



United Hunter Oil & Gas Corp. Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition of United Hunter Oil & Gas Corp. (the "Company") for the year ended December 31, 2019 and should be read in conjunction with the audited annual financial statements and the accompanying notes which have been prepared in accordance with International Financial Reporting Standards.

The MD&A is the responsibility of management and is dated as of June 15, 2020.

All dollar amounts in the MD&A are stated in Canadian dollars unless otherwise indicated.

Additional information relating to the Company is available on SEDAR at www.sedar.com and the Company's website at www.unitedhunteroil.com.

Description of Business

The Company is engaged in the exploration and evaluation of oil and gas properties and is currently looking for new business opportunities worldwide.

The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol "UHO" and the Frankfurt Stock Exchange under the symbol "A118VK".

Forward-looking Statements

This MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. Except as required by Canadian securities law, the Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this MD&A.

The following table outlines certain forward-looking statements contained in this MD&A and provides material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

See page 5 for *Material assumptions and risk factors for forward-looking statements*.

Overall Performance

During the year ended December 31, 2019, the Company continued its search for new business opportunities. Management has continued to identify and review several internationally located oil and gas projects. The previously identified project in west Texas did not materialize and efforts to look elsewhere ensued. Subsequently, two projects were identified – one in California and the other in the gulf coast area, however, both projects did not materialize.

Previously, on June 18, 2019, the Company received a notice from the TSX Venture Exchange ("TSXV") that the Company had not met Tier 2 Continued Listing Requirements ("CLR") in relation to its capital, assets and activity for a company classified as an oil and gas issuer. In this notice, it stated that in the event the Company is unable to meet the Tier 2 CLR's by such September 18, 2019, subsequently extended to December 16, 2019, the TSXV may proceed to transfer the Company's listing to NEX without further notice. The Company continues to search for new business opportunities that would enable the Company to maintain its Tier 2 status.

Changes in key management personnel

On March 19, 2020, Dr. Arthur Halleran retired from the Board to focus his efforts on Trillion Energy International Inc. The Board appointed Miles Nagamatsu, the Company's Chief Financial Officer as a director to fill the vacancy. The Board created an additional position on the Board and appointed Mikael Lundgren as a director. Mr. Lundgren is currently the president and CEO of Universal Resources, Inc. and an advisory board member of Royal Deals, LLC, in Abu Dhabi, United Arab Emirates. Previously, Mr. Lundgren served as COO and director of Broadside Enterprise, a partner and Head of Legal Affairs for the PNYG Group and Visionary Invest Partners AG and a director of Super Heroes Investment Partners. Prior to joining PNYG, he co-founded AristoGaming Ltd., where he held the position of Chairman and CEO. Directly after graduating with a master's degree in Law from Lund University in Sweden, Mr. Lundgren worked as a judge's assistant at the Court of Gothenburg in Sweden.

Approval of stock option plan

On December 3, 2019, the shareholders of the Company approved a new stock option plan. The Company may grant stock options to directors, officers, employees and consultants for up to 20% (December 31, 2018 - 10%) of the issued and outstanding common shares on December 3, 2019. At December 31, 2019, the Company may grant up to 3,496,075 stock options (December 31, 2018 - 1,748,037). The exercise price for stock options will not be less than the closing market price of the common shares on the day immediately before the date of the grant, less any discount permissible under the rules of the TSX Venture Exchange. The maximum term for stock options will be 10 years and the options will vest on the date of grant.

Proposed private placement

On May 29, 2020, the Company announced its intention to complete a private placement of up to 5,000,000 common shares at a price of \$0.05 per common share for gross proceeds of up to \$250,000. The private placement also provides for an over-allotment option to issue an additional 5,000,000 common shares. Assuming the over-allotment option is exercised in full, the Company would issue 10,000,000 common shares for gross proceeds of \$500,000. The private placement is subject to the acceptance of the TSX Venture Exchange. At June 15, 2020, the Company had received gross proceeds of \$10,000.

Risks and Uncertainties

The Company is subject to various risks and uncertainties due to the nature of the business and its present stage of development.

Going concern

The Company is in the exploration stage and has no revenue. During the year ended December 31, 2019, the Company recorded a loss of \$317,546 and as at that date, the Company had accumulated deficit of \$12,837,193, working capital deficit of \$325,723 and cash flow deficit from operations of \$114,776. The losses, accumulated deficit, working capital deficit and cash flow deficit from operations limit the Company's ability to fund its operations and the acquisition, exploration and development of oil and gas properties. As a result, there is significant doubt about the Company's ability to continue as a going concern.

