

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 9 months ended September 30, 2021 and should be read in conjunction with the condensed interim 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 November 29, 2021.

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 was engaged in the exploration and evaluation of oil and gas properties and is currently working to complete a proposed transaction. See page 1, *Proposed Transaction*.

The Company's common shares are listed for trading on the TSX Venture Exchange ("TSXV") under the symbol "UHO" and the Frankfurt Stock Exchange under the symbol "18U1". Trading in the common shares has been halted and, pursuant to the rules of the TSXV, the halt in trading is expected to continue until the completion of a proposed transaction. See page 1, *Proposed Transaction*.

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 6 for *Material assumptions and risk factors for forward-looking statements*.

Overall Performance

Previously, on June 18, 2019, the Company received a notice from the 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 is working on a proposed transaction that would enable the Company to maintain its Tier 2 status. See page 1, *Proposed transaction*.

Proposed Transaction

On March 26, 2021, the Company signed an amalgamation agreement ("Amalgamation Agreement") with Bocana Resources Ltd. ("Bocana"), which sets forth the terms and conditions of a reverse takeover transaction (the "Amalgamation").

Bocana is a private corporation incorporated under the *Canada Business Corporations Act* and carrying on business as a mineral exploration company focused on the acquisition, exploration and development of mineral properties in Bolivia. Bocana, through its wholly-owned subsidiary, Huiracocha International Service SRL, holds a 100% working interest in the mineral properties known as the Escala Area Concessions located at the Department of Potosi, Sud Lipez Province, Bolivia ("Escala") and has pending additional applications with the Corporación Minera de Bolivia to acquire the mining rights to two additional concession areas, also in the Sud Lipez Province of Bolivia. The Chief Executive Officer, who is also a director of the Company, owns approximately 9.69% of the current and outstanding common shares of Bocana.

Pursuant to the Amalgamation Agreement, Bocana will amalgamate with the Company to form an amalgamated entity ("Resulting Issuer"). Each outstanding Bocana share shall be exchanged for one common share of the Resulting Issuer ("Resulting Issuer Common Share") at a deemed price of \$0.10 per Bocana Share. Outstanding Bocana warrants shall be exchanged on the same basis. Every 1.6877 outstanding common shares of the Company shall be exchanged for one Resulting Issuer Common Share at a deemed price of approximately \$0.06 per common share and \$0.10 per Resulting Issuer Common Share. The Company's outstanding stock options shall be exchanged on the same basis. Upon completion of the Amalgamation, but prior to the completion of any private placements, or debt settlements after March 26, 2021, the shareholders of the Company will own approximately 14,668,113 Resulting Issuer Common Shares (20.81%) and the shareholders of Bocana will own approximately 55,800,887 Resulting Issuer Common Shares (79.19%).

As proposed, the Amalgamation is subject to the following conditions:

- a) Bocana completing a private placement of up to 20,000,000 subscription receipts at \$0.10 for gross proceeds of up to \$2,000,000, with each subscription receipt exchangeable into one unit consisting of one Bocana Share and one warrant entitling the holder to purchase one Bocana Share for \$0.10 (completed, see below).
- b) Bocana converting outstanding debts of \$80,084 into 800,840 Bocana Shares.
- c) the Company converting outstanding debts of \$307,886 into 5,131,433 common shares.
- d) approval by the directors of the Company and Bocana.
- e) approval of the TSX Venture Exchange
- f) shareholder approval of the Company and Bocana

In connection with the proposed Amalgamation, the Company advanced a loan \$20,000 to Bocana and US\$150,000 to Huiracochoa.

In October 21, 2021, the Company and Bocana provided an update on the Proposed Transaction. The Company and Bocana have submitted the initial documents for the purposes of the Proposed Transaction, together with a draft joint information circular to the TSX Venture Exchange ("Exchange") for their initial review of the Proposed Transaction. The draft joint information circular entitled "Notice of Annual and Special Meeting of the Shareholders and Joint Information Circular with Respect to a Proposed Amalgamation involving United Hunter Oil & Gas Corp. and Bocana Resources Ltd." and the accompanying supporting documentation, will be reviewed by the Exchange and the Exchange will provide any comments back to the parties for further review and consideration prior to filing the joint information circular on SEDAR (www.sedar.com), which will contain details regarding the Transaction, the amalgamation, the private placement, UHO, Bocana and the Resulting Issuer.

