust were satisfied with the results of its due diligence program and plans to increase their mining and processing capabilities to increase production. For up to date information related to how the project is developing refer to the Company website.

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.

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, 2018 the Company had current assets of $3,068,038 (August 31, 2017 - $2,775,698) to settle current liabilities of $3,948,054 (August 31, 2017 - $4,443,441) resulting in working capital deficit of $880,016 (August 31, 2017 - $1,667,743). The Company intends to fund through loans or private placements. All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms.

Recent Activity

The nine-month period ended May 31, 2018 saw in increase of $2 million in share capital though shares for debt conversions and $700,000 new cash raised. The negative equity from August 31, 2017 of $776,342 turned around and the Company now reports a positive equity position amounting to $103,697. Debt settlement agreements were entered into with holders of the convertible notes that expired in December 2017, which will see the total debt of $679,879 as at May 31, 2018 being fully settled by June 2019. The Company acquired a diamond processing plant to the value of R2.2 million to increase production on the Oena and the mining permit related to the Oena was renewed for nine years.

Transactions with Related Parties

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

	Three months ended May 31, 2018	Three months ended May 31, 2017	Nine months ended May 31, 2018	Nine months ended May 31, 2017
Management fees *	$ 284,461	$ 203,922	$ 829,828	$ 583,266
Consulting fees *	9,000	9,000	27,000	27,000
Office rental	9,949	15,568	34,068	46,703
Related party supplies	193,140	199,580	527,433	598,739
Share based payments	$ 1,107	$ 57,526	$ 74,550	$ 219,021

*Included in the Management and consulting fees in the income statement

As at May 31, 2017, $924,483 (August 31, 2016 - $806,637) is owed to the CFO, Interim CEO and certain directors and officers of the Company. Amounts owing are non-interest bearing, unsecured and due on demand.

Subsequent Events

Tango terminated the market-making services of Lakeshore Securities Inc. as announced on December 13, 2017.

Tango announced on June 25, 2018 that it has acquired and mobilized a processing plant consisting of two sixteen-foot pans with a combined capacity of 120 tons per hour (the "Plant"), to Oena. The Plant, including a newly purchased 260 KVA diesel generator, will be used to process pan tailings and bantam material left on site from previous mining operations.

Tango announced on June 27, 2018 an update for the period of December 1, 2017 to May 31, 2018 on its three Operation and Maintenance of Coal Processing Plant agreements with Exxaro Coal Central Propriety Limited. The agreements for the Dorstfonein East, Dorstfonein West and Forzando coal mines are handled via Tango's South African subsidiary, Kwena Mining Projects (Pty) Ltd ("KMPL"). Actual total run of mine and discard tonnage processed for the three mines was 3,175,59 tonnes during the noted period vs the budget amount of 3,548,107 tonnes. KMPL proudly had no reportable health, safety and environmental incidents recorded on ECC mines for the six-month period and currently has 231 full time employees and 23 contract persons.

Tango announced on July 27, 2018 that it has sold a 42.26 carat diamond recovered from run of mine gravel ("ROM") at Oena. The diamond was sold on tender at the Kimberley Diamond Exchange for US$11,267 per carat. Diamond production from Oena, since acquisition, including production from both ROM material, as well as pan tailings and bantam material, now totals 2,019 carats. These diamonds have been sold at an average price of US$1,290 per carat and highlights the production history of Oena which is known to produce high quality and large sized diamonds.