



MONGOOSE
MINING LTD

Condensed Interim Financial Statements

**For the three and six month periods ended June 30, 2021
(In Canadian Dollars)
(unaudited)**

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

	June 30, 2021 (unaudited)	December 31, 2020 (audited)
Assets		
Current Assets		
Cash	\$ 274,886	\$ 331,510
Sales tax recoverable	4,789	1,880
Prepays and deposits	5,000	1,071
Total Current Assets	284,675	334,461
Exploration and evaluation asset (note 3)	49,380	49,380
Total Assets	\$ 334,055	\$ 383,841
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 20,676	\$ 23,833
Total Liabilities	20,676	23,833
Shareholders' Equity		
Share capital (note 4)	522,762	522,762
Contributed surplus	84,000	84,000
Warrants (note 6)	21,200	21,200
Deficit	(314,583)	(267,954)
Total Shareholders' Equity	313,379	360,008
Total Liabilities and Shareholders' Equity	\$ 334,055	\$ 383,841

Nature of operations (note 1)
Commitments (note 3)
Subsequent events (note 9)

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

Approved by the Board:

signed "Kelly McDonald"

Director

signed "Arif Shivji"

Director

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

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Nine Months Ended June 30, 2021	Nine Months Ended June 30, 2020
Expenses				
Professional fees	\$ 18,410	\$ 1,084	\$ 25,997	\$ 4,433
Office and administrative	550	1,540	4,004	2,910
Insurance	1,820	1,454	3,371	2,851
Listing fees	12,599	-	13,257	9,370
Total Expenses	33,379	10,968	46,629	19,564
Net Loss and Comprehensive Loss	\$ (33,379)	\$ (10,968)	\$ (46,629)	\$ (19,564)

Weighted average number of common shares outstanding (note 4)	9,403,000	6,000,000	9,403,000	6,000,000
– basic & diluted				
Loss per share				
– basic & diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

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

Mongoose Mining Ltd.
Condensed Interim Statement of Changes in Shareholders' Equity
For the three and six month periods ended June 30, 2021
(amounts in Canadian dollars)
(unaudited)

	Share Capital	Contributed Surplus	Warrants	Deficit	Total Shareholders' Equity
Balance, January 1, 2021	\$ 522,762	\$ 84,000	\$ 21,200	\$ (267,954)	\$ 360,008
Net loss and comprehensive loss	-	-	-	(46,629)	(46,629)
Balance, June 30, 2021	\$ 522,762	\$ 84,000	\$ 21,200	\$ (314,583)	\$ 313,379

	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

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

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Nine Months Ended June 30, 2021	Nine Months Ended June 30, 2020
Operating activities:				
Net loss and comprehensive loss	\$ (33,739)	\$ (10,968)	\$ (46,629)	\$ (19,564)
Changes in non-cash working capital:				
Sales tax recoverable	(1,322)	(441)	(2,909)	4,835
Prepays and deposits	2,615	(2,546)	(3,929)	(6,999)
Accounts payable and accrued liabilities	(5,297)	(4,837)	(3,157)	(11,314)
Cash used in operating activities	(37,383)	(18,792)	(56,624)	(33,042)
Financing activities:				
Proceeds from the exercise of broker warrants	-	-	-	2,500
Cash from financing activities	-	-	-	2,500
Net decrease in cash	(37,383)	(18,792)	(56,624)	(30,542)
Cash, at beginning of period	312,269	369,168	331,510	380,918
Cash, end of period	\$ 274,886	\$ 350,376	\$ 274,886	\$ 350,376

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, 2021

(amounts in Canadian dollars)

(unaudited)

1. Nature of Operations

Mongoose Mining Ltd., (the “Company”) was incorporated on January 16, 2020 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, 2021, the Company had not yet determined whether the Company’s mineral property asset contains reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluations assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties.

On November 28, 2020, the Company completed its Initial Public Offering (the “IPO”) 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, 2020 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 financial statements for the year ended December 31, 2020. All accounting policies and methods of computation followed in the preparation of these condensed interim 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 September 27, 2021.

