

Mongoose Mining Ltd.

Management Discussion and Analysis

For the Period from Date of Incorporation January 16, 2019 to June 30, 2019
(In Canadian Dollars)

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The Management Discussion and Analysis ("MD&A"), prepared August 21, 2019 should be read in conjunction with the interim financial statements and notes thereto for the period ended June 30, 2019 and the notes of Mongoose Mining Ltd. ("Mongoose") which were prepared in accordance with International Financial Reporting Standards.

Description of Business

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 at June 30, 2019, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

Highlights

- Subsequent to June 30, 2019, the Company obtained a Free Miner Certificate which will enable the Company to stake additional lands. Furthermore, subsequent to June 30, 2019, the Company spent approximately \$27,000 on a field exploration and report preparation program for the Gold Property.

Chu Chua Gold Property Project

	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 (the "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 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

Mongoose Mining Ltd.

Management Discussion and Analysis

For the Period from Date of Incorporation January 16, 2019 to June 30, 2019

listed, posted and called for trading ("Listing Date") 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 Gold Property before September 30, 2019.

In order to exercise the option, the Company shall to pay the optionors 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 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
1 st Anniversary of Listing Date	100,000	-	-
2 nd Anniversary of Listing Date	100,000	\$ 20,000	\$ 100,000
3 rd Anniversary of Listing Date	100,000	\$ 30,000	\$ 100,000
4 th 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 Gold Property. The Company has the right to purchase the first 1% of the royalty for \$1,000,000 at any time prior to the commencement of commercial production.

Selected Annual Information

	June 30, 2019
Revenue	\$ 0
Net Loss	(\$ 90,963)
Basic and Diluted Loss Per Share	(\$ 0.02)
Total Assets	\$ 246,354
Long-Term Debt	\$ 0

Operations

During the period from the date of incorporation January 16, 2019 to June 30, 2019, the Company reported a net loss of \$90,963. Included in the determination of operating loss was \$42,100 on legal fees related to the incorporation of the Company and corporate matters, \$10,000 in audit fees, \$18,500 on professional fees relating to the 43-101 technical report the Company commissioned and \$13,500 on listing fees.

Mongoose Mining Ltd.**Management Discussion and Analysis****For the Period from Date of Incorporation January 16, 2019 to June 30, 2019**

Summary of Quarterly Results

	Three months ended June 30, 2019	January 16, 2019 to March 31, 2019
Revenue	\$ 0	\$ 0
Net Loss	(\$ 35,902)	(\$ 90,963)
Basic and Diluted Loss Per Share	(\$ 0.01)	(\$ 0.02)
Total Assets	\$ 273,615	\$ 273,615
Long-Term Debt	\$ 0	\$ 0

The Company was incorporated on January 16, 2019, therefore comparative quarterly results are not available.

Deferred Income Tax

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

Liquidity and Capital Resources

The Company's cash at June 30, 2019 was \$199,401. At June 30, 2019, the Company had positive working capital of \$200,511.

Share Capital

As at June 30, 2019 and the date of this MD&A, the Company had 6,000,000 common shares outstanding and no stock options outstanding.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Related Party Transactions

During the period ended June 30, 2019, Arif Shivji, 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.

Mongoose Mining Ltd.

Management Discussion and Analysis

For the Period from Date of Incorporation January 16, 2019 to June 30, 2019

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated 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.

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.

iii) Impairment

The Company assesses at each statement of financial position date, whether there is objective evidence that a financial asset, other than those designated as "fair value through profit or loss" is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The criteria used to determine if there is objective evidence of an impairment include but are not limited to:

- Significant financial difficulty of the obligor;

Mongoose Mining Ltd.

Management Discussion and Analysis

For the Period from Date of Incorporation January 16, 2019 to June 30, 2019

- Delinquencies in payments; and
- It becomes probable that the obligor will enter bankruptcy.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized costs the reversal is recognized in profit or loss.

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.

Exploration and evaluation assets

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.

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

Mongoose Mining Ltd.**Management Discussion and Analysis****For the Period from Date of Incorporation January 16, 2019 to June 30, 2019**

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, unrestricted amounts held in lawyers' trust accounts and other highly liquid short-term investments that are readily convertible to cash with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash.

e) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

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.

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

Mongoose Mining Ltd.

Management Discussion and Analysis

For the Period from Date of Incorporation January 16, 2019 to June 30, 2019

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.

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

Mongoose Mining Ltd.

Management Discussion and Analysis

For the Period from Date of Incorporation January 16, 2019 to June 30, 2019

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

Subsequent Events

Subsequent to June 30, 2019, the Company plans to raise \$500,000 in connection with a planned initial public offering ("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.

Mongoose Mining Ltd.

Management Discussion and Analysis

For the Period from Date of Incorporation January 16, 2019 to June 30, 2019

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.

Forward-Looking Statements

This document contains certain forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause them to differ materially from those stated, anticipated or implied. Such forward-looking statements necessarily involve risks including, without limitation, those associated with mining exploration, property development, production, marketing and transportation, such as loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, production declines, health, safety and environmental risks, competition from other producers and the ability to access sufficient capital from internal and external sources. Forward-looking information typically includes statements with words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “propose”, “project”, or similar words suggesting future outcomes. The Company cautions readers and prospective investors in the Company’s securities not to place undue reliance on forward-looking information as, by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Company.

Forward-looking information typically involves substantial known and unknown risks and uncertainties, certain of which are beyond the Company’s control. Such risks and uncertainties include, without limitation: financial risk of marketing reserves at an acceptable price given market conditions; volatility in market prices; delays in business operations; the risk of carrying out operations with minimal environmental impact; industry conditions including changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; uncertainties associated with estimating gold reserves; risks and uncertainties related to oil and gas interests and operations on aboriginal lands; economic risk of finding and producing reserves at a reasonable cost; uncertainties associated with partner plans and approvals; operational matters related to non-operated properties; increased competition for, among other things, capital, acquisitions of reserves and undeveloped lands; competition for and availability of qualified personnel or management; incorrect assessments of the value of acquisitions and exploration and development programs; unexpected geological, technical, drilling, construction, processing and transportation problems; availability of insurance; fluctuations in foreign exchange and interest rates; stock market volatility; general economic, market and business conditions; uncertainties associated with regulatory approvals; uncertainty of government policy changes; uncertainties associated with credit facilities and counterparty credit risk; changes in income tax laws; and other factors, many of which are outside the Company’s control. The Company’s actual results, performance or achievements could, therefore, differ materially from those expressed in, or implied by, these forward-looking estimates and whether or not any such actual results, performance or achievements transpire or occur, there can be no certainty as to what benefits or detriments the Company will derive therefrom.

The forward-looking information included herein is expressly qualified in its entirety by this cautionary statement. It is made as of the date hereof and the Company assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law.

Mongoose Mining Ltd.

Management Discussion and Analysis

For the Period from Date of Incorporation January 16, 2019 to June 30, 2019

Corporate Information**BOARD OF DIRECTORS****JOHN VAN DRIESUM**

Victoria, British Columbia

KELLY McDONALD

Calgary, Alberta

ARIF SHIVJI

Victoria, British Columbia

OFFICERS**JOHN VAN DRIESUM**

Chief Executive Officer

CHRIS ALLCHORNE

Chief Financial Officer

HEAD OFFICE215 Edward Street
Victoria, British Columbia
V9A 3E4**LEGAL COUNSEL**DLA Piper (Canada) LLP
Calgary, Alberta**AUDITORS**MNP
Calgary, Alberta**BANKERS**Scotiabank
Calgary, Alberta