MANAGEMENT DISCUSSION FOR ARCTIC HUNTER ENERGY INC.
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017
PREPARED AS OF MAY 26, 2017

Contact Information

Arctic Hunter Energy Inc.
#1610 – 675 West Hastings Street
Vancouver, British Columbia
V6B 1N2

Telephone: (604) 681-3131
Contact Name: Tim Coupland, President & CEO
email: astar@telus.net

This management's discussion and analysis ("MD & A") provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the nine month period ended March 31, 2017, in comparison with the previous nine month period. This report supplements our audited financial statements and should be read in conjunction with our financial statements and the accompanying notes. Our financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and all monetary values included in this report are in Canadian dollars, unless it is indicated otherwise. Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Additional information regarding the Company is available on SEDAR at www.sedar.com.

Forward-Looking Statements

The matters discussed in this MD&A include certain forward-looking statements. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements. Forward-looking statements may be identified, without limitation, by the use of such words as "anticipates", "estimates", "expects", "intends", "plans", "predicts", "projects", "believes", or words or phrases of similar meaning. In addition, any statement that may be made concerning future performance, strategies or prospects and possible future corporate action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date. Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Corporation. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government relations, unexpected judicial or regulatory proceedings and catastrophic events. We stress that the above mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. The Corporation disclaims any intention or obligation to update or revise these forward-looking statements as a result of new information, future events or otherwise, except as required under applicable securities laws.

Forward-looking statements are included throughout this Report. In particular, this Report contains forward-looking statements pertaining to the following:

- the quantity and quality of reserves or resources;
- the performance characteristics of the Company's oil and gas properties;
- oil and natural gas production levels;
- capital expenditure programs and the timing and method of financing thereof;
- future development and exploration activities and the timing thereof;
- future land expiries;
- estimated future contractual obligations and the amount expected to be incurred under our farm-in commitments;
- realization of the anticipated benefits of acquisitions and dispositions;
- future liquidity and financial capacity;
- projections of market prices and costs;
- supply and demand for oil and natural gas;
- expectations regarding the Company's ability to raise capital and to continually add to reserves through acquisitions and development;
- expectations relating to the award of exploration permits by governmental authorities; and
- treatment under government regulatory and taxation regimes.

With respect to forward-looking statements contained in this Report certain assumptions have been made including:

- oil and natural gas production levels;
- commodity prices;
- future currency and interest rates;
- future operating costs;
- the Company's ability to generate sufficient cash flow from operations and to access existing credit facilities and capital markets to meet its future obligations;
- availability of labour and drilling equipment;
- general economic and financial market conditions; and
- government regulation in the areas of taxation, royalty rates and environmental protection.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below:

- volatility in market prices for oil and natural gas;
- liabilities and risks inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and gas reserves;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions;
- imprecision in estimating capital expenditures and operating expenses;
- availability of sufficient financial resources to fund the Company's capital expenditures;
- the possibility that government policies or laws, including those related to the environment, may change or governmental approvals may be delayed or withheld;
- stock market volatility and market valuation;
- potential delays or changes with respect to exploration and development projects or capital expenditures;
- geological, technical, drilling and processing problems;

- fluctuations in foreign exchange or interest rates and stock market volatility;
- general economic and business conditions;
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry;
- failure to obtain industry partner and other third party consents and approvals, as and when required;
- failure to realize the anticipated benefits of acquisitions; and
- the other factors identified in other documents incorporated herein by reference.

These factors should not be considered exhaustive. Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably produced in the future. The forward-looking statements contained in this Report are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as required by securities laws.

NON-IFRS MEASURES

The Corporation's management uses and reports certain measures not prescribed by International Financial Reporting Standards (referred to as "non-IFRS measures") in the evaluation of operating and financial performance. Operating netback, which is calculated as average unit sales prices less royalties and operating expenses, and corporate netback, which further deducts administrative and interest expense, represent net cash margin calculations for every barrel of oil equivalent sold. Net debt, which is current assets less current and other financial liabilities (e.g. note payable), is used to assess efficiency and financial strength. Operating netback, corporate netback and net debt do not have any standardized meanings prescribed by IFRS and therefore may not be comparable with the calculation of a similar measure for other companies. The Corporation uses these terms as an indicator of financial performance because such terms are often utilized by investors to evaluate junior producers in the oil and natural gas sector.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Arctic Hunter Energy Inc. is a Canadian Oil & Gas exploration and Mining resource development Company that identifies, acquires and finances the acquisition, exploration and development of mining and oil and gas assets primarily situated in Western Canada and North America. The Company is currently a junior heavy oil producer in the greater Lloydminster area of Alberta & Saskatchewan. The Company is continually reviewing future production and exploration opportunities, through selective property acquisitions and identifying low risk exploration drilling activities situated in Canada, the United States, Mexico and abroad.

In fiscal year 2011 and 2012, the Company farmed into four (4) exploratory heavy oil wells located in the Lloydminster area of Western Saskatchewan. On April 24, 2013, three (3) of these producing heavy oil wells were sold. The Company still maintains a 50 % interest in the C-12 well which is situated in Landrose, Saskatchewan.

The C-12 well was still in production until December 2015 at which time management chose to shut in the well due to the low price of oil. In July 2016, a workover was performed on this heavy oil well and the C-12 well was brought back into successful production.

