CANUC RESOURCES CORPORATION

(Formerly Santa Rosa Silver Mining Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

MARCH 31, 2017

The following discussion of the results of operations and financial condition ("MD&A") of Canuc Resources Corporation ("Canuc" or "the Corporation") prepared as of May 30, 2017 consolidates Management's review of the factors that affected the Corporation's financial and operating performance for the three and six months ended March 31, 2017, and factors reasonably expected to impact on future operations and results. This discussion is intended to supplement and complement the Corporation's consolidated interim financial statements and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS").

The Corporation's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless otherwise noted.

The Corporation's financial statements, as well as additional information, are available at www.sedar.com. The Corporation's reporting currency is the Canadian dollar and all amounts disclosed herein are in Canadian dollars, unless otherwise stated.

On February 21, 2017, Santa Rosa Silver Mining Corp. ("Santa Rosa") and Canuc Resources Corporation ("Former Canuc") completed a reverse takeover transaction and continued as one Corporation, Canuc Resources Corporation (the "Amalgamation"). The Corporation is listed on the TSX-V under the symbol CDA. The registered office is located at 25 Adelaide Street East, Suite 1612, Toronto, Ontario, M5C 1Y2.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to the Corporation, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Corporation's properties; the future prices of base and precious metals; success of exploration activities; cost and timing of future exploration and development; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations; requirements for additional capital; and other statements relating to the financial and business prospects of the Corporation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Corporation's expectations; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; future prices of precious metals; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in precious metals exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

DESCRIPTION OF THE BUSINESS

The Corporation is a junior resource Corporation focused, through its subsidiary Minera Stramin S. de R.L. de C.V. ("Minera Stramin"), on the acquisition, exploration and development of the San Javier Project, a silver-gold-lead-zinc exploration project located in the state of Sonora in northwest Mexico, roughly 134 km southeast of the Sonora capital city of Hermosillo. This project presently has no NI 43-101 resources or reserves of minerals. As a result of its business combination with the Former Canuc, the Corporation also oil and gas interests in Texas, U.S.A. owned through its subsidiary Midtex Oil & Gas Corporation ("Midtex").

The Corporation is subject to the risks and challenges experienced by other companies at a comparable stage. These risks include, but are not limited to, continuing losses, dependence on key individuals and the ability to secure adequate financing or to complete corporate transactions to meet the minimum capital required to successfully complete the Corporation's projects and to fund operating expenses. Development of the Corporation's current projects to the production stage will require significant financing.

The success of the San Javier Project cannot be assured. The Corporation's mineral exploration efforts have not commenced commercial production and, accordingly, the Corporation is dependent upon debt and/or equity financings and the optioning and/or sale of resource or resource-related assets for its funding. However, the Corporation's oil and gas assets are producing net income at this time. The recoverability of the carrying value of exploration and evaluation projects, and ultimately the Corporation's ability to continue as a going concern, is dependent upon this oil and gas income growing and upon exploration results which indicate the potential for the discovery of economically recoverable reserves and resources, the Corporation's ability to finance exploration of its projects through debt or equity financings and the optioning and/or sale of resource or resource-related assets for its funding.

An investment in the securities of the Corporation is highly speculative and involves numerous and significant risks and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described in the section entitled "Risks and Uncertainties" below.

MERGER BETWEEN CANUC AND SANTA ROSA

On February 21, 2017 Canuc announced the completion of the reverse takeover transaction previously announced, on the terms set out in the business combination agreement dated August 26, 2016 (the "Amalgamation"). The Amalgamation involved the combination of Former Canuc and Santa Rosa by way of an amalgamation of Santa Rosa and a wholly-owned subsidiary of Canuc, to form one company as a wholly owned subsidiary of Canuc. Pursuant to the amalgamation, all issued and outstanding securities in the capital of Santa Rosa were converted into like issued and outstanding securities of Canuc on a two-for one basis. The Amalgamation was approved by written consent of the holders of more than 50% of the issued and outstanding common shares of the Company held by disinterested shareholders. This Transaction resulted in 22,365,000 shares being issued to Santa-Rosa shareholders. All Santa Rosa options and warrants were converted to options and warrants of Canuc, on the same two-for one basis.

After evaluating all the facts surrounding this Amalgamation, Management determined that IFRS 3, *Business Combinations*, is not applicable and that the Transaction was accounted for as an asset acquisition with Santa Rosa as the acquirer for accounting purposes.

The issued and outstanding common shares, warrants and options of Former Canuc are included in the identified assets acquired by AuRico, with each valued as of February 21, 2017. The difference between these combined values, net costs associated with the acquisition, and the value of net assets as of February 21, 2017, is accounted for as Listing Costs on the Statement of Loss and Comprehensive Loss. Had IFRS 3 applied, it would have been accounted for as "goodwill".

