



www.canucresources.ca

Presidents Update

Spring 2011 review:

In recent months your Company has been very busy on numerous fronts including Ecuador, Mill Village Nova Scotia and Stephens County Texas.

In Ecuador, the underground sampling of tunnels continues as we aim to better understand the geology and mineralization at Nambija prior to any future drilling. Initial results from the underground program have been very encouraging and continue to demonstrate a more widespread envelope of mineralization for gold, copper and lesser silver.

The distribution of the assay results further support the concept of a porphyry copper – gold target and work continues at site to better define this model. Additional results are forthcoming and will be released as soon as the data is compiled. Please see our news release dated April 27, 2011 for more details on this program.

In addition to the work being conducted at Nambija, we are also reviewing other precious metal properties within and adjacent to the Nambija Gold belt for possible acquisition.

In Nova Scotia, our team has initiated meetings with government officials at the Department of Natural Resources (“DNR”). As in most mining jurisdictions, permitting and environmental stewardship are key drivers to initiating exploration and development of mining projects. Our technical staff will be finalizing the initial permitting and environmental requirements so work can commence at Mill Village on a timely basis. Initial ground work will include geology, geochemical and geophysical surveys. As permitting requirements are met and initial results from the surveys are compiled and analyzed, trenching and drilling will follow.

For reference, Mill Village is highlighted on the map below.

In February the Company signed a letter of intent with MidTex Oil and Gas Company which owns a producing gas well and a lease on the surrounding 320 acres in Stephens County Texas. Extensively drilled for oil in the 1920's and 30's, Stephens County also hosts natural gas which was sealed off at that time due to the lack of surface transportation facilities. In the 1970's, a low pressure pipeline was installed across the property making it cost efficient and easy to sell the product. With an experienced operator and full support facilities based nearby, this acquisition allows Canuc a non cash share based purchase of a business which should provide a modest amount of positive cash flow for the next decade. With 3 known gas horizons on the property and enough acreage to support another 3 to 4 wells, a second well will be drilled in the summer 2011 targeting one of the more prolific gas zones.

Conditional approval for the MidTex acquisition has been received by regulators and I am pleased to announce that the final documents have been submitted for review. Please see our news release dated March 4, 2011 for more details on this proposed acquisition.

In March, Director Chris Berlet and I travelled to the UK and Germany to meet with major shareholders of the Company and to attend INVEST 2011 in Frankfurt and Stuttgart. The reception in Europe to the Company's new business plan was quite favorable and as a result, the Company is in the process of obtaining a Frankfurt listing.

I am also pleased to report that the Company closed a private placement on March 18, 2011 raising a total of \$798,600 followed by a second tranche of \$1,315,000 on April 5, 2011. The funds raised will be used primarily to advance the Mill Village property and for a second gas well in Stephens County Texas with a view to securing cash flow and reducing the need for equity financing. Please see our news release dated March 18, 2011 for more details on this private placement.

I look forward to keeping you informed as we build shareholder value.

Sincerely,

G. Lohman
 President and CEO
 Canuc Resources Corporation