On May 29, 2014, the Company announced that it amended its agreement with Petrocapita Oil & Gas LP, of Calgary, Alberta, ("Petrocapita"). Under the first well option agreement, Arctic Hunter had agreed to participate with Petrocapita (Farmor) in drilling one test well by July 1, 2014 subject to rig availability and surface access. Under the agreement, Arctic Hunter (Farmee) must pay 50% of Petrocapita's share of the cost to drill, complete and fully equip or abandon the test wells to earn a 30% net interest. Petrocapita is the operator of this heavy oil well.

On July 30, 2014, the Company announced that it had successfully drilled and completed this heavy oil well, situated near Lloydminster, Alberta for $273,637 net to Arctic Hunter. The Company successfully drilled and encountered oil in all zones of interest which included the General Petroleum, Sparky and McLaren formations. The D-1 well was placed on production in September 2014 and was successfully producing until May 2015. The well is currently shut-in. The Company is continually monitoring this well to determine whether it is economically viable during the associated volatility in the oil price environment in 2016-2017.

On October 5, 2016, the Company completed a non-brokered private placement of 300,000 Units of the Company at a subscription price of $0.20 per Unit, for total gross proceeds of $60,000. Each Unit consists of one common share and one common share purchase warrant, each warrant exercisable at a price of $0.40 per share until October 5, 2018. All of the securities issued pursuant to the private placement will be subject to a four month hold period from the date of issue in accordance with applicable securities laws.

On November 2, 2016, the Company completed a non-brokered private placement of 175,000 Units of the Company at a subscription price of $0.20 per Unit, for total gross proceeds of $35,000. Each Unit consists of one common share and one common share purchase warrant, each warrant exercisable at a price of $0.40 per share until November 2, 2018. All of the securities issued pursuant to the private placement will be subject to a four month hold period from the date of issue in accordance with applicable securities laws.

On November 4, 2016, the Company announced that Mr. Lawrence Ilich was appointed to the Board of Directors upon the resignation of Mr. Jeremy Ross. Lawrence Ilich is a civil construction consultant, having worked with the Progressive Construction Group, founded by Milan Ilich. Mr. Ilich has over 30 years of experience in Project development and construction throughout North America. The Progressive Group of Companies was a leader in Project Development and construction, building infrastructure, as well as, enhancing professional and amateur sports and generously supporting many local charitable causes.

On November 23, 2016, the Company consolidated its common shares on the basis of one post-consolidated common share for every four pre-consolidated common shares held. The 29,365,000 pre-consolidated common shares issued and outstanding were adjusted to 7,341,250 post-consolidated common shares. All references to share capital, common shares outstanding and per share amounts in this management discussion for the time periods prior to the share consolidation have been restated to reflect the four for one share consolidation.

On December 8, 2016, the Company announced a non-brokered private placement financing of common shares ("Common Shares") at a price of CDN $0.10 per share to raise gross proceeds of up to CDN $1,000,000 (the "Offering"). Each Unit will consist of one (1) common share and one (1) common share purchase warrant, each warrant exercisable at a price of $0.15 per share for a period of two (2) years from the date of issuance. The private placement is subject to approval from the TSX Venture Exchange and all of the securities issued pursuant to the private placement will be subject to a four month hold period from the date of issue in accordance with applicable securities laws. The Company will have the option to increase the size of the offering by up to 25% prior to closing.

The Company has agreed to pay a finders' fee to arm's length parties for services rendered in respect of the Unit Offering. The finder's fee will consist of a cash fee equal to 8% of the gross proceeds of the Unit Offering and finder's warrants equal in number to 8% of the units sold under the offering. Each finder's warrant will entitle the holder to acquire one common share of the Company at a price of $0.15 per share for a period of two (2) years from the date of issuance.

On May 2, 2017 the Company announced it has closed the first tranche of the non-brokered private placement. This first tranche consisted of 5,005,000 units (the "Units") at a price of $0.10 per Unit for gross proceeds of $500,500. On May 19, 2017 the Company announced it has closed the second tranche of the non-brokered private placement. This second tranche consisted of 580,000 units at a price of $0.10 per Unit for gross proceeds of $58,000. Each Unit is comprised of one common share of the Company and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of $0.15 per share for a period of two (2) years from the date of issuance.

In connection with this first tranche of the private placement, the Company paid finders' fees of $39,080 and issued 390,800 finder's warrants to arm's length parties. Each finder's warrant entitles the holder to acquire one common share of the Company at a price of $0.15 per share for a period of two (2) years from the date of issuance.

All securities issued or issuable in connection with these tranches of the private placement are subject to a four month hold period from date of issue, in accordance with applicable securities laws.

The Company intends to use the proceeds of the private placement for the following purposes: (i) first cash payment on San Javier Mill (CDN$340,760); (paid on May 23, 2017) (ii) fund completion of a National Instrument 43-101 compliant technical report on the Rebeico Gold-Copper property currently under option (CDN$27,000); and (iii) transaction costs including professional fees and finder's fees in connection with the private placement, and general working capital ($128,500).

On December 8, 2016, the Company announced that it has entered into a non-binding letter of intent to acquire the Rebeico Gold-Copper Project situated in Sonora, Mexico.

