Mongoose Mining Ltd.

Interim Financial Statements

For the three months ended June 30, 2019 and period from Incorporation January 16, 2019 to June 30, 2019
(In Canadian Dollars)

Mongoose Mining Ltd.
Interim Statement of Financial Position
As at June 30,
(amounts in Canadian dollars)

		2019
Assets		
Current Assets		
Cash	$	**199,401**
Accounts receivable		**2,091**
Prepaids and deposits		**3,836**
Deferred finance costs (note 4)		**32,500**
Total Current Assets		**237,828**
Exploration and evaluation asset (note 5)		**8,526**
Total Assets	**$**	**246,354**
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	**$**	**37,317**
Total Liabilities		**37,317**
Shareholders' Equity		
Share capital (note 6)		**300,000**
Deficit		**(90,963)**
Total equity		**209,037**
Total Liabilities and Equity	**$**	**246,354**

Nature of operations (note 1)
Subsequent events (note 10)
Commitments (note 6)

The accompanying notes are an integral part of these interim financial statements

Approved by the Board:

"Arif Shivji"
Director

"Kelly McDonald"
Director

Mongoose Mining Ltd.
Interim Statement of Loss and Comprehensive Loss
(amounts in Canadian dollars)

	Three months ended, June 30, 2019	Period from incorporation on January 16, 2019 to June 30, 2019
Expenses		
General and administrative	$ 35,902	$ 90,963
Total Expenses	(35,902)	**(90,963)**
Net loss and comprehensive loss	**$ (35,902)**	**$ (90,963)**
Weighted average number of common shares outstanding		
– basic & diluted	6,000,000	6,000,000
Loss per share		
– basic & diluted	$ (0.01)	$ (0.02)

The accompanying notes are an integral part of these interim financial statements

Mongoose Mining Ltd.
Interim Statement of Changes in Shareholders' Equity
For the period from incorporation on January 16, 2019 to June 30, 2019
(amounts in Canadian dollars)

	Share Capital	Deficit	Total Shareholders' Equity
Balance, January 16, 2019	$ -	$ -	$ -
Issuance of common shares (note 6)	300,000	-	300,000
Net loss	-	(90,963)	(90,963)
Balance, June 30, 2019	**$ 300,000**	**$ (90,963)**	**$ 209,037**

The accompanying notes are an integral part of these interim financial statements

Mongoose Mining Ltd.
Interim Statement of Cash Flows
(amounts in Canadian dollars)

	Three months ended, June 30, 2019	Period from incorporation on January 16, 2019 to June 30, 2019
Operating activities:		
Net and comprehensive loss	$ (35,902)	$ (90,963)
Changes in non-cash working capital:		
Accounts receivable	(1,136)	(2,091)
Prepaids and deposits	1,396	(3,836)
Accounts payable and accrued liabilities	8,641	37,317
Cash used in operating activities	**(27,001)**	**(59,573)**
Investing activities:		
Exploration and evaluation asset expenditures (note 5)	-	(8,526)
Cash used in investing activities	**-**	**(8,526)**
Financing activities:		
Proceeds from issuance of common shares (note 6)	-	300,000
Advances from related party (note 9)	-	12,500
Repayment of advances from related party (note 9)	-	(12,500)
Changes in non-cash working capital:		
Deferred finance costs (note 4)	3,675	(32,500)
Cash from financing activities	**3,675**	**267,500**
Net increase in cash	**(23,326)**	**199,401**
Cash, at beginning of period	222,727	-
Cash, end of period	**$ 199,401**	**$ 199,401**

The accompanying notes are an integral part of these interim financial statements

1. Nature of Operations

Mongoose Mining Ltd., (the "Company") was incorporated on January 16, 2019 under the laws of British Columbia. The Company's principal place of business is located at 215 Edward Street, Victoria, British Columbia, V9A 3E4.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As of June 30, 2019, the Company had not yet determined whether the Company's mineral property asset contains reserves that are economically recoverable.

2. Basis of presentation

Statement of Compliance

The interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). In effect as of March 16, 2019, these are the Company's first interim financial statements prepared under IFRS.

