



Condensed Interim Financial Statements

**For the three and six month periods ended June 30, 2020
(In Canadian Dollars)
(unaudited)**

The accompanying condensed Interim financial statements for Mongoose Mining Ltd. have been prepared by management in accordance with International Financial Reporting Standards. The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of Condensed Interim financial statements by an entity's auditor.

Mongoose Mining Ltd.
Condensed Interim Statement of Financial Position
(amounts in Canadian dollars)
(unaudited)

	June 30, 2020	December 31, 2019
Assets		
Current Assets		
Cash	\$ 350,376	\$ 380,918
Sales tax recoverable	1,069	5,904
Prepays and deposits	8,012	1,013
Total Current Assets	359,457	387,835
Exploration and evaluation asset (note 4)	44,380	44,380
Total Assets	\$ 403,837	\$ 432,215
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 4,055	\$ 15,369
Total Liabilities	4,055	15,369
Shareholders' Equity		
Share capital (note 5)	517,762	513,462
Contributed surplus (note 6)	84,000	84,000
Warrants (note 7)	21,200	23,000
Deficit	(223,180)	(203,616)
Total Shareholders' Equity	399,782	416,846
Total Liabilities and Shareholders' Equity	\$ 403,837	\$ 432,215

Nature of operations (note 1)
Commitments (note 4)

The accompanying notes are an integral part of these Condensed Interim Financial Statements

Approved by the Board:

signed "Arif Shivji"

Director

signed "Kelly McDonald"

Director

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

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Period from Incorporation on January 16, 2019 to June 30, 2019
Expenses				
Professional fees	\$ 1,084	\$ 18,356	\$ 4,433	\$ 55,534
Consulting	-	2,102	-	18,403
Office and administrative	1,540	19	2,910	1,233
Insurance	1,454	1,396	2,851	1,764
Listing fees		14,029	9,370	14,029
Total Expenses	10,968	35,902	19,564	90,963
Net Loss and Comprehensive Loss	\$ (10,968)	\$ (35,902)	\$ (19,564)	\$ (90,963)

Weighted average number of common shares outstanding (note 5(iv))	6,000,000	6,000,000	6,000,000	6,000,000
– basic & diluted				
Loss per share				
– basic & diluted	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.01)

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Mongoose Mining Ltd.
Condensed Interim Statement of Changes in Shareholders' Equity
For the three and six month periods ended June 30, 2020
(amounts in Canadian dollars)
(unaudited)

	Share Capital	Contributed Surplus	Warrants	Deficit	Total Shareholders' Equity
Balance, January 1, 2020	\$ 513,462	\$ 84,000	\$ 23,000	\$ (203,616)	\$ 416,846
Exercise of broker warrants	4,300	-	(1,800)	-	2,500
Net loss and comprehensive loss	-	-	-	(19,564)	(19,564)
Balance, June 30, 2020	\$ 517,762	\$ 84,000	\$ 21,200	\$ (223,180)	\$ 399,782
Balance, January 16, 2019	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of common shares	300,000	-	-	-	300,000
Net loss and comprehensive loss	-	-	-	(90,963)	(90,963)
Balance, June 30, 2019	\$ 300,000	\$ -	\$ -	\$ (90,963)	\$ 209,037

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

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Period from incorporation on January 16, 2019 to June 30, 2019
Operating activities:				
Net loss and comprehensive loss	\$ (10,968)	\$ (35,902)	\$ (19,564)	\$ (90,963)
Changes in non-cash working capital:				
Sales tax recoverable	(441)	(1,136)	4,835	(2,091)
Prepays and deposits	(2,546)	1,396	(6,999)	(3,836)
Accounts payable and accrued liabilities	(4,837)	8,641	(11,314)	37,317
Cash used in operating activities	(18,792)	(27,001)	(33,042)	(59,573)
Investing activities:				
Exploration and evaluation asset expenditures (note 4)	-	-	-	(8,526)
Cash used in investing activities	-	-	-	(8,526)
Financing activities:				
Proceeds from issuance of common shares (note 5)	-	-	-	300,000
Proceeds from the exercise of broker warrants (note 7)	-	-	2,500	-
Advances from related party (note 10)	-	-	-	12,500
Repayment of advances from related party (note 10)	-	-	-	(12,500)
Changes in non-cash working capital:				
Deferred finance costs	-	3,675	-	(32,500)
Cash from financing activities	-	3,675	2,500	267,500
Net increase in cash	(18,792)	(23,326)	(30,542)	199,401
Cash, at beginning of period	369,168	222,727	380,918	-
Cash, end of period	\$ 350,376	\$ 199,401	\$ 350,376	\$ 199,401

The accompanying notes are an integral part of these Condensed Interim Financial Statements

Mongoose Mining Ltd.
Notes to the Condensed Interim Financial Statements

For three and six month period ended June 30, 2020

(amounts in Canadian dollars)

(unaudited)

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, 2020, the Company had not yet determined whether the Company’s mineral property asset contains reserves that are economically recoverable.