On February 8, 2017, the Company announced that it had completed a comprehensive site visit and preliminary due diligence on the Rebeico Gold-Copper Project situated in Sonora, Mexico and intends to proceed with its previously announced CDN $1.0 million non-brokered private placement. The site visit was performed by Brian Game, P. Geo., of Geominex Consultants, who acted as advisor to the Company. This option is subject to Board of Directors approval and TSX Venture Exchange final approval.

On April 5, 2017, the Company announced that it has signed a definitive option agreement with YQ Gold to acquire the Rebeico Gold-Copper Project situated in Sonora, Mexico.

On May 19, 2017, the Company announced that it has entered into a standstill agreement (the "Standstill Agreement") with respect to its option agreement dated April 3, 2017 (the "Option Agreement") to acquire up to a 100% interest in the Rebeico Gold-Copper Project situated in Sonora, Mexico ("Rebeico Gold Property"). The parties have agreed to enter into the Standstill Agreement in order to provide additional time for the parties to complete a National Instrument 43-101 compliant technical report and a title opinion respecting the Rebeico Gold Property.

Under the terms of the Standstill Agreement, the Option Agreement will be terminated and the optionor and vendors of the Rebeico Gold Property have agreed that they will not enter into any agreement that would have the effect of granting any party (other than the Company) the right to acquire any interest of any kind in the Rebeico Gold Property for a period of 90 days following the execution of the Standstill Agreement. Upon the completion of the NI-43-101 Technical Report and the title opinion, the parties will then enter into an amended and restated option agreement respecting the Rebeico Gold Property with the same terms as the original Option Agreement.

"This is truly a landmark exploration and production opportunity for Arctic Hunter", stated Tim Coupland, President & CEO of Arctic Hunter. "As Arctic Hunter transitions into a Mexican Gold and Copper exploration company with future potential revenue streams from mill production (see San Javier Flotation Mill below), our shareholders stand to benefit from this unique gold and copper opportunity now being afforded to the Company. I would like to thank Management, the Board of Director's and our Shareholders for their patience, during this lengthy acquisition and due diligence process with our Mexican Mining Colleagues. In particular, I would like personally to thank our Mexican partners, for the utmost of professionalism while securing and obtaining the necessary drill permitting on the Rebeico Gold/Copper project and moving the project forward. We look forward to working with YQ Gold's proven and experienced Mexican Management team of industry professionals and experienced workforce who have extensive expertise in the Sonora State region of Mexico. The YQ team will be assisting the Company in the successful development of this mineral exploration project and the soon to be fully operational San Javier flotation Mill."

DEFINITIVE AGREEMENT SIGNED - TERMS OF ACQUISITION /REBEICO GOLD PROJECT SONORA, MEXICO

1. Arctic Hunter may acquire a 100% interest in seven (7) mineral claims on the Rebeico Gold property from YQ Gold by paying YQ Gold US$2,050,000 million in cash and stock and incurring US$500,000 in exploration expenditures on the Property as follows and as set out in the table below:

    a) paying YQ Gold US$50,000 cash within 10 business days of final TSX Venture Exchange acceptance of the transaction;

    b) Paying US$2,000,000 in cash to the Optionor on or before the date in which two years after the commencement of Commercial production on the Rebeico Gold Property;

    c) issuing US$150,000 worth of shares of Arctic Hunter to the Optionor on or before 10 business days after final TSX Venture Exchange acceptance of the transaction;

    d) issuing US$300,000 worth of shares of Arctic Hunter to the Optionor on or before six (6) months after final TSX Venture Exchange acceptance of the transaction; and

    e) incurring aggregate exploration expenditures of US$500,000 on the Property on or before the date which is twelve (12) months after final TSX Venture Exchange acceptance of the transaction.

The Company's interest in the Rebeico Gold property will be subject to a 2% net smelter return royalty in favour of the vendors of the property.

REBEICO GOLD & COPPER PROJECT- GOLD/COPPER EXPLORATION

The Rebeico Gold - Copper Project is located within the heart of the prolific Sierra Madre Gold belt of northern Mexico and is easily accessed by paved highway from the City of Hermosillo, Mexico. The Rebeico Gold-Copper Property is a former small-scale underground producer of gold and copper in this known gold district. Recently completed work by the property vendor YQ Gold, includes detailed geological mapping, detailed rock sampling and soil geochemical surveys. This comprehensive work has resulted in the expansion of previously known gold and copper mineralized zones. The main Rebeico vein system has been traced for more than 1 km on surface, with vein widths ranging from 0.40 meters to over 1.9 meters. Historical gold and copper mining has occurred on the property with only a small portion of the historical mining occurring on the identified vein system. The Rebeico vein system remains open at depth below underground development levels and to date is untested by drilling. YQ Gold has also identified a large approximately 400-meter by 600-meter gold bearing Breccia Zone that has anomalous surface gold, that is open in all directions and remains untested by drilling. The Rebeico Gold-Copper property is fully permitted for exploration drilling in 2017-2018. The final option and definitive acquisition agreement is subject to final TSX Venture Exchange approval.