Private placements by Bocana

On April 1, 2021, the Bocana completed the following private placements:

- a) 19,467,500 subscription receipts at a price of \$0.10 per subscription receipt for gross proceeds of \$1,946,750. Each subscription receipt entitles the holder, without payment of any additional consideration and without further action on the part of the holder, to receive one Bocana Unit, upon the satisfaction of certain escrow release conditions. Each Bocana Unit shall consist of one Bocana Share and one warrant entitling the holder to purchase one Bocana Share for \$0.25 for 39 months following the closing date of the Amalgamation. Upon the closing of the Amalgamation and the release of the proceeds from escrow, Bocana will pay a cash commission of \$95,040 to finders and issue 950,400 finder's warrants entitling the holder purchase one Bocana Unit for \$0.10 for a period of 39 months following the closing date of the Amalgamation.
- b) 4,202,500 Bocana Units at a price of \$0.10 per Bocana Unit for gross proceeds of \$420,250. In connection with the private placement, Bocana paid a cash commission of \$13,280 and issued 132,800 finder's warrants entitling the holder purchase one Bocana Unit for \$0.10 for 39 months following the closing date of the Amalgamation.

Bocana update

Bocana has commenced an induced polarization (IP) geophysical survey on the Escala Project in south-west Bolivia. Historic IP surveys were limited in areal extent but did indicate the presence of extensive sulphide mineralization associated with an intrusive complex. Bocana's IP survey will entail approximately 88-line kilometres and will cover all known areas of mineralization with the purpose of the survey to determine the extent of the sulphide mineralization and spatial relationship of the various known zones to each other. The survey is being undertaken by Fractal Services De Ingenieria of Santa Cruz, Bolivia and is anticipated to take 2 – 3 months to complete.

Private placement by the Company

Concurrently, on April 1, 2021, the Company completed a private placement of 12,289,001 units ("Unit") at a price of \$0.06 per Unit for gross proceeds of \$737,340 ("Private Placement"). Each Unit consists of one common share and one warrant entitling the holder to purchase one common share for \$0.15 until April 1, 2024. In connection with the Amalgamation, the Units shall be subject to an exchange ratio of 1.6877 units to 1 comparable unit of the Resulting Issuer. In connection with the private placement, the Company paid finder's fees of \$40,584 and issued 676,400 finder's warrants entitling the holder to purchase one Unit for \$0.06 until April 1, 2024.

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 does not generate revenue. During the 9 months ended September 30, 2021, the Company recorded a loss of \$185,945 (2020 - \$201,368) and cash flow deficit from operations of \$154,947 (2020 - \$162,871) and as at that date, the Company. The losses and cash flow deficit from operations limit the Company's ability to meet its existing obligations and fund its working capital requirements and the costs to complete and finance the Proposed Transaction, or alternatively, the acquisition, exploration and development of mineral properties. As a result, these factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

On March 11, 2020, the World Health Organization assessed the coronavirus outbreak ("COVID-19") as a pandemic. In Canada, the Government of Ontario declared an emergency under s7.0.1(1) of the *Emergency Management and Civil Protection Act* on March 17, 2020 with respect to COVID-19. As of the date of these financial statements, the extent to which COVID-19 impacts the Company's results will depend on future developments, which are highly uncertain and cannot be predicted and dependent upon new information which may emerge concerning the severity of COVID-19 and actions taken to contain this or its impact, among others.

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 mineral properties. The Company is actively seeking to raise the necessary equity financing, however, the extent to which COVID-19 impacts the Company's results cannot be predicted with certainty. The economic instability as a result of COVID-19 means there can be no assurance that additional equity financing will be available. See page 2, *Private placements by Bocana* and *Private placement by the Company*.

Exploration

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral 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 gold prices. A significant decline in gold prices may affect the Company's ability to obtain capital for the exploration and development of its interest in mineral properties.

Result of Operations

	3 months ended September 30,		9 months ended September 30,	
	2020	2020	2021	2020
	\$	\$	\$	\$
Expenses				
Professional fees	3,000	3,000	9,364	20,256
Management fees	61,546	51,185	159,137	155,684
General and administrative	4,090	3,553	10,795	9,368
Public company costs	879	1,596	17,584	25,008
Foreign exchange loss	(5,612)	(510)	(10,187)	6,546
Interest income	(252)	(125)	(748)	
Gain on settlement of accounts payable	–	(15,495)		(15,495)
	63,650	43,205	185,945	201,368
Loss and comprehensive loss	63,650	43,205	185,945	201,368

9 months ended September 30

During the 9 months ended September 30, 2021, the Company incurred a loss of \$185,945, which is comparable to a loss of \$201,368 during the comparative period in the previous year.

