

CUBA VENTURES CORP.
(Formerly MPH Ventures Corp.)

MANAGEMENT DISCUSSION AND ANALYSIS
(Expressed in Canadian Dollars)

SIX MONTHS ENDED – NOVEMBER 30, 2016

This Management Discussion and Analysis (“MD&A”) of Cuba Ventures Corp., (formerly MPH Ventures Corp.), (the “Company”) provides an analysis of the Company’s financial results for the period ended November 30, 2016. The following information should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements.

The Company reports in accordance with International Financial Reporting Standards (“IFRS”) and the following disclosure, and associated audited consolidated financial statements, are presented in accordance with IFRS. These statements are filed with the relevant regulatory authorities in Canada. All monetary amounts are expressed in Canadian dollars, unless otherwise specified.

Forward-Looking Information and Date of Report

January 30, 2017

This Interim MD&A contains certain forward-looking information. All statements in this disclosure, other than statements of historical facts, that address permitting, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

This report also contains forward-looking statements, which are subject to risks and uncertainties for a commercial and/or tech issuer and investors are cautioned that any such statements are not guarantees of future performance and actual results and developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as “expect”, “plan”, “anticipate”, “project”, “target”, “potential”, “schedule”, “forecast”, “budget”, “estimate”, “intend” or “believe” and similar expressions or their negative connotations, or that events or conditions “will”, “would”, “may”, “could”, “should” or “might” occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Forward looking statements include, but are not limited to, the Company’s expectations regarding:

- General economic conditions and market trends and their anticipated effects on our business;
- Our future sales initiatives;
- Our future revenue growth; and
- Our liquidity and capital resources available to us to fund our ongoing operations.

Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond the Company’s control, including the following:

Our dependence on suppliers and customers; our untested business model; our ability to attract qualified personnel; the competitive nature of the travel and media industries; our ability to manage our growth; geopolitical risks; exchange rate risks; regulatory risks; our future operations; our dependence on key personnel; dilution to present and prospective shareholders; the lack of a market for our securities; and our share price.

For more information on the Company, investors should review the Company’s continuous disclosure filings that are available under the Company’s profile at www.sedar.com.

HIGHLIGHTS FOR THE SIX MONTH PERIOD ENDING NOVEMBER 30, 2016

Cuba Ventures Closes Non-Brokered Private Placement of \$490,500

On November 17, 2016, the Company announced the closing of a non-brokered private placement of \$490,500. The financing was completed through the issuance of up to 9,810,000 units (the “Units”) at a price of \$0.05 per unit. Each Unit consists of one common share and one non-transferable share purchase warrant (“Warrant”), with each whole Warrant entitling the holder to purchase one common share for a period of two years at a price of \$0.075 per share. In connection with the financing, Cuba Ventures issued a total of 383,600 warrants to finders who introduced certain subscribers to the private placement.

Cuba Ventures Announces its First Quarterly Results Since the Travelucion S.L. Acquisition

On October 31, 2016, the Company announced its Quarterly Sales results from completed travel trips and bookings less refunds and cancellations (“booking revenue”) amounted to CDN \$606,590 for the Company's recent quarter. The gross profit on the CDN \$606,590 booking/service revenue was CDN \$155,405 representing a gross profit margin of 26%. The results illustrate the strong growth from Travelucion’s 2015 results as well as the recently released audited financial statements for the year ended May 31st, 2016.

Cuba Ventures signs a MOU with SPORTTU New York and SKYY Digital Media Group

The Company announced on October 19, 2016, that its wholly owned subsidiary Travelucion Media has entered into a memorandum of understanding (the “MOU”) with US sports media giant SPORTTU for the distribution of Cuban Sports events, player profiles and bios, Cuban team facts and results, and Cuban sports-related media content in the United States and worldwide. Cuba Ventures will distribute this content through major mobile carriers including America Movil, which has over 260 million wireless subscribers, the United Nations and major international sports federations.

Cuba Ventures files its First Set of Consolidated Financial Statements since the Company finalized its Change of Business and acquisition of Travelucion S.L.

The Company filed its annual consolidated financial statements on September 28, 2016 and subsequently a news release explaining the results in more detail on October 3, 2016. The Change of Business transaction completed in the fourth quarter of the fiscal year involved a number of one-time costs associated with due diligence, consulting, and professional fees etc. and represented only 51 days of revenue while including twelve months of costs and a write down of the company’s mineral assets.