SAN JAVIER FLOTATION MILL - FUTURE POTENTIAL REVENUE STREAMS HERMOSILLO MEXICO

On March 31, 2017, the Company announced that it has entered into a non-binding letter of intent to acquire up to a 50% interest in Rebeico Gold S.A. de C.V. the operator of a State owned 100 ton per day flotation mill situated near the city of Hermosillo in Sonora State, Mexico. The letter of intent will be followed by the signing of a formal option agreement with Rebeico Gold S.A. de C.V Mexico ("Rebeico Gold") of Sonora, Mexico to earn up to a 50% equity interest in Rebeico Gold for USD$500,000. Rebeico Gold holds the right to operate the San Javier Mill and to receive the proceeds derived therefrom pursuant to an assignment agreement between Rebeico and Exlporacion y Desarollo del Desierto, S.A de C.V. ("EDDSA") dated April 24, 2017. EDDSA holds the right to operate and receive all proceeds from the San Javier Mill and to conduct ancillary activities on the project site pursuant to a 10 year lease agreement between EDDSA and the state of Sonora, Mexico dated February 24, 2015. The San Javier Mill Project is located within the heart of the prolific Sierra Madre Gold belt of northern Mexico and is easily accessed by paved highway from the City of Hermosillo, Mexico. The San Javier Mill is a former working and operational State owned flotation mill that has serviced the many working gold, copper and silver mines located in this prolific mining region in the past. The final option agreement is subject to TSX Venture Exchange approval.

On April 28, 2017, the Company announced that it has signed a definitive agreement to acquire up to a 50% interest in Rebeico Gold S.A. de C.V.

Arctic Hunter may acquire up to a 50% equity interest in Rebeico Gold by paying Rebeico Gold the sum of USD$500,000 in cash as follows:

a) paying Rebeico Gold the sum of USD$250,000 in cash (PAID on May 23, 2017) to acquire the initial 30% equity interest in Rebeico Gold within 30 days of final TSX Exchange Venture acceptance of the transaction;

b) paying Rebeico Gold, within two years of final TSX Exchange Venture acceptance of the transaction, the additional sum of USD$250,000 in cash to acquire an additional 20% interest in Rebeico Gold, giving Arctic Hunter a 50% equity interest in Rebeico Gold and production royalties derived therefrom.

The acquisition is subject to TSX Venture Exchange acceptance.

RESULTS OF OPERATIONS – NINE MONTH PERIOD ENDED MARCH 31, 2017

The Company's net and comprehensive loss for the nine month period ended March 31, 2017 was $106,873 or $0.02 per share compared to a net and comprehensive loss of $127,204 or $0.02 per share for the nine month period ended March 31, 2016. The significant changes during the current nine month period compared to the prior nine month period are as follows:

Petroleum revenue during the nine month period ended March 31, 2017 was $59,064. After deducting royalties of $4,680, production and transportation costs of $22,959 and depletion and depreciation of $13,398, a net petroleum production profit of $18,027 was recorded. The petroleum revenue for the nine month period ended March 31, 2017 of $59,064 was higher compared to $13,064 in the previous nine month period. The C-12 heavy oil well is producing more efficiently in the current period due to the workover performed on this well.

Consulting fees decreased $7,915 to $1,880 during the nine month period ended March 31, 2017 from $9,795 during the nine month period ended March 31, 2016. The amount in the previous year was higher due to the Company appointing and paying an executive assistant to help with updating online marketing and office administration of the Company.

Filing fees increased $7,559 to $21,882 during the nine month period ended March 31, 2017 from $14,323 during the nine month period ended March 31, 2016. The amount in the current period was higher due to the costs associated with the consolidation of the Company's share capital.

Professional fees increased $4,423 to $20,684 during the nine month period ended March 31, 2017 from $16,261 during the nine month period ended March 31, 2016. The amount in the current period was higher due to the costs associated with the consolidation of the Company's share capital.

At March 31, 2017, Arctic Hunter held assets recorded at $115,217 including $42,348 in cash, $15,205 in receivables, $1,761 in prepaid expenses, $47,294 in property, plant and equipment and $8,609 in mineral properties.

RESULTS OF OPERATIONS – THREE MONTH PERIOD ENDED MARCH 31, 2017

The Company's net and comprehensive loss for the three month period ended March 31, 2017 was $34,959 or $0.00 per share compared to a net and comprehensive loss of $40,807 or $0.01 per share for the three month period ended March 31, 2016. The significant changes during the current three month period compared to the prior three month period are as follows:

Petroleum revenue during the three month period ended March 31, 2017 was $27,114. After deducting royalties of $2,805, production and transportation costs of $7,962 and depletion and depreciation of $5,988, a net petroleum production profit of $10,359 was recorded. The petroleum revenue for the three month period ended March 31, 2017 of $27,114 was higher compared to $Nil in the previous three month period. The C-12 heavy oil well is producing more efficiently in the current period due to the workover performed on this well.

Filing fees increased $1,718 to $10,332 during the three month period ended March 31, 2017 from $8,614 during the three month period ended March 31, 2016. The amount in the current period was higher due to the costs associated with the consolidation of the Company's share capital.

General and administration costs increased $2,833 to $6,132 during the nine month period ended March 31, 2017 from $3,299 during the three month period ended March 31, 2016. The amount in the current period was higher due to the costs associated with the consolidation of the Company's share capital.

SUMMARY OF QUARTERLY RESULTS

The following selected financial information is derived from the unaudited interim financial statements of the Company. The figures have been prepared in accordance with IFRS.