3 months ended September 30

During the 3 months ended September 30, 2021, the Company incurred a loss of \$63,650, compared to a loss of \$43,205 during the comparative period in the previous year. The increase in the loss reflects no gain on settlement of accounts payable compared to \$15,495 in the comparative period in the previous year.

Summary of Quarterly Results (prepared in accordance with IFRS)

	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-
- Total	79,211	92,271	65,892	43,205	56,925	61,001	61,293	63,650
- Per share	-	0.01	-	-	-	-	-	-

Liquidity & Capital Resources

At September 30, 2021, the Company had a cash balance of \$520,741, receivables of \$2,597, due from Bocana of \$21,148, due from Huiracocha of \$191,115, and accounts payable and accrued liabilities of \$479,277 which includes \$470,513 owing to management, and advances payable of \$2,500. The Company will require additional financing to meet its existing obligations and fund its working capital requirements and the costs to complete and finance the Proposed Transaction, or alternatively, the acquisition, exploration and development of mineral properties.

Excluding management fees, the payment of which is being deferred, corporate and general costs in the years ended December 31, 2019 and 2018 were approximately \$70,000 and \$90,000, respectively. The Company has estimated its corporate and general costs to be approximately \$100,000 for the year ended December 31, 2021. For the 9 months ended September 30, 2021, the Company incurred corporate and general costs of approximately \$40,000.

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, fund its working capital requirements and complete and finance the Proposed Transaction, or alternatively, the acquisition, exploration and development of mineral 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 (see page 2, *Private placement by the Company*).

Transactions with Related Parties

	9 months ended September 30, 2021	Outstanding as at September 30, 2021
Related party		
Tim Turner & Associates, LLC., a company controlled by Timothy J. Turner, for management fees for his services as Chief Executive Officer	US\$90,000	US\$235,000
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for management fees for his services as Chief Financial Officer	\$34,200	\$166,805

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.

Cash, due from Bocana, due from Huiracocha, accounts payable and accrued liabilities and advance payable

The fair value of cash, due from Bocana, due from Huiracocha, accounts payable and accrued liabilities and advance payable approximates their carrying value due to their 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 amounts due from Bocana and Huiracocha. The Company's limits its exposure to credit risk on its cash by holding its cash in deposits with a Canadian chartered bank. The Company assessed the credit risk of the amounts due from Bocana and Huiracocha to be low given the proposed amalgamation with Bocana.

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. As the Company does not generate revenue, the Company's operation is dependent upon the Company's ability to secure equity financing to meet its existing obligation and finance the acquisition, exploration and development of mineral 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\$56,693 (December 31, 2020 - US\$3,952), due from Huiracocha of US\$150,000 (December 31, 2020 - US\$nil) and accounts payable of US\$235,000 (December 31, 2020 - US\$207,226). If the foreign exchange related to the Company's US dollar balances increased or decreased by 10%, with all other variables held constant, the foreign exchange gain (loss) would have increased or decreased by \$3,607 (December 31, 2020 - \$25,881).

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 to due from Bocana and loans payable which bear 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, advances payable 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
4	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 9 months ended September 30, 2021 and September 30, 2020, the Company incurred no exploration and evaluation expenditures.

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

	9 months ended September 30,	
	2021	2020
	\$	\$
Bank charges	1,385	1,242
Insurance	9,410	6,480
Office	–	1,646
	<u>10,795</u>	<u>9,368</u>

Disclosure of Outstanding Share Data as at November 29, 2021

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: 37,044,376 common shares

Preference Shares: no preferred shares

Warrants

Outstanding

12,289,001 warrants entitling the holder to purchase one common share for \$0.15 until April 1, 2024.

676,400 finder's warrants entitling the holder to purchase one unit for \$0.06 until April 1, 2024, with each unit consisting of one common share and one warrant entitling the holder to purchase one common share for \$0.15 until April 1, 2024.

Stock options

Authorized

3,496,074 stock options, representing 20% of the issued and outstanding common shares on December 3, 2019.

Outstanding

Exercise price	Expiry date	Number of stock options
\$0.25	August 20, 2023	1,200,000