On November 28, 2019, the Company completed its Initial Public Offering (the “IPO”) (note 5) and subsequently started trading its Common Shares on the Canadian Stock Exchange (the “CSE”) under the symbol “MNG”.

2. Basis of presentation

Statement of Compliance

These condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standards (IAS) 34, “Interim Financial Reporting”, using accounting policies consistent with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Certain information and disclosures normally included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted.

The condensed interim financial statements should be read in conjunction with the Company’s audited annual financial statements as at and for the year ended December 31, 2019 and the notes thereto.

The condensed interim financial statements have been prepared on a historical cost basis, except as detailed in the accounting policies disclosed in note 3 of the Company’s audited consolidated financial statements for the year ended December 31, 2019. All accounting policies and methods of computation followed in the preparation of these condensed interim consolidated financial statements are consistent with those of the previous financial year, except as described in note 3.

These financial statements were approved and authorized for issuance by the Board of Directors on August 24, 2020.

Significant Accounting Estimates and Judgments

The timely preparation of the financial statements requires management to make judgments, estimates and assumptions based on currently available information that affect the application of accounting policies and reported amounts of assets and liabilities at the date of the statement of financial position and the reported amounts of income and expenses during the reporting period. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In March 2020, COVID-19 was declared a pandemic by the World Health Organization. This event has resulted in volatile and challenging economic conditions. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that the Company may experience. The potential risk and impact due to the events described above relating to the Company has been taken into consideration in management’s estimates used for the period end. However, there could be further prospective material impacts in future periods.

Mongoose Mining Ltd.

Notes to the Condensed Interim Financial Statements

For three and six month period ended June 30, 2020

(amounts in Canadian dollars)

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More specifically, the assumptions may change that are involved in the estimates of valuation of exploration and evaluation assets, as well as liquidity and going concern assessments.

A full list of significant estimates and judgments can be found in note 2 of the Company's annual financial statements for the year ended December 31, 2019. COVID-19 and current market conditions have increased the complexity of estimates and assumptions used to prepare the condensed interim financial statements.

3. Changes in Accounting Policies

Business Combinations

On January 1, 2020, the Company adopted the amendment as issued on October 22, 2018 by the IASB related to IFRS 3, "*Business Combinations*" ("IFRS 3"), revising the definition of a business and providing for the addition of an optional 'concentration test' to determine if the acquisition is a business. To be considered a business under the amendments to IFRS 3, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The three elements of a business are defined as follows:

- Input – Any economic resource that creates outputs, or has the ability to contribute to the creation of outputs, when on or more processes are applied to it.
- Process – Any system, standard, protocol, convention or rule that, when applied to an input or inputs, creates outputs or has the ability to contribute to the creation of outputs.
- Output – The result of inputs and processes applied to those inputs that provide goods or services to customers, generate investment income or generate other income from ordinary activities.

The optional 'concentration test' permits a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or group of similar identifiable assets. An entity may elect to apply, or not apply, the test. An entity may make such an election separately for each transaction or other event. If the concentration test is met, the sets of activities and assets is determined to not be a business and no further assessment is needed. The amendment to IFRS 3 had no effect to the Company for the period ended March 31, 2020.

4. Exploration and Evaluation Asset

	Acquisition Costs	Exploration Costs	Total
Balance January 1, 2019	\$ -	\$ -	\$ -
Additions	18,526	25,854	44,380
Balance December 31, 2019 and June 30, 2020	\$ 18,526	\$ 25,854	\$ 44,380

Chu Chua Gold Property

Pursuant to an option agreement (the "Agreement") dated January 24, 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 600,000 common shares of the Company to the optionors and making a deposit payment of \$7,500. The cash payment was made upon execution of the agreement and 100,000 common shares were issued on November 28, 2019, the date the Company's common shares were listed, posted and called for trading on the Canadian Securities Exchange ("CSE").