	3rd Qtr Ended 03-31-17	**2nd Qtr Ended 12-31-16**	**1st Qtr Ended 09-30-16**	**4th Qtr Ended 06-30-16**	**3rd Qtr Ended 03-31-16**	**2nd Qtr Ended 12-31-15**	**1st Qtr Ended 09-30-15**	**4th Qtr Ended 06-30-15**
Total Revenues	$27,114	$22,978	$8,972	$-	$-	$4,155	$8,910	$24,249
Operating Profit (Loss)	($34,959)	($35,095)	($36,819)	($48,437)	($40,807)	($40,889)	($45,507)	($326,178)
Operating Profit (Loss) Per Share	($0.00)	($0.00)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.05)
Total Net Profit (Loss)	($34,959)	($35,095)	($36,819)	($48,437)	($40,807)	($40,889)	($45,507)	($326,178)
Total Net Profit (Loss) Per Share	($0.00)	($0.00)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.05)

FINANCIAL AND OPERATING SUMMARY

TABLE A - OPERATIONS BY QUARTER (April 2015 to March 2017)

All production is conventional heavy oil

Production and per share	**Q3 2017**	**Q2 2017**	**Q1 2017**	**Q4 2016**	**Q3 2016**	**Q2 2016**	**Q1 2016**	**Q4 2015**
Production - total barrels	682	556	288	-	-	137	330	517
Production - bbls/ day	**8**	**6**	**3**	**-**	**-**	**1.5**	**4**	**6**
Heavy oil revenue	27,114	22,978	8,972	-	-	4,155	8,910	24,249
Royalties	(2,805)	(1,700)	(175)	-	-	(76)	(385)	(792)
Production & transportation	(7,962)	(7,363)	(7,634)	(4,642)	-	(4,998)	(12,203)	(9,910)
Operating net back (loss)	16,347	13,916	1,163	(4,642)	-	(919)	(3,678)	13,547
General and administrative	(44,935)	(43,746)	(35,070)	(42,010)	(40,424)	(38,283)	(38,304)	(59,605)
Corporate net back	(29,829)	(29,830)	(33,907)	(46,652)	(40,424)	(39,202)	(41,982)	(46,058)
Depletion & depreciation	(5,988)	(4,881)	(2,529)	-	-	(1,304)	(3,142)	(6,620)
Impairment	-	-	-	(1,400)	-	-	-	(273,455)
Other (expenses) revenue	(383)	(384)	(383)	(384)	(383)	(383)	(383)	(45)
Income (loss) for the period	**(34,959)**	**(35,095)**	**(36,819)**	**(48,437)**	**(40,807)**	**(40,889)**	**(45,507)**	**(326,178)**
Basic and diluted income (loss) per share	**(0.00)**	**(0.00)**	**(0.01)**	**(0.01)**	**(0.01)**	**(0.01)**	**(0.01)**	**(0.05)**
Royalties as % of petroleum revenue	**10**	**7**	**2**	**n/a**	**n/a**	**2**	**4**	**3**

Per bbl analysis	**Per bbl**	**Per bbl**	**Per bbl**	**Per bbl**	**Per bbl**	**Per bbl**	**Per bbl**	**Per bbl**
Heavy oil revenue	39.75	41.32	31.15	n/a	n/a	30.32	27.00	46.90
Royalties	(4.11)	(3.05)	(0.60)	n/a	n/a	(0.55)	(1.16)	(1.53)
Production and transportation	(11.67)	(13.24)	(26.50)	n/a	n/a	(36.48)	(36.97)	(19.17)
Operating net back	**23.97**	**25.03**	**4.05**	**n/a**	**n/a**	**(6.71)**	**(11.13)**	**26.20**
General and administrative	(65.88)	(78.67)	(121.77)	n/a	n/a	(279.43)	(116.07)	(115.29)
Depletion & depreciation	(8.78)	(8.78)	(8.78)	n/a	n/a	(9.51)	(9.52)	(12.80)
Other (expenses) revenue	(0.56)	(0.68)	(1.32)	n/a	n/a	(2.79)	(1.16)	(0.09)
Impairment	n/a	n/a	n/a	n/a	n/a	-	-	(528.93)
Income (loss) for the period	(51.25)	(63.10)	(127.82)	n/a	n/a	(298.44)	(137.88)	(630.91)
Funds (invested in) petroleum properties	**-**	**-**	**(7,966)**	**-**	**-**	**-**	**-**	**-**

FINANCIAL AND OPERATING SUMMARY
TABLE C – BALANCE SHEET

	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Net cash	42,348	4,521	11,145	13,611	15,068	15,886	22,851	45,538
Total assets	115,217	62,504	72,396	69,280	72,903	74,589	79,375	108,171
Total liabilities	58,831	70,909	79,448	72,013	62,435	53,313	47,210	45,499
Shareholders' equity	56,386	(8,405)	(7,052)	(2,733)	10,468	21,276	32,165	62,672
SHARES								
Basic outstanding	7,341,250	7,341,250	6,866,250	6,866,250	6,416,250	6,416,250	6,416,250	6,416,250
Weighted average	7,341,250	7,149,946	6,866,250	6,496,168	6,416,250	6,416,250	6,416,250	5,993,319

The above figures have been prepared in accordance with IFRS.