These financial statements were approved and authorized for issuance by the Board of Directors on August 21, 2019.

Basis of Measurement

The interim financial statements have been prepared on the historical cost basis except as otherwise allowed for in accordance with IFRS.

Functional and Presentation Currency

The interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

Significant Accounting Estimates and Judgements

The preparation of these interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

2. Basis of presentation and significant estimates and judgements (*continued)*

Significant Accounting Estimates and Judgements (*continued)*

Significant accounting estimates

(i) The assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;
(ii) The amounts recorded for current and deferred tax expense and deferred tax assets and liabilities are based on estimates as to the timing of the reversal of temporary differences, substantially enacted tax rates and the likelihood of tax assets being realized. The availability of tax pools and other deductions are subject to audit and interpretation by tax authorities; and

Significant accounting judgments

(i) The determination of categories of financial assets and financial liabilities; and
(ii) The evaluation of the Company's ability to continue as a going concern.

3. Significant Accounting Policies

The accounting policies set out below have been applied in these interim financial statements.

a) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

(i) Classification and measurement

The Company's non-derivative financial instruments are comprised of cash, accounts receivable and accounts payable and accrued liabilities. Non-derivative financial instruments are recognized initially at fair value except in the case of financial assets or liabilities measured at amortized cost which are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

(i) Classification and measurement (continued)

The Company has classified cash as fair value through profit or loss and these financial assets are measured at fair value with changes in fair value recognized in profit or loss.

The Company has classified accounts receivable and accounts payable and accrued liabilities as financial instruments measured at amortized cost. These assets and liabilities are measured at amortized cost at the settlement date using the effective interest method of amortization.

ii) Equity instruments

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

3. Significant Accounting Policies (*continued)*

iii) Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than debt instruments measured at fair value through profit or loss and equity investments. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for accounts receivable which do not contain a significant financing component. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts or requests to restructure payment schedules. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses, if any, are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset. Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

b) Fair value determination

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining the fair values is disclosed in the notes specific to that asset or liability.

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instruments:

- Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.
- Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement

The carrying value of cash, accounts receivable, prepaids expenses and deposits, deferred finance costs and accounts payable and accrued liabilities approximates its fair value due to their short-term to maturity.

<u>Exploration and evaluation assets</u>

The fair value less costs of disposal values used to determine the recoverable amounts of exploration and evaluation assets are classified as Level 3 fair value measurements as they are not based on observable market data.

3. Significant Accounting Policies (*continued)*

c) Foreign currency

Transactions in foreign currencies are translated to Canadian dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the period end exchange rate. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognized in profit or loss.

d) Cash

Cash includes amounts on deposit with banks.

e) Exploration and evaluation assets

The Company capitalizes the direct costs of acquiring and maintaining mineral property interests. Option payments are considered acquisition costs if the Company has the intention of exercising the underlying option. From time to time, the Company acquires and disposes of mineral property interests pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee, and accordingly, are recorded as mineral property costs (recoveries) when payments are made or received until the original cost is recovered and after which subsequent recoveries are charged to the statements of loss and comprehensive loss. Ownership in mineral property interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral properties.

The Company's exploration expenditures are charged to the statements of loss and comprehensive loss in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration and development expenditures are capitalized. Exploration expenditures may include salary costs of geologists, field employees and local management.

e) Exploration and evaluation assets (*continued)*

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

3. Significant Accounting Policies (*continued)*

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

f) Share-based payments

Stock options granted to directors, officers, employees and consultants of the Company are accounted for using the fair value method under which compensation or other equity costs are recorded based on the estimated fair value of stock options or other equity instruments granted using the Black-Scholes option pricing model. The Company measures share based payments to non-employees at the fair value of the goods or services received at the date of receipt of the goods or services. If the fair value of the goods or services cannot be measured reliably, the value of the options granted will be used, measured using the Black-Scholes option pricing model.