The continued operation of the Company is dependent upon the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of oil and properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

Exploration

The Company is exposed to the inherent risks associated with oil and gas exploration and development, including the uncertainty of oil and gas resources and their development into recoverable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain licenses.

Commodity prices

The Company is exposed to commodity price risk with respect to oil and gas prices. A significant decline in oil and gas commodity prices may affect the Company's ability to obtain capital for the exploration and development of its interest in oil and gas properties.

Annual Summary Information

	Years ended December 31		
	2019	2018	2017
	\$	\$	\$
Total revenues	–	–	–
Loss	317,546	656,674	253,260
Loss per share - basic and diluted	0.02	0.04	0.02
Total assets	22,841	154,838	84,884
Total long-term liabilities	–	–	–
Cash dividends declared per common share	–	–	–

Loss for 2018 included stock-based compensation of \$177,933 and an increase in management fees as a result of an incentive bonus of US\$20,000 for Timothy J. Turner to continue as CEO and an increase in his monthly management fee from \$7,500 to US\$10,000.

Result of Operations

	3 months ended December 31,		Years ended December 31,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Expenses				
Professional fees	18,986	17,883	38,601	82,380
Management fees	50,837	51,443	204,543	226,642
Consulting fees	–	6,300	14,189	64,883
Stock-based compensation	–	9,025	24,067	177,933
General and administrative	2,717	2,780	11,101	12,250
Public company costs	5,470	17,379	18,862	40,497
Travel	–	36,282	8,598	46,633
Foreign exchange loss (gain)	(2,874)	7,090	(2,568)	5,455
Interest	123	–	152	–
	75,259	148,182	317,546	656,674
Loss and comprehensive loss	(75,259)	(148,182)	(317,546)	(656,674)

Year ended December 31

During the year ended December 31, 2019, the Company incurred a loss of \$317,546 compared to a loss of \$656,673 during the comparative period in the previous year. The decrease in the loss is primarily a result of the following factors:

- a decrease in management fees - results for the previous year included an incentive bonus of US\$20,000 for Timothy J. Turner to continue as CEO.
- a decrease in consulting fees compared to \$64,883 in the previous year
- a decrease in stock-based compensation to \$24,067 compared to \$177,933 in the previous year.
- a decrease in travel related to the evaluation of business opportunities.

3 months ended December 31

During the 3 months ended December 31, 2019, the Company incurred a loss of \$75,259 compared to the loss of \$148,182 during the comparative period in the previous year. The decrease in the loss is primarily a result of the following factors:

- no consulting fees were incurred in the current year compared to \$6,300 in the previous year
- no stock-based compensation compared to \$9,025 in the previous year.
- no travel related to the evaluation of business opportunities compared to \$36,282 in the previous year.

Summary of Quarterly Results (prepared in accordance with IFRS)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	–	–	–	–	–	–	–	–
Loss								
- Total	99,505	74,414	334,573	148,182	73,632	73,679	91,024	79,211
- Per share	–	–	0.02	0.01	–	–	0.01	–

The increase in the loss for Q3 2018 reflects stock-based compensation of \$168,908 and costs related to identify and evaluate prospective business opportunities.

Liquidity & Capital Resources

At December 31, 2019, the Company had a cash balance of \$9,669, receivables of \$3,581, accounts payable of \$343,412 which includes \$251,757 owing to management and loan payable of \$5,152 due on demand. The Company will require additional financing to fund its working capital requirements and to complete the Proposed Transaction, or alternatively, the acquisition, exploration and development of other oil and gas properties.

Excluding management fees, the payment of which, is being deferred, corporate and general costs in the years ended December 31, 2018 and 2019 were approximately \$200,000 and \$90,000, respectively. The Company has estimated its corporate and general costs to be approximately \$100,000 for the year ended December 31, 2020.

As the Company is in the exploration stage and has no revenue, the Company has financed its operations with the proceeds of equity and loan financings. The Company is dependent upon the support of its creditors and the Company's ability to secure equity and loan financings to meet its existing obligations and to fund its working capital requirements and the acquisition, exploration and development of oil and gas properties.

Management is of the opinion that additional working capital will be obtained from loan and equity financings to meet the Company's liabilities and commitments as they become due. The Company is actively seeking to raise the necessary loan and equity financings.