OPERATING RESULTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2017

- **Production volumes and revenues (refer to Financial and Operating Summary)**

The C-12 oil and gas well located in the Lloydminster area of western Saskatchewan was drilled in July, 2010. The well started to produce in August, 2010 and the $378,260 cost to drill and equip was recovered by the Company in April 2011. The Company's working interest is 50%. There was no production being received from the well since December 2015, but a workover was performed in July 2016 and this well has been successfully placed back into current production. The average production for the well over the quarter ended March 31, 2017 was approximately 16.0 bbls/d (8.0 bbls/d net) for the Company's 50% interest.

The D-1 oil and gas well located in the Lloydminster area of western Saskatchewan was drilled in July, 2014 and was placed on production in September, 2014. The Company's working interest is 30%. The D-1 well was placed on production in September, 2014 and was producing until May 2015. The well has been shut in to cut costs and the Company is continually monitoring this well to determine whether it is economically viable during the fluctuations in the price of oil. The Company recognized a $273,455 impairment for this well as it was uneconomic for the year ended June 30, 2015 and $1,400 for the year ended June 30, 2016.

Petrocapita LP of Calgary, Alberta is the operator of both wells.

- **Oil Pricing (refer to Financial and Operating Summary)**

All of the Company's crude oil consists of heavy oil produced in Saskatchewan that is marketed base on refiner's posted prices for Western Canadian Select heavy oil, adjusted for the quality (primarily density) of the crude oil on a well by well basis. The majority of the Company's heavy oil ranges in density from approximately 13.6 API to 15.9 API. The refiner's posted prices are influenced by the US$WTI reference price, transportation costs, US$/C$ exchange rates and the supply/demand situation of particular crude oil quality streams during the nine month period. The prices realized by the Company on heavy oil sales are net of treating fees, blending costs, required for its heavy grades of oil to meet pipeline stream specification, and pipeline tariffs. Results from operations and the Company's overall financial condition are significantly affected by heavy oil commodity prices, which can fluctuate dramatically. These commodity prices are beyond the control of the Company and are difficult to predict.

The price differential between heavy and light crude oil was unfavorable again in Q3 2017 averaging $14.57 per bbl. compared to $14.32 per bbl. in Q2 2017. For January, February and March, the heavy oil differential averaged 29.3%, 26.8% and 28.2%, respectively. The weaker pricing environment for heavy oil in March was driven by a combination of factors, including reduced demand due to both scheduled and unscheduled refinery maintenance, increase supply of crude oil from North Dakota Bakken and Western Canada.

- **Royalties (refer to Financial and Operating Summary)**

The Company incurs a mix of crown, freehold and overriding royalties. The volumes and mix of oil wells producing in a quarter impact the overall average burden.

- **Production and transportation costs (refer to Financial and Operating Summary)**

Winter operating costs are higher than other seasons as certain costs (e.g. snowplowing) are incurred only in cold weather. A significant portion of production costs are fixed and therefore production expense per bbl varies significantly with volume. Major repairs in a quarter also significantly increase costs per bbl given the small production volumes of the Company. Heavy oil production costs tend to be higher than light oil production costs. Transportation costs are low and comprise only the trucking of clean oil short distances to the sales terminal.

- **General and administrative (refer to Financial and Operating Summary)**

As production just started as a result of the drilling of the oil and gas wells, costs per bbl will be reduced as general and administrative costs tend to be fixed.

- **Depletion and accretion (refer to Financial and Operating Summary)**

Depletion expense is a function of volume produced as it is computed on a “units of production” basis.

The C-12 well included in Property, Plant and Equipment includes $11,426 in asset retirement costs and these costs are subject to depletion. This property included 6,000 net bbls of proven and probable reserves which is the volume base on which the $8.78 per bbl depletion rate is computed.

These numbers are preliminary and as production is stabilized, the engineering reserve report will be updated in accordance with industry standards.

Probable reserves for the property may include future locations. Under IFRS the Company chose this larger production basis for the computation of depletion. As probable reserves are determined based on a probability of recovery of 50% or more, this broader depletion base under IFRS generates a more realistic estimate of real depletion.

OUTLOOK

The Company focuses on the production of conventional heavy oil, building on the core competency of its people, further acquisitions, exploration and development in the Lloydminster area (Lloydminster is a border city 250 km east of Edmonton, Alberta and 275 km west of Saskatoon, Saskatchewan). The Company continues to implement careful control of development and monitors field production costs due to the sharp sudden drop in the price of oil.

On July 30, 2014, the Company successfully drilled and completed a new heavy oil well (D-1), situated near Lloydminster, Alberta. The Company’s working interest is 30%. This well was placed on production in September, 2014 and was producing until May 2015. The well is currently shut-in and the Company is continually monitoring this well to determine whether it is economically viable during the sudden sharp downturn in the oil price environment. The well is currently being monitored and will be placed back into production when circumstances are warranted by the operator.

The C-12 well was still in production until December 2015 at which time management chose to shut in the well due to the low price of oil. In July 2016, a workover was performed on this well and has been brought back into successful production.

On December 8, 2016, the Company entered into a non-binding letter of intent to acquire the Rebeico Gold-Copper Project situated in Sonora, Mexico. The letter of intent will be followed by the signing of a formal property option agreement with YQ Gold Corp de Mexico de C.V of Sonora, Mexico to earn a 100% interest in the Rebeico Gold-Copper Project. The Rebeico project is located within the heart of the prolific Sierra Madre Gold belt of northern Mexico and is easily accessed by paved highway from the City of Hermosillo, Mexico.