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.

Mongoose Mining Ltd.
Notes to the Condensed Interim Financial Statements

For three and six month period ended June 30, 2021

(amounts in Canadian dollars)

(unaudited)

2. Basis of presentation *(continued)*

Significant Accounting Estimates and Judgments *(continued)*

The novel coronavirus (“COVID-19”) outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks. The full extent of the impact on the Company’s future financial results is uncertain given the length and severity of these developments cannot be reliably estimated.

The current challenging economic climate relating to the effect of the Coronavirus (COVID-19) may lead to challenges in managing cash flows and the ability to raise capital.

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, 2020. COVID-19 and current market conditions have increased the complexity of estimates and assumptions used to prepare the condensed interim financial statements.

3. Exploration and Evaluation Asset

	Acquisition Costs	Exploration Costs	Total
Balance January 1, 2020	\$ 18,526	\$ 25,854	\$ 44,380
Additions	5,000	-	5,000
Balance December 31, 2020 and June 30, 2021	\$ 23,526	\$ 25,854	\$ 49,380

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% (the “Option”) 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 “Listing Date”), the date the Company’s common shares were listed, posted and called for trading on the Canadian Securities Exchange (“CSE”).

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 which was incurred.

Mongoose Mining Ltd.
Notes to the Condensed Interim Financial Statements

For three and six month period ended June 30, 2021

(amounts in Canadian dollars)

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3. Exploration and Evaluation Asset (Continued)

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 June 1, 2020	100,000	-	-
1 st Anniversary of Listing Date	-	-	\$ 25,000
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

During the period ended December 31, 2019, the \$25,000 of expenditures was incurred, the \$7,500 cash was paid and 100,000 shares were issued. During the year ended December 31, 2020, 100,000 shares were issued having a value of \$0.05 per share, based on the trading price of the Company on date of issue, for a total value of \$5,000.

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.

4. Share Capital

- a) Authorized
Unlimited common shares
- b) Issued

	Number	Stated Value
Balance, December 31, 2019	9,278,000	\$ 513,462
Exercise of broker warrants (note 6)	25,000	4,300
Shares issued for ChuChua Property (note 3)	100,000	5,000
Balance, December 31, 2020 and June 30, 2021	9,403,000	\$ 522,762

- (i) Of the common shares issued, 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 each of six month anniversary thereafter. At June 30, 2021, there are 540,000 common shares held in escrow.
- (ii) 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.

Mongoose Mining Ltd.

Notes to the Condensed Interim Financial Statements

For three and six month period ended June 30, 2021

(amounts in Canadian dollars)

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5. 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, 2021 are as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2019 and June 30, 2021	927,800	\$ 0.10

The weighted average contractual terms for all outstanding options as at June 30, 2021 is 3.16 years and all options are exercisable.

6. Warrants

A summary of the warrants issued and outstanding as at June 30, 2021 are as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2019	317,800	\$ 0.10
Broker warrants exercised	(25,000)	0.10
Balance, December 31, 2020 and June 30, 2021	292,800	\$ 0.10

7. Financial Risk Management Objectives and Policies

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.

Mongoose Mining Ltd.
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7. Financial Risk Management Objectives and Policies *(Continued)*

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 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 Company has cash of \$274,886 (December 31, 2020 - \$331,510) with which to settle liabilities of \$20,676 (December 31, 2020 - \$23,833). All liabilities are due within one year.

8. Related Party Transactions

During the three and six month period ended June 30, 2021 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.

9. Subsequent Events

During the six month period ended June 30, 2021, the Company entered into a definitive agreement to acquire all of the issued and outstanding common shares of Spark Minerals Inc., ("Spark") with each Spark common share being exchange for one post-consolidation share of the Company. Prior to the completion of the transaction, the Company will consolidate its common shares on the basis of one new common share for every 2.85 old common shares. The share exchange will result in a reverse takeover of the Company by the shareholders of Spark.

The completion of the transaction is subject to completion of due diligence and regulatory body approvals.