The following table summarizes the fair value of the total consideration transferred from Former Canuc shareholders and the provisional fair value of identified assets acquired and liabilities assumed, based on preliminary estimates of fair value. The fair values are provisional due to the complexity of the acquisition. These numbers may change and could result in material differences from the preliminary values presented in these financial statements.

The Corporation used a discounted cash flow model to estimate the expected future cash flows of from is oil and gas properties and interests. Expected future cash flows are based on estimates of future production and commodity prices, operating costs and forecast capital expenditures based on the life of production as at the acquisition date.

Purchase Price	
Common shares issued	**$ 2,139,398**
Share-based compensation	**75,495**
Warrants	**379,290**
Transaction costs	**136,423**
	$ 2,730,606

Net Assets Acquired	
Cash	**$ 704,247**
Receivables and prepaids	**35,588**
Oil and gas properties and interests	**501,604**
Accounts payable and accrued liabilities	**(1,036,339)**
	$ 205,100
Net Listing costs	**$ 2,525,506**

THE SAN JAVIER SILVER-GOLD-LEAD-ZINC PROJECT

The following description is based on the Corporation's National Instrument 43-101 Technical Report titled "NI 43-101 Technical Report on the San Javier Project, State of Sonora, Mexico"[1], dated August 17, 2016 prepared by Seymour M. Sears, B.A., B.Sc., P.Geo. of Sears, Barry and Associates Limited of Sudbury, Ontario (the "Technical Report"). Mr. Sears is an independent Qualified Person under National Instrument 43-101.

Through its Mexican subsidiary, Minera Stramin S. de R.L. de C.V., the Corporation variously holds title, has an option to acquire title and has title pending issue to 16 contiguous mineral concessions under Mexican mining law. The concessions cover 292 hectares, of which 28 hectares comprises two concession applications pending issue of title that make up the San Javier Project. Details are presented below in Table 1.

[1] Although as a private Corporation at the time the Corporation did not fall under NI43-101, this report and related disclosure followed the requirements and standards of NI43-101 regarding technical disclosure and were filed on SEDAR by Canuc Resources Inc. as part of its filings related to the Amalgamation.

TABLE 1: San Javier Project lands		
Name	**Area (ha)**	**Status**
Santa Rosa	27.0000	Under option
Ampliacion de Santa Rosa	10.0000	Under option
Las Bellotas	39.9930	Option exercised and title transfer pending
El Mimbres	59.0017	Title in name of Corporation
El Mimbres	15.0000	Title in name of Corporation
El Mimbres 3 Fracc 1	25.3124	Title in name of Corporation
El Mimbres 3 Fracc 2	2.1730	Title in name of Corporation
El Mimbres 4	5.8833	Title in name of Corporation
El Mimbres 5	8.4180	Application only – title issue pending
El Mimbres 6	20.0000	Application only – title issue pending
El Mimbres 7 Fracc 1	6.0000	Title in name of Corporation
El Mimbres 7 Fracc 2	1.0000	Title in name of Corporation
El Mimbres 7 Fracc 3	1.0000	Title in name of Corporation
El Mimbres 7 Fracc 4	1.0000	Title in name of Corporation
El Mimbres 8	57.7693	Title in name of Corporation
Orion 4-A	12.5142	Purchased – title transfer pending
Total	**292.0649**	

The option agreement for the Santa Rosa and the Ampliación de Santa Rosa concessions was dated June 18, 2013 and requires the following payments to acquire 100% title:

- US$10,000 per quarter for up to five years, renewable for three additional years
- US$500,000 six months following commencement of a first drilling program, less all the quarterly payments paid to date
- US$1,000,000 24 months following commencement of the drilling program
- US$1,500,000 42 months following commencement of the drilling program

Net Smelter Returns royalties totaling 2.5% on future production from the San Javier Project are held by four individuals.

The San Javier district is located along the western margin of the Sierra Madre Occidental Physiographic Province and the terrain is characterized by steep hills cut by v-shaped valleys. It has a long mining history, both for precious metals and coal, going back several centuries, but there are no generally available, detailed records of production from any of these deposits.

The Corporation's San Javier Project is interpreted to lie on the eastern end of an east-west trending volcano-sedimentary basin referred to as the Barranca Basin. This basin may have originally developed as a pull-apart basin, formed along the axis of a major transform fault that passes through this area. The San Javier Project area has undergone faulting, fracturing and igneous activity as evidenced by complex structural features and local felsic to mafic intrusive bodies. This geological environment is favourable for the emplacement of many types of mineral deposits including epithermal vein deposits, porphyry deposits and other intrusive related deposits.