On March 31, 2017, the Company announced that it has entered into a non-binding letter of intent to acquire up to a 50% interest in Rebeico Gold S.A. de C.V. the operator of a State owned 100 ton per day flotation mill situated near the city of Hermosillo in Sonora State, Mexico. The letter of intent will be followed by the signing of a formal option agreement with Rebeico Gold S.A. de C.V Mexico ("Rebeico Gold") of Sonora, Mexico to earn up to a 50% equity interest in Rebeico Gold for USD$500,000. Rebeico Gold will hold the right to operate the San Javier Mill and accompanying 10 year operational lease and to receive its share of the production royalties and revenues derived therefrom. The Company paid the sum of USD$250,000 on May 23, 2017 to acquire the initial 30% equity interest in Rebeico Gold.

On December 8, 2016, the Company also announced a non-brokered private placement financing of common shares ("Common Shares") at a price of CDN $0.10 per share to raise gross proceeds of up to CDN $1,000,000. Each Unit will consist of one (1) common share and one (1) common share purchase warrant, each warrant exercisable at a price of $0.15 per share for a period of two (2) years from the date of issuance.

The management of the Company continues to review and maintain its high standard of due diligence with regard to the selection of any new potential projects and management additions, and is being highly selective while considering and assessing its review of the various oil & gas production and mining opportunities and exploration datasets being presented. The Company continues to be cost effective and maintains its low overhead while opportunities are being explored.

LIQUIDITY AND CAPITAL RESOURCES

Future development of Arctic Hunter's oil and gas property interests will depend on the Company's cash flow from its existing wells, obtain loans and its ability to obtain additional financing through the sale of its securities or to enter into acceptable agreements with third parties for joint venture development of properties. There is no assurance that such financing and joint venture development opportunities will be available when required by or under terms favourable to the Company.

The Company raised $95,000 in equity financing in the 3rd quarter ended March 31, 2017 and raised another $558,500 in equity financing subsequent to March 31, 2017 for its Mexican mineral property acquisitions and general working capital.

At March 31, 2017, the Company had working capital of $34,773 which is not sufficient to cover expected administrative expenses for twelve months. Additional funding will be required.

A payment of US$250,000 (Cdn$340,760) was made on May 23, 2017 to acquire its initial 30% interest in the San Javier flotation mill in Mexico.

Arctic Hunter anticipates that additional funding will come from its current producing wells or in the form of equity financing from the sale of the Company's shares. The Company may also seek loans, although no such arrangement has been made. It may also receive proceeds from the exercise of outstanding share purchase warrants and stock options.

MANAGEMENT AND RELATED PARTY TRANSACTIONS

Arctic Hunter's Board of Directors consists of Tim Coupland, Lawrence Ilich, Ted Burylo, and Ray Lee. Mr. Coupland acts as President and Chief Executive Officer and Mr. Gordon Steblin acts as Chief Financial Officer.

On April 1, 2006, the Company entered into a management agreement with a director of the Company. The management agreement was for an initial term of one year with a monthly remuneration of $3,500, commencing April 1, 2006 and continuing thereafter from month to month until terminated. Effective December 1, 2010, the Company increased the monthly remuneration to $6,500 per month. Effective June 1, 2015, the Company reduced the monthly remuneration to $5,500 per month. Management fees of $49,500 (2016 - $49,500) have been recorded for the nine month period ended March 31, 2017.

Effective December 1, 2010, the Company agreed to pay $1,500 per month to the Chief Financial Officer for accounting services. Effective June 1, 2015, the Company reduced the monthly remuneration to $1,250 per month. Professional fees of $11,250 (2016 - $11,250) have been recorded for the nine month period ended March 31, 2017.

Effective August 1, 2012, the Company agreed to pay $2,000 per month to a Director. Effective January 1, 2014, the Company reduced the monthly remuneration to $1,000 per month. Effective June 1, 2015, the Company reduced the monthly remuneration to $500 per month. Effective September 1, 2015, the Company eliminated the monthly remuneration. Director fees of $Nil (2016 - $1,000) have been recorded for the nine month period ended March 31, 2017.

Effective January 1, 2014, the Company agreed to pay $1,500 per month to a Director. Effective June 1, 2015, the Company reduced the monthly remuneration to $1,000 per month. Effective September 1, 2015, the Company eliminated the monthly remuneration. Consulting fees of $Nil (2016 - $2,000) have been recorded for the nine month period ended March 31, 2017.

Related party transactions have been recorded at their exchange amounts, which are the amounts agreed to by the related parties.

SHARE DATA

On November 23, 2016, the Company consolidated its common shares on the basis of one post-consolidated common share for every four pre-consolidated common shares held. The 29,365,000 pre-consolidated common shares issued and outstanding were adjusted to 7,341,250 post-consolidated common shares. All references to share capital, common shares outstanding and per share amounts in this management discussion for the time periods prior to the share consolidation have been restated to reflect the four for one share consolidation. Subsequent to March 31, 2017, the Company issued 5,585,000 units at a price of $0.10 per unit for gross proceeds of $558,500. The Company currently has 12,926,250 shares issued and outstanding.