Under the fair value method, costs attributable to stock options granted are measured at fair value at the date of grant and expensed on a tranche-by-tranche basis over the vesting period, with a corresponding increase to contributed surplus. Upon exercise of the stock options, consideration paid by the holder together with the amount previously recognized in contributed surplus is recorded as an increase to share capital. The Company incorporates an estimated forfeiture rate at the date of grant and recognizes the effect of differences in non-vested stock option forfeitures in the period forfeiture occurs.

g) Earnings (loss) per share

Basic income (loss) per common share is computed by dividing the income (loss) by the weighted average number of common shares outstanding during the period. Diluted income (loss) per common share amounts are calculated by giving effect to the potential dilution that would occur if contracts to issue common shares were exercised, fully vested, or converted to common shares. The treasury stock method is used to determine the dilutive effect of dilutive instruments. The treasury stock method assumes that the proceeds received from the exercise price of in-the-money dilutive instruments are used to repurchase common shares.

h) Taxes

Tax expense comprises current and deferred tax. Tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income (loss).

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

3. Significant Accounting Policies (*continued)*

Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

i) Provisions

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

j) Issuance Costs

Issuance costs directly related to issuance of share capital are charged as a reduction against share capital. Costs incurred for shares not yet issued are recorded as deferred finance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to profit (loss) if the shares are not issued.

4. Deferred Finance Costs

The Company incurred certain share issue costs related to its initial public offering ("IPO") raise that is expected to close subsequent to the period end date, which is summarized below.

		Amount
Deferred finance costs incurred	$	36,175
Deferred finance costs expensed		(3,675)
Balance June 30, 2019	**$**	**32,500**

(amounts in Canadian dollars)

5. Exploration and Evaluation Asset

	Acquisition Costs	Exploration Costs	Total
Opening balance	$ -	$ -	$ -
Additions	8,526	-	8,526
Balance June 30, 2019	**$ 8,526**	**$ -**	**$ 8,526**

Chu Chua Gold Property

Pursuant to an option agreement (the "Agreement") dated January 25, 2019, the Company was granted an option to acquire a 100% undivided interest in the Chu Chua Gold Property located in the Kamloops Mining District of British Columbia.

In accordance with the Agreement, the Company has the option to acquire a 100% undivided interest in the Chu Chua Gold Property by issuing a total of 100,000 common shares of the Company to the optionors and making a payment of $7,500. The cash payment has been made and the common shares will be issued no later than 15 days after the Company's common shares are listed, posted and called for trading on the Canadian Securities Exchange ("CSE").

In accordance with the Agreement, the Company is required to spend a minimum of $25,000 in expenditures that will qualify for assessment work to be recorded against the Chu Chua Gold Property before September 30, 2019.

In order to exercise the option, the Company shall pay the optionor the aggregate sum of $557,500, which includes the $7,500 deposit and will be paid in instalments, issue 600,000 common shares and complete $625,000 in qualifying expenditures by the fourth anniversary of the initial public offering date ("Listing Date"), in accordance with the following schedule:

Date	**Shares**	**Cash Payments**	**Expenditures**
On signing	-	$ 7,500	-
Listing Date	100,000	-	-
September 1, 2019	-	-	$ 25,000
1st Anniversary of Listing Date	100,000	-	-
2nd Anniversary of Listing Date	100,000	$ 20,000	$ 100,000
3rd Anniversary of Listing Date	100,000	$ 30,000	$ 100,000
4th Anniversary of Listing Date	200,000	$ 500,000	$ 400,000
Total	**600,000**	**$ 557,500**	**$ 625,000**

The Company has the right to terminate the Agreement by giving thirty days' written notice of such termination.

The optionors retain a 2% Net Smelter Return royalty on the Chu Chua Gold Property. The Company has the right to purchase the first 1% of the royalty for $1,000,0000 at any time prior to the commencement of commercial production.

(amounts in Canadian dollars)

6. Share Capital

a) Authorized
Unlimited common shares

b) Issued

	Number	Stated Value
Issuance of common shares at $0.05 each (i)	6,000,000	$ 300,000
Balance, June 30, 2019	**6,000,000**	**$ 300,000**

(i) At incorporation, the Company issued 6,000,000 common shares at $0.05 per common share for total proceeds of $300,000.