Detailed geological mapping has only been undertaken in a few areas of the property and an overall mapping remains to be done. Exploration focuses on three styles of mineralization observed within the San Javier concessions. These include:

- quartz vein and vein breccia, having northeasterly strikes and southeasterly dips,
- silica and clay alteration associated with igneous dykes, and
- quartz stockwork breccia.

All mineralization types appear to be related to linear fault structures that pass through the project area. The southeastern portion of the project area has had minimal to no exploration by the Corporation. Large oxidized and clay altered zones observed in this area may represent the presence of porphyry or iron-oxide-copper-gold style mineralization. The various styles of mineralization have been broadly classified as intrusion related in the Technical Report, for better understanding of the relationships of the various areas of mineralization found there. The concessions cover numerous showings of mineralization, many showing evidence of older workings over a strike length of 2½ to 3 kilometers.

There are two areas within the San Javier property with historical mine workings and two other accessible exploration adits. The largest of these is the Santa Rosa Mine, which connects with the El Polvorin Mine, and is located within the Santa Rosa concession in the western part of the Project area. The Santa Rosa and El Polvorin mine workings are accessible and in modest condition. As such, they can be used for exploration-sampling and for potential future development access. The workings extend over a strike length of 490 meters. The total length of underground workings reported in the Santa Rosa Mine is over 1,400 meters. There are currently five levels with the deepest being the Santa Rosa Level 4 at a vertical depth of 90 meters. They include two main adits and four winzes. The deepest winze extends below the Santa Rosa Level 4 for an unknown depth (8 to 10 meters) where an additional level was being developed when the mining was suspended in 1991. The workings also include two escape/ventilation adits in the northeastern part of the mining area, at shallow levels.

The second significant area with underground workings is referred to as Cerro Colorado, on the Las Bellotas Concession in the center of the San Javier Property. These workings include two areas with underground and limited open-cut workings, named Jasmin and Cerro Colorado (also known as La Colorada). It appears that both of these workings may have been accessed by an adit named the Carlotita Adit, presently partially blocked near its entrance resulting in a water backup that has prevented access. The extent of the underground workings at Cerro Colorado is currently unknown.

Lying between the Santa Rosa Mine and Cerro Colorado, within the Las Bellotas Concession, are two other old adits of unknown age (most likely late 19th or early 20th century). Numerous other short adits and shallow shafts/pits are located within the Property, whose significance is presently unknown other than to indicate a wide distribution of mineralized material.

Trends

The Corporation is a Canadian precious metal exploration Corporation, focused on exploring its current property interests. The Corporation's future financial success will be dependent on management's successful development of the San Javier Project. Such development may take years to complete, and the resulting income, if any, is difficult to determine with certainty. To date, the Corporation has not produced any revenues.

There are significant uncertainties regarding the prices of precious metals and the availability of equity financing for the purposes of exploration and development. The future performance of the Corporation is largely tied to the outcome of its exploration activities, the development of its property interests and other prospective business opportunities, and the overall financial markets.

Financial markets are likely to continue to be volatile, reflecting ongoing concerns about the stability of the global economy and global growth prospects. Uncertainty in the financial markets has also led to increased difficulties in raising funds for junior exploration companies. Companies worldwide have been affected particularly negatively by these trends. As a result, the Corporation may have difficulties raising equity financing for the purposes of precious metal exploration and development, particularly without excessively diluting the interests of existing shareholders. These trends may limit the ability of the Corporation to discover and develop its current mineral exploration properties and any other property interests that may be acquired in the future. See "Risks and Uncertainties" and "Cautionary Note Regarding Forward-Looking Information".

Overall Performance

The Corporation's exploration activities are at an early stage, and it has not yet been determined whether its properties contain recoverable metals. As a result, the Corporation has no current sources of revenue other than interest earned on cash and equivalents, all of which were in turn derived from issuances of share capital. Within the Corporation's mineral exploration property there are no deposits of minerals presently known to be economic, and any activities of the Corporation thereon will constitute exploratory searches for minerals.

The Corporation's goal was to consolidate properties adjacent to the Santa Rosa concession into a regionally meaningful target block and explore it to demonstrate its value and viability. The land consolidation succeeded in assembling the block of concessions that presently cover 2 ½ to 3 kilometers of potentially mineralized strike length and a comfortable zone of protection of down-dip and hanging wall protection. Exploration conducted by the Corporation in 2012 and 2013 consisted of underground mapping in all accessible workings, surface mapping of trenched and open cut areas, channel sampling of mineralized veins and other material exposed in those workings and limited surface geological mapping. At that time financial markets deteriorated such that the Corporation was unable to obtain additional funds and the resulting suspension of activity continued to the present day. New funding during the past year allowed some modest line-cutting activity to be undertaken in preparation for future exploration work.