In addition, the Company has the potential obligation to issue the following additional common shares:

a) up to 318,750 common shares upon the exercise of incentive stock options. These options are exercisable at $0.20 per share until January 27, 2018.

b) up to 150,000 common shares upon the exercise of incentive stock options. These options are exercisable at $0.40 per share until August 27, 2018.

c) up to 430,000 common shares upon the exercise of share purchase warrants at a price of $0.40 until June 24, 2017.

d) up to 450,000 common shares upon the exercise of share purchase warrants at a price of $0.40 until April 26, 2018.

e) up to 300,000 common shares upon the exercise of share purchase warrants at a price of $0.40 until October 5, 2018.

f) up to 175,000 common shares upon the exercise of share purchase warrants at a price of $0.40 until November 1, 2018.

g) up to 5,005,000 common shares upon the exercise of share purchase warrants at a price of $0.15 until May 2, 2019.

h) up to 580,000 common shares upon the exercise of share purchase warrants at a price of $0.15 until May 19, 2019.

MANAGEMENT’S RESPONSABILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with International Financial Reporting Standards and include certain amounts based on management’s best estimates using careful judgment. The selection of accounting principles and methods is management’s responsibility. Management recognizes its responsibility for conducting the Company’s affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors. This committee’s role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company’s accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company’s management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

The external auditors, Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, have audited the Company’s June 30, 2016 annual financial statements with their report indicating the scope of their audit and their opinion on the financial statements.

OFF BALANCE SHEET ARRANGEMENT

The Company has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments (except as disclosed) or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company.

INDUSTRY CONDITIONS AND RISKS

The business of exploration, development and acquisition of oil and gas reserves involves a number of business risks inherent in the oil and gas industry which may impact The Corporation's results and several of which are beyond control of the Corporation. These business risks are operational, financial or regulatory in nature. The Corporation does not use derivative instruments as a means to manage risk.

The Company has limited financial resources, no source of operating cash flows and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its projects or to fulfill its obligations under the terms of any option or joint venture agreements. If the Company's generative exploration programs are successful, additional funds will be required for development of one or more projects. Failure to obtain additional financing could result in the delay or indefinite postponement of further exploration and development or the possible loss of the Company's properties.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements requires management to make estimates and assumptions regarding future events. These estimates and assumptions affect the reported amounts of certain assets and liabilities, and disclosure of contingent liabilities.

Significant areas requiring the use of management estimates include the determination of impairment of assets, decommissioning liabilities, and variables used in determining share-based payments. These estimates are based on management's best judgment. Factors that could affect these estimates include risks inherent in mineral exploration and development, changes in reclamation requirements, changes in government policy and changes in foreign exchange rates.

Management has assessed the carrying value of its assets and does not believe the remaining assets have suffered any impairment.

The Company has certain asset retirement obligations/decommissioning liabilities related to its oil and natural gas properties, details of which are discussed in Note 4 of the financial statements for the nine month period ended March 31, 2017.

Management has made significant assumptions and estimates in determining the fair market value of share-based payments granted to employees and non-employees and the value attributed to various warrants issued. These estimates have an effect on the share-based payments expense recognized and the reserve accounts and share capital balances. Management has made estimates of the life of stock options and warrants, the expected volatility and expected dividend yields that could materially affect the fair market value of these types of securities. The estimates were chosen after reviewing the historical life of the Company's options and analyzing share price history to determine volatility.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company classifies all financial instruments as either financial assets or liabilities through profit or loss ("FVTPL"), available-for-sale, loans and receivables or other financial liabilities. Loans and receivables and other financial liabilities are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in accumulated other comprehensive income. Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss.

The Company has designated its cash as FVTPL, which is measured at fair value. Accounts receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable are classified as other financial liabilities which are measured at amortized cost.

Fair value - The fair value of cash and cash equivalents, amounts receivable and trade payables approximates their carrying value due to the short-term nature of these financial instruments.

Exchange risk - The Company operates solely in Canada and therefore is subject to minimal foreign currency risk arising from changes in exchange rates with other currencies.

Interest rate risk - The Company is exposed to interest rate risk on its short-term investments, but this risk relates only to investments held to fund future activities and does not affect the Company's current operating activities.

Credit risk - The Company places its temporary investment funds with government and bank debt securities and is subject to minimal credit risk with regard to temporary investments.

The Company does not have any risk associated with "other instruments"; that is, instruments that may be settled by the delivery of non-financial assets.

Definitions

"Developed Non-Producing" reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

"Developed Producing" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"Gross Reserves" are working interest (operating or non-operating) shares before deducting royalties and without including any royalty interests.

"Net Reserves" are working interest (operating or non-operating) shares after deduction of royalty obligations, plus royalty interests in reserves.

"Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

"Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"Undeveloped" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

ABBREVIATIONS

Oil and Natural Gas Liquids		Natural Gas	
Bbl	barrel	Mmcf	million cubic feet
Mbbls	thousand barrels	MMBtu	million British Thermal Units
MSTB	thousands of Stock Tank Barrels		

boe	barrel of oil equivalent of natural gas and crude oil on the basis of 1 Bbl of crude oil for 6 Mcf of natural gas (this conversion factor is an industry accepted norm and is not based on either energy content or current prices)