Mongoose Mining Ltd.
Notes to the Condensed Interim Financial Statements

For three and six month period ended June 30, 2020

(amounts in Canadian dollars)

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4. Exploration and Evaluation Asset (Continued)

In accordance with the Agreement, the Company was 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 1, 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, November 28, 2023, of the initial public offering date ("Listing Date"), in accordance with the following schedule:

Date	Shares	Cash Payments	Expenditures
Signing Date	-	\$ 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 Chu Chua 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.

The Company assesses many factors when determining if an impairment test should be performed. As at June 30, 2020, the Company conducted an assessment of impairment indicators and determined that there were no indicators of impairment present.

5. 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
Initial public offering (ii)	3,178,000	203,462
Shares issued for ChuChua Property (note 4)	100,000	10,000
Balance, December 31, 2019	9,278,000	\$ 513,462
Exercise of broker warrants (note 7)	25,000	4,000
Balance, June 30, 2020	9,303,000	\$ 517,462

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

Mongoose Mining Ltd.
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(amounts in Canadian dollars)

(unaudited)

5. Share Capital (Continued)

- (ii) On November 28, 2019, the Company completed an IPO for which it issued 3,178,000 common shares at a price of \$0.10 per common share for gross proceeds of \$317,800, all pursuant to the final prospectus dated September 6, 2019. In connection with the IPO, the Company incurred legal fees of \$34,558, cash commission of \$31,780, a corporate finance fee of \$25,000 and issued 317,800 Agent warrants that entitle the warrant holder to acquire one common share of the Company at an exercise price of \$0.10 for a period of 24 months. A value of \$23,000 was estimated for the 317,800 warrants on the date of grant using Black-Scholes option pricing model (note 7).
- (iii) 1,200,000 common shares were held in escrow until completion of the listing of the Company's shares on the CSE. 10% of the common shares held in escrow will be released on the issuance of the listing date and an additional 15% will be released on the dates 6 months, 12, months, 18 months, 24 months, 30 months and 36 months following the initial release. At December 31, 2019, there are 1,080,000 common shares held in escrow.
- (iv) In the calculation of loss per share, all warrant and options were excluded from the diluted loss per share calculations as their effect is anti-dilutive.

6. 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.

A summary of the stock options issued and outstanding as at June 30, 2020 are as follows:

	Number of Options	Weighted Average Exercise Price
Balance, January 16, 2019	-	\$ -
Issued (i)	927,800	0.10
Balance, December 31, 2019 and June 30, 2020	927,800	\$ 0.10

The weighted average contractual terms for all outstanding options are June 30, 2020 is 4.41 years and all options are exercisable.

- (i) On November 28, 2019, the Company granted 927,800 stock options to its directors and officers at an exercise price of \$0.10 per option. The options vested immediately and have a five-year term.

For the three and six month period ended June 30, 2020, the Company recorded share-based compensation of \$nil (three month and six month period ended June 30, 2019 - \$nil) as the options were granted in November 2019 and fully vested.

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7. Warrants

A summary of the warrants issued and outstanding as at June 30, 2020 are as follows:

	Number of Options	Weighted Average Exercise Price
Balance, January 16, 2019	-	\$ -
Issued (i)	317,800	0.10
Balance, December 31, 2019	317,800	\$ 0.10
Broker warrants exercised	(25,000)	0.10
Balance, June 30, 2020	292,800	\$ 0.10

- (i) On November 28, 2019, the Company issued 317,800 warrants at an exercise price of \$0.10 per warrant as part of the agent compensation with respect to the Company's IPO. The warrants vested immediately and have a two-year term. The fair value of the warrants was estimated to be \$23,000 which was recorded as warrants with a corresponding decrease in share capital.

During the three and six month period ended June 30, 2020, nil and 25,000 warrants, respectively, were exercised for gross proceeds of \$2,500. The value attributed to the 25,000 warrants of \$1,500 was transferred to share capital.

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 relates to cash 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:

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

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 or have assets or liabilities denominated in a foreign currency, as such the Company does not have foreign currency risk.

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 Company's exposure to interest rate risk is a result of interest earned on its bank deposits which is insignificant.

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 impact of COVID-19 on markets worldwide has increased liquidity risk and as a result the Company is protecting cash to ensure it is in a strong position when markets recover.

The Company has cash of \$350,376 with which to settle liabilities of \$4,055.

9. Related Party Transactions

During the three and six month period ended June 30, 2020 there were no material related party transactions.

Key management personnel consist of officers and directors of the Company. Other than stock options granted, no compensation was paid to key management personnel during the period.

Transactions with related parties are incurred in the normal course of business.