TABLE 2: Exploration Expenditures at San Javier Project *(Canadian dollars)*

	Six months ended March 31, 2017 $	Year ended September 30, 2016 $	Year ended September 30, 2015 $	Cumulative: inception in 2011 to Dec 31, 2016 (unaudited) $
Option payments	13,217	54,395	121,717	347,729
Renewal and staking fees	2,533	3,444	3,729	79,553
Labour and contractors	4,727	79,485	8,412	443,038
Field supplies and services	210	2,068	517	38,142
Transportation	-	3,896	-	39,735
Assaying	5,975	409	-	78,015
Communications	-	20	-	396
Other	2,338	5,431	687	42,186
Totals	**29,000**	**149,148**	**135,062**	**1,068,794**

Subsequent to the underground sampling program conducted in 2012, a program of reconnaissance mapping, prospecting and sampling was carried out under the guidance of Seymour Sears, P.Geo, whose NI 43-101 report on the San Javier project can be viewed on SEDAR. During this program, a total of 9 prospects were identified within the property. Including the surface exposures at Santa Rosa/Polvorin mine, located near the southwest end of the property, a mineralized "corridor" about 200 m wide extends across the length of the property, a distance in excess of 3,000 m to the northeast.

At least 3 styles of mineralization were identified and sampled. These include vein and veinbreccia zones similar to the main Santa Rosa–Polvorin Zone; alteration zones associated with the margins of felsic to intermediate dykes, as at the Colorado Zone; and quartz stockwork breccia zones as represented by the Carranza Zone. The vein zones range in width from less than 1 m to 4.5 m. The other two styles of mineralization appear to have potential to be much wider.

At Colorado Zone, the silica and clay alteration is at least 11 m wide, and an 11.2 m composite of 4 samples across this zone averaged 284 g/t (8.3 opt) Ag.

The Carranza Zone at one point reaches a width of 31 m. Contained within this section occurs an 11.0 m interval (4 samples) that averages 238 g/t (6.9 opt) Ag.

With the $2.0 million equity financing completed in February 2017, the Corporation has sufficient funds on hand to complete the current phase of its planned exploration program.

The Corporation's plan following the Amalgamation is to commence exploration across the full property and start a drilling program to test the mineralization at depth and assess the potential of the whole structural zone.

OIL AND GAS ASSETS

Midtex Project, Texas

In July 2011, the Corporation completed the acquisition of Midtex, a private Ontario corporation, and a 100% working interest in a gas and oil well located on the leased property held by Midtex (collectively the "Midtex Assets"). At the time, an officer and 2 directors had ownership interests in Midtex and received 40% of the 360,000 common shares issued for the purchase of Midtex. As this was a related party transaction, an independent committee of the Board of Directors met, and upon receipt of the independent engineer's report, agreed on a valuation of $720,000 for Midtex.

The Midtex Assets included a producing gas well and undeveloped acreage located on the east half of Section 66, Block 4, T&P Ry. Co. Survey, Stephens County, Texas; north central Texas. The undeveloped acreage could accommodate an additional 3 to 4 wells, which could intersect 2 or 3 known productive gas horizons. This acreage, while having low pressure gas zones, benefited from a low pressure gas pipeline which bisects the property making the gas immediately saleable without constructing capital intensive transportation facilities. A second producing gas well was completed in late August 2011. Production from both wells began to decline sharply in late 2012 and in 2013 production was negligible. The first well was capped and the repair work was completed in Q1 2014 on the second well.

The Midtex project was expanded in 2012 and the Corporation is now an investor in two parcels of leased land in north-central Texas. The Corporation has a 20% working interest (16% net revenue interest) in the 2,000 acre Thompson project located in Stephens County Texas and a 15% working interest (12% net revenue interest) in the 14,574 acre Walker Buckler lease located in Shackelford County Texas.

In February 2013, the Thompson 40 #2 well intersected the same reservoir as the initial Thompson 40 well and commenced production in March 2013. The Thompson "A" well, to the north of the Thompson 40, was drilled in March 2013 and intersected the same horizon as the Thompson 40. In July 2013, the Thompson "B" well was spudded to the east of the Thompson "A" and was successful, commencing production later in the month. In February 2014, the Thompson 40 #5 well was drilled and it was also successful, commencing production in March of 2014. Drilling was initiated on the Thompson C well in June 2014 and intersected the same horizons as the other Thompson wells and came on stream in September 2014. The Thompson C well has performed admirably so far, but production has not been as strong as that of the other Thompson wells.