Stock options

The Company has a common share purchase option plan (the "Plan") for directors, officers, employees and consultants. The total number of options issued and outstanding at any time cannot exceed 10% of the issued and outstanding common shares of the Company unless shareholder and regulatory approvals are obtained. Under the Plan, options may have up to a ten-year term and are non-transferable, however it is anticipated that options granted will likely have a five-year term. Unless otherwise determined by the Board of Directors, options vest immediately upon granting. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the CSE at the time of the grant. As at June 30, 2019, no options have been issued under the Plan.

7. Taxes

The amount for deferred tax in the interim financial statements results from applying the combined federal and provincial tax rates to the Company's income before taxes as follows:

	2019
Loss before taxes	$ (90,963)
Combined federal and provincial tax rates	27%
Expected tax recovery	(24,560)
Deferred tax benefits not recognized	(24,560)
Income tax recovery	**$ -**

As at June 30, 2019, the Company's unrecognized deductible temporary differences are as follows:

	2019
Non-capital loss carryforward	$ 90,963
Unrecognized deductible temporary difference	**$ 90,963**

The non-capital loss carryforward balance of $90,963 is available to reduce future years' income for tax purposes. Theses losses, if not fully utilized, will expire in 2039.

7. Taxes *(continued)*

The Company has not recognized a deferred tax asset as the Company has deemed it is not probable that the asset will be realized at this time. The Company will recognize a deferred tax asset when it is probable there will be sufficient taxable income in future periods to utilize the deferred tax assets.

8. Financial Risk Management Objectives and Policies

Capital Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern, in order to provide returns for the shareholders and benefits for other stakeholders. The Company does not have any externally imposed capital requirements to which it is subject. The Company includes shareholders' equity, comprised of issued common shares, in the definition of capital.

The Company's primary objective, with respect to its capital management, is to ensure that it has sufficient cash resources to fund sourcing and exploration of its resource property. Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is as follows:

	June 30, 2019
Cash	$ 199,401
Accounts receivable	2,091
Total	$ 201,492

Cash:

Cash consist of amounts on deposit with Canadian chartered banks and undeposited funds. The Company manages credit exposure of cash by selecting financial institutions with high credit ratings.

Market risk

Market risk is the risk that changes in market conditions, such as foreign exchange rates and interest rates, will affect the Company's cash flow, income or the value of its financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the Company's return. The Company's policies for managing foreign currency risk and interest rate risk are as follows:

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company does not sell or transact in any foreign currency.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The fair value of the interest rate risk on bank deposits is insignificant.

8. Financial Risk Management Objectives and Policies *(continued)*

Liquidity risk

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

The Company has cash of $199,401 with settle obligations of $37,317.

9. Related Party Transactions

During the period ended June 30, 2019, a director of the Company loaned the Company $12,500 to cover initial costs, which was a non-interest bearing loan without any fixed repayment terms. The loan was repaid by Company during the period.

10. Subsequent Events

Subsequent to June 30, 2019, the Company plans to raise $500,000 in connection with a planned IPO. The Company has entered into an agreement with Canaccord Genuity Corp. (the "Agent") with respect to the transaction. As part of the agreement, the Company will pay the Agent a 10% commission of gross proceeds and will grant options to acquire 10% of the common shares issued at an exercise price of $0.10 per common share, exercisable for up to twenty-four months from the date the Company's shares are listed on the Exchange ("Agent's Warrants"). In addition, the Company will pay a corporate finance fee of $25,000 (plus tax), Agent's legal fees, and other reasonable expenses to be incurred pursuant to the IPO. At June 30, 2019, the Company had paid a deposit of $32,500 which is included in deferred finance costs. The IPO is subject to regulatory approval.

The Company intends to grant a total of 1,110,000 stock options to officers and directors at the closing of the IPO. Each stock option, which expires five years from the date of grant, will be entitled to acquire a common share of the Company at an exercise price of $0.10 per share each.