



## **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, 2020 and should be read in conjunction with the audited 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 April 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](http://www.sedar.com) and the Company's website at [www.unitedhunteroil.com](http://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. See page 2, *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 2, *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**

During the year ended December 31, 2020, the Company continued its search for new business opportunities and on August 7, 2020, the Company signed a letter of intent for a proposed transaction. See page 2, *Proposed Transaction*

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 2, *Proposed Transaction*.

### **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.

### **Private placement of common shares**

On July 14, 2020, the Company completed a private placement of 7,275,000 common shares at a price of \$0.05 per common share for gross proceeds of \$363,750. In connection with the private placement, the Company paid finder's fees of \$4,850.

### **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 15.57% of the 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 (22.48%) and the shareholders of Bocana will own approximately 50,585,200 Resulting Issuer Common Shares (77.52%).

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
- g) closing by August 30, 2021.

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

For the period August 7, 2020 to December 31, 2020, the Company incurred transaction costs of \$8,240 with respect to the proposed Amalgamation.

### **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 36 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 36 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 36 months following the closing date of the Amalgamation.

### **Private placement by the Company**

Concurrently, on April 1, 2021, the Company completed a private placement of 12,289,001 units at a price of \$0.06 per unit for gross proceeds of \$737,340. 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 year ended December 31, 2020, the Company recorded a loss of \$258,293 (2019 - \$317,546) and as at that date, the Company had an accumulated deficit of \$13,095,486 (2019 - \$12,837,193), working capital deficit of \$228,114 (2019 - \$ 325,723) and cash flow deficit from operations of \$170,917 (2019 - \$114,776). The losses, accumulated deficit 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 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. 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 and reduction in oil prices as a result of COVID-19 means there can be no assurance that additional equity financing will be available. See above, *Private placements by Bocana* and *Private placement by the Company*.

#### *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		
	2020	2019	2018
	\$	\$	\$
Total revenues	—	—	—
Loss	258,293	317,546	656,674
Loss per share - basic and diluted	0.01	0.02	0.04
Total assets	206,957	22,841	154,838
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,	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Expenses</b>				
Professional fees	4,075	22,937	24,331	38,601
Management fees	50,415	50,837	206,099	204,543
Consulting fees	—	14,189	—	14,189
Stock-based compensation	—	—	—	24,067
General and administrative	5,300	2,717	14,668	11,101
Public company costs	4,573	5,470	29,581	18,862
Travel	—	(14,189)	—	8,598
Foreign exchange loss	(14,975)	(2,874)	(8,429)	(2,568)
Interest	—	123	—	152
Transaction costs	8,240	—	8,240	—
Interest income	(400)	—	(400)	—
Gain on settlement of accounts payable	(302)	—	(15,797)	—
	56,925	79,210	258,293	317,546
<b>Loss and comprehensive loss</b>	(56,925)	(79,210)	(258,293)	(317,546)

#### Years ended December 31

During the Year ended December 31, 2020, the Company incurred a loss of \$258,293 compared to a loss of \$317,546 during the comparative period in the previous year. The decrease in the loss reflects the following:

- no consulting fees in the current year compared to \$14,189 in the previous year.
- no stock-based compensation in the current year compared to \$24,067 in the previous year, as no stock options were granted in the current year.
- a gain on settlement of accounts payable of \$15,797 was realized in the current year compared to no gain in the previous year.

#### 3 months ended December 31

During the 3 months ended December 31, 2020, the Company incurred a loss of \$56,925 compared to a loss of \$79,210 during the comparative period in the previous year. The decrease in the loss reflects the following:

- decrease in professional fees to \$4,075 in the current period compared to \$2,874 in the comparative period of the previous year.
- a gain on settlement of accounts payable of \$15,495 was realized in the current period compared to no gain in the comparative period of the previous year.

## Summary of Quarterly Results (prepared in accordance with IFRS)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-
Loss								
- Total	73,632	73,679	91,024	79,211	92,271	65,892	43,205	56,925
- Per share	-	-	0.01	-	0.01	-	-	-

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, 2020, the Company had a cash balance of \$172,154, receivables of \$4,296, due from Bocana of \$20,400, accounts payable and accrued liabilities of \$432,571 which includes \$414,929 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.

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. The Company is actively seeking to raise the necessary loan and equity financings. See page 3, *Private placements by Bocana* and *Private placement by the Company*.

### Transactions with Related Parties

	Year ended December 31, 2020	Outstanding as at December 31, 2020
<b>Related party</b>		
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\$205,000
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for management fees for his services as Chief Financial Officer	\$45,600	\$153,923

### 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, accounts payable and accrued liabilities, advance payable and loan payable*

The fair value of cash, accounts payable and accrued liabilities, advance payable and loan 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 due from Bocana. 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. The Company assessed the credit risk of the amount due from Bocana 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\$3,952 (2019 - \$4,552) and accounts payable of US\$207,226 (2019 - \$115,155). If the foreign exchange related to the Company's US dollar balances increased or decreased by 10%, with all other variables held constant, cash and accounts payable would have increased or decreased by \$503 (2019 - \$455) and \$26,384 (2019 - \$11,516), respectively.

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 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
5	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 year ended December 31, 2020 and December 31, 2019, 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,	
	2020	2019
	\$	\$
Bank charges	1,617	1,972
Insurance	10,917	8,640
Office	2,133	489
	14,668	11,101

### Disclosure of Outstanding Share Data as at April 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*

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

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