In December of 2015, all of the Corporation's wells were reviewed for impairment. Gas prices were declining all through 2015 and Management, in its judgement, determined that the low prices were likely to be prolonged and as such, an impairment assessment was required and an impairment charge of $569,731 was taken to the consolidated statement of (loss) income and comprehensive (loss) income. Prices recovered in 2016, only to see a slight decline in the early part of 2017. At December 31, 2016, Management determined that no additional impairment charge was needed. This view has not changed.

The 2015 $569,731 impairment charge relates to both the oil and gas property ($205,340) and oil and gas interests ($364,391). The oil and gas property consists of the Coody Morales well. At the end of 2015, management decided to shut in this well due to low gas prices. This decision contributed to the impairment charge as management was not able to predict when gas prices would rise and accordingly, was unable to predict the well's value in use. This well is a good producer which will generate strong cash flow for many years. Upon the recommencement of production, the well may be written up reversing some of the impairment charges taken.

Management's estimates of value in use for the oil and gas interests considered the remaining production life of each well and production curves. Management also estimated future gas prices by taking the last known sales price for gas for each well and estimating gas price increases that were deemed to be reasonable. Management also determined a reasonable discount rate to assess each well's current value. Sensitivity analysis was run to assess the impact of variables such as discount rate and gas price increase rates. As noted above, in 2015 $364,391 was written off to the consolidated statement of (loss) income and comprehensive (loss) income. Unlike the oil and gas property, the write-down of the oil and gas interests are not reversible and therefore, no future write-up is possible.

Outlook

Due to the continued success encountered on the Thompson lease, the operator, Marjac Oil Corporation Inc., has informed Canuc that additional wells are planned for the undeveloped acreage but not until natural gas prices begin to improve.

SUMMARY OF QUARTERLY RESULTS

The Consolidated Interim Statements of Loss and Comprehensive Loss include the operating activities of Former Canuc from the date of the Amalgamation to March 31, 2017.

Net loss for the three and six month's ended March 31, 2017 reflects the costs of working on completing the Amalgamation and carrying out a small exploration program in preparation for future work following the Amalgamation. Santa Rosa conducted little activity in the past year due mainly from lack of capital resources. Immediately following the Amalgamation, the Corporation took advantage of its working capital to move forward with planning for exploration on its Mexican assets, and pursue investor relations activities.

These financial statements, as a result of it being a reverse takeover, are a continuation of Santa Rosa's historical disclosures, combining Canuc's assets and liabilities as of March 31, 2017 and including transactions that flow through the Statements of Loss and Comprehensive Loss from February 21, 2017 through March 31, 2017. Revenues for the quarter ended March 31, 2017 represent oil and gas sales from February 21, 2017 through March 31, 2017

Listing costs expense reflects the excess of the purchase price for Former Canuc as part of the Amalgamation and the value of its net assets on February 21, 2017.

LIQUIDITY AND CAPITAL RESOURCES

While the Corporation does receive a modest amount of oil and gas sales cash flow, the activities of Canuc, principally the exploration and acquisition of silver, gold and base metal properties and the acquisition and development of oil and gas properties, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. While the Corporation has promising oil and gas production, it still must utilize its funds obtained from the sale of equity and other financing transactions to maintain its working capital requirements as well as its ongoing exploration programs and operating activities. There is no assurance that equity capital will be available to the Corporation in the amounts or at the times desired or on terms that are acceptable to the Corporation, if at all. See "Risks and Uncertainties".

The Consolidated Interim Statement of Financial Position at March 31, 2017 reflects the consolidated balances of Former Canuc and Santa Rosa. Former Canuc's assets and liabilities were adjusted to reflect their fair value at February 21, 2017, the date of the Amalgamation. Former Canuc's shareholders' equity balances prior to the Amalgamation are eliminated on consolidation with the resulting balances reflecting Santa Rosa's historical equity and transactions occurring from that date forward, including the $2,000,000 concurrent financing. Former Canuc's warrants and options outstanding on the date of the Amalgamation were revalued using that date's parameters, with the revalued amounts reflected in shareholders' equity.

On February 21, 2017, the Corporation completed an equity financing, raising $2 million at $0.25 per share. This financing resulted in the issuance of 8 million common shares and 4 million related warrants, each warrant having a two-year life and an exercise price of $0.50. The Corporation also issued 640,000 finders warrants with a two-year life related to this financing: 37,532 with $0.50 exercise price and 602,468 with a $0.25 exercise price.

The Corporation's cash and cash equivalents totaled $1,152,494 at March 31, 2017 (September 30, 2016 - $138,168). The Corporation had working capital of $941,720 at March 31, 2017 (September 30, 2016 –

$34,708). The increase in cash resulted from the $2,000,000 financing completed concurrent with the closing of the amalgamation between Former Canuc and Santa Rosa.