Transactions with Related Parties

	Year ended December 31, 2019	Outstanding as at December 31, 2019
Related party		
Tim Turner & Associates, LLC., a company controlled by Timothy J. Turner, for management fees for his services as Chief Executive Officer	US\$120,000	US\$115,000
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for management fees for his services as Chief Financial Officer	\$45,600	\$102,395

Changes in Accounting Policies including Initial Adoption

On January 1, 2019, the Company adopted the following amendment to standards:

IFRS 16, Leases ("IFRS 16")

This standard will replace *IAS 17, Leases*. IFRS 16 provides an updated definition of a lease contract, including guidance on the combination and separation of contracts. The standard requires lessees to recognize a right-of-use asset and a lease liability for substantially all lease contracts. The accounting for lessors is substantially unchanged from IAS 17.

As the Company is not a party to any leases, the adoption of this accounting standard had no impact on these financial statements.

Financial Instruments and Other Instruments

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 fair values is disclosed in the notes specific to that asset or liability.

Accounts payable and accrued liabilities

The fair value of accounts payable and accrued liabilities approximates its carrying value due to the short term to maturity.

Classification of fair value of financial instruments

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 - quoted prices in active markets for identical assets and liabilities;
- Level 2 - inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 - inputs for the asset or liability that are not based on observable market data

The Company does not have any financial instruments measured at fair value.

Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from the Company's cash and receivables. The maximum exposure to credit risk is equal to the carrying amount of cash and receivables. The Company's limits its exposure to credit risk on its cash by holding its cash in deposits with high credit quality Canadian chartered banks.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company intends to meet its current obligations in the following year with funds to be raised through private placements, shares for debt settlements and related party loans. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due. The amounts for accounts payable and accrued liabilities are subject to normal trade terms. The Company's operation of the Company is dependent upon the Company's ability to secure equity financing to meet its existing obligation and finance the acquisition, exploration and development of oil and gas properties.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its financial instruments.

Foreign exchange risk

Foreign exchange risk is the risk of financial loss to the Company due to a change in foreign exchange rates. The majority of the Company's cash is held in Canadian dollars. Foreign exchange risk arises as the Company makes expenditures denominated in US dollars and has cash of US\$4,552 (2018 - US\$14,065) and accounts payable of US\$115,155 (2018 - US\$15,094).

The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management of the Company believes there is no significant exposure to foreign currency fluctuations due to the limited number of transactions conducted in US dollars.

Interest rate risk

Interest rate risk is the risk of financial loss to the Company due to a change in interest rates. The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments. In addition, loans payable bore interest at fixed rates of interest.

Capital management

Capital of the Company consists of share capital, contributed surplus and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's principal source of capital is from the issue of common shares and loans payable. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

Material assumptions and risk factors for forward-looking statements

The following table outlines certain forward-looking statements contained in this MD&A and provides material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Page	Forward-looking statement	Assumption	Risk factor
3	Liquidity and Capital Resources – Liquidity “Management is of the opinion that sufficient working capital will be obtained from loan and equity financings to meet the Company's liabilities and commitments as they become due.”	Financing will be obtained to continue as a going concern.	The Company is unable to obtain future financing to meet liabilities as they come due.

Other Information

Additional Disclosure for Venture Corporations without Significant Revenue

For the years ended December 31, 2019 and December 31, 2018, the Company incurred no exploration and evaluation expenditures.

The following table set out a breakdown of material components of the general and administration costs:

	Years ended December 31,	
	2019	2018
	\$	\$
Bank charges	1,972	2,761
Insurance	8,640	8,640
Office	489	849
	11,101	12,250

Disclosure of Outstanding Share Data as at June 15, 2020

Shares

Authorized:

Unlimited number of common shares, no par value.

Unlimited number of preference shares, issuable in series. The preference shares are issuable in series and may be issued in one or more series, from time to time, by the directors of the Company. The directors of the Company are authorized to fix, among other things, the designation, preferences, rights and restrictions attaching to each series of preference shares, in addition to the entitlement of each series of preference shares to receive the assets of the Company available on a liquidation, dissolution or winding-up of the Company. The preference shares are entitled to preference over the common shares and any other shares ranking junior to the such preference shares with respect to, among other things, payment of

dividends and the distribution of assets in the event of liquidation, dissolution or winding-up of the Company. Unless the rights attaching to the preference shares state otherwise, each preference share carries one vote at all meetings of shareholders, other than at meetings of the holders of the common shares meeting separately as a class.

Outstanding

Common Shares: 17,480,375 common shares

Preference Shares: no preferred shares

Stock options

Authorized

3,496,074 stock options, representing 20% of the issued and outstanding common shares outstanding on December 3, 2020.

Outstanding

Exercise price	Expiry date	Number of stock options
\$0.25	August 20, 2023	1,400,000