Current liabilities of the Corporation at March 31, 2017 were $313,708 (September 30, 2016 - $121,309), reflecting the Corporation's increased activity now that it has the resources to develop its assets.

To the date of this MD&A, the cash resources of the Corporation are held in cash and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are primarily short-term and non-interest bearing. The Corporation has no liquidity risk with financial instruments as it only holds cash. In addition, accounts receivable consist primarily of oil and gas sales in Texas, USA and also of sales tax owing from government authorities in Canada. The Corporation presently uses its cash principally in three areas: (a) funding of its activities at the Santa Rosa mining properties in Mexico; (b) investing in oil and gas interests in Texas; and (c) for working capital purposes. In the future, should the Corporation acquire new exploration properties or engage in large-scale exploration activities, it will need to secure new capital to fund the purchase of, and activities on, those properties.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements

TRANSACTIONS WITH RELATED PARTIES

Related parties include officers of the Corporation and its subsidiaries, its Board of Directors, key management personnel, their close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

In accordance with IAS24, key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Corporation directly or indirectly, including any director (executive and non-executive) of the Corporation.

The agreement under which Minera Stramin may acquire the Santa Rosa and Ampliación de Santa Rosa concessions is with two estates whose beneficiaries include an individual who is a director of Minera Stramin and therefore a key management person.

A portion of the Net Smelter Return Royalty ("NSR") royalties that were granted as part of the original formation of the Corporation and its mineral concession portfolio making up the San Javier Project (amounting to 2.5%), is held by three of the Corporation's related parties. Of the 2.5% NSR 1.5 percent is owned as follows: Christopher Berlet (Chief Executive Officer) holds an interest as to 1.0% of net smelter returns from future production, Dennis Waddington (former CFO of the Corporation) holds an interest as to 0.25% of net smelter returns from future production and Marco Bernal (a director of the Corporation's subsidiary Minera Stramin) holds an interest as to 0.25% of net smelter returns from future production.

<u>Rental Payments and Receipts</u>

In the quarter ended March 31, 2017 rental receipts of $2,658 were received from corporations with common directors. No such receipts were received prior to this quarter.

Prior to the quarter, there was no compensation paid to key management or directors. Compensation of key management personnel and directors for the period ended March 31, 2017 was as follows:

For the quarter ended March 31,	**2017**
Cash-based remuneration	**$ 69,500**
Non-cash-based compensation	**264,220**
	$ 185,610

At March 31, 2017, there is $7,512 payable to a corporation of which a Director of Canuc is the President (December 31, 2016 - nil).

At March 31, 2017, there is a receivable of $300 from a corporation of which a director of Canuc is a director (December 31, 2016 – nil).

The foregoing Related Party transactions were conducted in the normal course of business and were accounted for at the exchange amount which is the amount agreed between the parties.

PROPOSED TRANSACTIONS

There are no non-disclosed proposed transactions contemplated at this time.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS generally requires management to make estimates and assumptions. Such estimates and assumptions may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the related reported amounts of revenue and expense during the reporting period. Such estimates and assumptions may affect such things as valuation of investments, funds paid as deposits in foreign currencies, warrants, stock options, accrued interest, and income tax accounts. Actual results could differ from those estimates. Management of the Corporation believes that the estimates it has used are reasonable.

SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

The Corporation's accounting policies have not changed from those described in the audited annual financial statements dated September 30, 2016.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality considerations apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption is permitted. The Corporation intends to adopt IAS 1 on its effective date and has not reviewed the effects of this future policy change.

CAPITAL STOCK

As of the date of this MD&A, the Corporation had 41,991,815 common shares issued and outstanding.

On February 21, 2017 Former Canuc completed the reverse takeover transaction resulting in the combination of Former Canuc and Santa Rosa. Pursuant to the amalgamation, all issued and outstanding securities in the capital of Santa Rosa were converted into like issued and outstanding securities of Canuc on a two-for one basis. On February 21, 2017 the Corporation closed a concurrent financing of $2,000,000. The closing of this financing resulted in the issuance of 8,000,000 units, with each unit priced at $0.25 and comprised of one common share and one half of one common share purchase warrant.

In connection with the financing, Canuc paid commissions to Finley Holdings Ltd, Bonaventure Explorations Limited, and Leede Jones Gable Inc. aggregating to $150,617, 602,468 commission warrants and 75,064 commission units, with the commission units having the same terms and conditions as those units issued under the financing. The resulting 37,532 commission warrants have an exercise price of $0.25 but otherwise have the same terms and conditions as the warrants issued under the financing.

On March 8, 2017, the Corporation issued 2,200,000 incentive stock options to Officers, Directors and consultants of the Corporation. These options have a 3 year term, a $0.50 exercise price and vested immediately. In April 2017, an additional 400,000 options were granted on the same terms.

During the quarter, since the Transaction closing date of February 21, 2017, a total of 205,000 stock options were exercised, resulting in proceeds of $36,050. Subsequent to quarter-end 100,000 options were exercised resulting in proceeds of $6,800.

During the quarter, 300,000 warrants with a $0.10 exercise price were exercised for proceeds of $30,000. Subsequent to quarter-end, an additional 760,000 warrants with a $10.10 exercise price were exercised for proceeds of $76,000.

As at May 30, 2017, the Corporation had outstanding share options that had been issued to directors, officers and consultants of the Corporation, as follows:

Date of Grant	**Options outstanding #**	**Options vested #**	**Exercise price $**	**Expiry date**
Sep 18, 2012	350,000	350,000	0.10	Sep. 18, 2017
May 30, 2016	580,000	580,000	0.10	May 30, 2019
February 21, 2017	335,000	335,000	0.06	Oct. 5, 2018
February 21, 2017	185,000	185,000	0.25	May 17, 2019
March 3, 2017	2,200,000	2,200,000	0.50	Mar. 3, 2020
April 6, 2017	400,000	400,000	0.50	April 6, 2020
	4,050,000	**4,050,000**	**0.36**	

As at May 30, 2017, the Corporation had 8,180,500 warrants outstanding to purchase common shares of the Corporation:

Date of Issue	**Warrants outstanding #**	**Warrants exercisable #**	**Exercise price $**	**Expiry date**
October 9, 2013	350,000	350,000	1.00	October 9, 2017
November 4, 2015	2,140,000	2,140,000	0.10	November 4, 2017
February 21, 2017	478,500	478,500	0.10	February 21, 2019 (1)
February 21, 2017	572,000	572,000	0.10	May 9, 2018
February 21, 2017	4,000,000	4,000,000	0.50	February 21, 2019
February 21, 2017	602,468	602,468	0.25	February 21, 2019
February 21, 2017	37,532	37,532	0.50	February 21, 2019
	8,180,500	**8,180,500**	**0.35**	

(1) The expiry date of these warrants was two years from a Liquidity Event, now known to be February 21, 2017

FINANCIAL INSTRUMENTS

The nature and extent of the Corporation’s use of financial instruments and risk exposures that might impact its financial instruments are summarized below.

Financial Risk

Liquidity Risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2017, the Corporation had cash and cash equivalents balance of $1,152,494 to settle current liabilities of $313,708. As at September 30, 2016, the Corporation had cash and cash equivalents balance of $138,168 to settle current liabilities of $121,309. All of the Corporation's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest Rate Risk

The Corporation has cash balances and no interest-bearing debt. The Corporation's current policy is to invest excess cash in money market funds. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Credit Risk

The Corporation's credit risk is primarily attributable to sundry receivables. The Corporation has no significant concentration of credit risk arising from operations. Included in sundry receivables is sales tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to these financial instruments included in sundry receivables is remote.

Foreign Exchange Risk

These consolidated financial statements are presented in Canadian Dollars. The Canadian dollar is the functional currency of Santa Rosa Silver Mining Corp. The Mexican peso is the functional currency of Minera Stramin. The Corporation's reporting currency is the Canadian dollar. The Corporation funds certain operations, exploration and administrative expenses on a cash basis in Mexican Pesos (MXN) or US Dollars (USD) converted from its Canadian dollar bank accounts held in Canada. Management believes the foreign exchange risk derived from currency conversions is for the foreseeable future not material and therefore does not hedge its foreign exchange risk. The following chart shows cash held in foreign currencies:

	March 31, 2017		**September 30, 2016**	
	US Dollar	**MXN Peso**	**US Dollar**	**MXN Peso**
Cash held in foreign currency	18,421	180,082	11,173	4,403
Value of foreign currency in Canadian dollars	24,502	12,779	15,003	299

Sensitivity Analysis

As at March 31, 2017, the Corporation held $24,502 and $12,779 in cash balances denominated in US dollars and Mexican pesos respectively. A 10% change in the value of the Canadian dollar compared to those other foreign currencies would result in a foreign exchange gain/loss of approximately $2,450 and $1,278 respectively for the US dollars and Mexican pesos accounts.

Fair Value

The carrying values of the Corporation’s current financial instruments comprising cash and cash equivalents and accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

The following table sets out the material components of the general and administrative expenses for the three and six months ended March 31, 2017 providing detail from the Statement of Net Loss and Comprehensive Loss in the related financial statements.

Expenses	Six Months Ended March 31, 2017 $	Three Months Ended March 31, 2017 $
Listing costs	2,525,506	2,525,506
Stock-based compensation	264,220	264,220
Management fees	162,784	162,784
Shareholder and investor relations	111,591	111,591
Evaluation expenses	29,000	11,530
Office and general costs	13,344	11,082
Value added taxes	11,881	4,226
Interest expense	387	16
Professional fees	(77,901)	(101,299)
Foreign exchange (gain) loss	(9,123)	(10,849)
Total General and Administrative	**3,031,689**	**2,978,807**
Net revenues	**2,060**	**2,060**
Net loss for the period	**(52,882)**	**(540,179)**
Foreign exchange translation	(66,196)	(225,473)
Foreign exchange gain (loss) on net investment in a foreign operation	52,610	201,848
Comprehensive loss for the period	**(3,043,214)**	**(3,000,392)**

The nature and amount of the general and administrative expenses of the Corporation for the periods reflect the minimum level holding costs while working to complete the Amalgamation.

RISKS AND UNCERTAINTIES

Securities of the Corporation should be considered to be speculative due to the nature of the mineral exploration business in which the Corporation is engaged. Some of the risks associated with an investment in the securities of the Corporation are described below.

Lack of Reserves

The Corporation has a single project, being the San Javier Silver-Gold-Lead-Zinc Project. The San Javier Project has no resources or reserves. If exploration programs on the San Javier Project are unsuccessful, the Corporation will have no undertaking and no basis to continue in the mineral exploration sector.

Exploration, Development and Operating Risks

Exploration and mining operations generally involve a high degree of risk. Although adequate precautions to minimize risk will be taken, the Corporation's operations will be subject to all the hazards and risks normally encountered in the exploration, development and production of precious and base metals. Uncertainties in exploration operations and expenses can arise from working in remote and physically difficult environments where weather, topography and seasonal factors can be unpredictable and infrastructure taken for granted elsewhere has not yet been installed. Risks and uncertainties in the mining phase include unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Milling operations related to mining are also subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas that may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Corporation will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Corporation towards the search for and evaluation of mineral deposits will result in discoveries of commercial quantities of ore.

Insurance and Uninsured Risks

The Corporation's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Corporation's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Insurance may not cover all the potential risks associated with a mining Corporation's operations. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Corporation or to other companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. Losses from these events could cause the Corporation to incur significant expenses that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Corporation's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations. Environmental hazards may exist on the properties on which the Corporation holds interests which are unknown to the Corporation at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals, approval of aboriginal people and permits are currently, and may in the future be required in connection with the Corporation's operations. To the extent such approvals are required and not obtained, the Corporation may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Corporation's operations, financial condition and results of operations.

Land Title

Although the title to the mineral concessions covering the properties in which the Corporation holds an interest were reviewed by or on behalf of the Corporation, no total assurances can be given that there are no title defects affecting such properties. Title insurance generally is not available, and the Corporation's ability to ensure that it has obtained secure claim to individual mineral properties may be severely constrained

Competition

The mining industry is competitive in all of its phases. The Corporation faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Corporation. As a result of this competition, the Corporation may be unable to acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the Corporation's revenues, operations and financial condition could be materially adversely affected.

Additional Capital

The exploration and development of the Corporation's properties will require substantial additional financing, through the Amalgamation or otherwise. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Corporation's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Corporation.

Commodity Prices

The price of the common shares, the Corporation's financial results and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of precious and base metals. Precious and base metal mineral prices fluctuate widely and are affected by numerous factors beyond the Corporation's control such as the sale or purchase of such commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major precious and base metal mineral-producing countries throughout the world. The prices of precious and base metals have fluctuated widely in recent years, and future serious price declines could cause continued development of and commercial production from the Corporation's properties to be impracticable. Depending on the price of precious and base metals, cash flow from mining operations may not be sufficient and the Corporation could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Corporation's mining properties is dependent on precious and base metal mineral prices that are adequate to make these properties economic.

In addition to adversely affecting the Corporation's reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Exchange Rate Fluctuations

Exchange rate fluctuations may affect the costs that the Corporation incurs in its operations. Precious and base metal minerals are generally sold in US dollars and the Corporation's costs will be incurred principally in Canadian and US dollars and Mexican pesos. The appreciation of non-US dollar currencies against the US dollar can increase the cost of precious and base metal mineral exploration and production in US dollar terms.

Government Regulation

The mining, processing, development and mineral exploration activities of the Corporation are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Although the Corporation's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Corporation.

Key Executives

The Corporation is dependent on the services of key executives, including the directors of the Corporation and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Corporation, the loss of these persons or the Corporation's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Corporation should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (Ontario) and other applicable laws.

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Corporation’s assets are safeguarded and to facilitate the preparation of relevant and timely information.