Director Appointment

Mr. Tim Fernback MBA, CPA CMA, was appointed director of the Company effective September 20, 2016. Mr. Fernback has over twenty years of experience financing both private and public micro-capitalization companies in Canada, and Mr. Fernback has served as both a Director and Officer to several public companies in Canada, the United States and Australia.

Escrow Shares

On September 19th, 2016, pursuant to the terms of the Escrow Agreement, 1,000,000 common shares have been released from escrow with a balance remaining in escrow of 18,000,000.

OVERVIEW OF THE BUSINESS

Travelucion is an online travel and digital media marketing company that specializes in travel marketing, electronic reservations and online booking solutions for international visitors to Cuba. Travelucion S.L. has developed and owns one of the most significant portfolios of Cuban focused web assets with 432 websites in up-to 6 languages

collectively generating over 30 million page-views per year, directing this web traffic to the main booking and e-commerce sites. Since 1995 these proprietary websites have been promoting Cuba and offering online travel services to the Caribbean nation. The websites cover all facets of the island including specific tourist destinations, hotels and resorts, golf, spas, restaurants, classic car rentals, Cuban culture, health, commerce, food and much more. They collectively generate over 30 million page-views per year and help direct this organic online traffic to Travelucion's main travel booking platform.

Travelucion generates its revenue by unassisted direct on-line sales through the e-commerce and booking sites owned and operated by the company. The company has a proprietary online booking system that has been developed to poll prices from various Cuban travel suppliers to determine the lowest price and best travel options for customers which includes bookings for hotels, private residences, car rentals, tours, and a variety of other types of bookings. It provides the company's customers the ability to indulge in a wide variety of travel options like boutique hotels or creating unique Cuban travel packages with exclusive private home rentals, antique car services as well as access to a multitude of guided or self-discovery tours across Cuba in addition to basic hotel and car rental bookings. Since inception, Travelucion has serviced hundreds of thousands of customers booking travel to Cuba.

Through legacy agreements with Cuba's largest travel companies, Travelucion's e-commerce brands like Havanatur.com provide the company with access to a broader and more diverse portfolio of national travel and tourism packages in Cuba than most other travel providers. Travelucion is also uniquely established to handle the travel requirements of qualified U.S. travelers to Cuba.

Travelucion's revenues have been increasing in the wake of the notable shift in American's foreign policy towards Cuba as diplomatic relations between the two nations is now normalizing and with travel restrictions on Americans visiting Cuba starting to relax. Travel restrictions that have historically made it difficult for most Americans to visit the Caribbean island are being replaced with new rules and exemptions put in place by US President Obama. This has made it much easier for permitted Americans to visit Cuba. It has also created a tremendous desire in the rest of the world to visit Cuba before there is too much change. This has led to a direct increase in web traffic and bookings which has a direct impact on revenue.

With the normalizing of US and Cuban diplomatic relations, management of Travelucion has identified numerous ways the Company can leverage the existing and future website traffic to increase revenue by:

- Enhancing its corporate profile through additional marketing and by focusing on new Canadian and American travelers. The majority of Travelucion's current sales are from Europe and South America yet Americans represent 34% of visitors to Travelucion's websites but account for less than 10% of the company's revenue.
- Proceeding with plans to overhaul and modernize the booking platforms and the 432 websites, some of which are 20 years old, that currently generate over 30 million page-views per year. These websites drive viewers to Travelucion's booking platforms to monetize this online traffic. Having this organic volume of traffic that visit our websites is a tremendous competitive cost advantage in that we don't need to pay third parties to generate traffic to populate the websites. This modernization will result in a more pleasing and user friendly experience.
- Making the booking site Global Distribution System ("GDS") eligible in anticipation of Cuba becoming part of the GDS global network.
- Continuing to build out its private home (Casa Particulars) rental listings using a model similar to that of HomeAway, as well as its taxi/historic private car rental services.

Management views the acquisition of Travelucion as an opportunity to take advantage of positive changes coming to a region of the world that has virtually been left behind for 50+ years. By acquiring a company that has a long established collection of legacy websites that offer a vast array of information on everything Cuban the Company has captured a huge built-in audience that potentially want to visit Cuba.

Steve Marshall: President and Founder of Travelucion S.L.

Steve Marshall, a British national is the President and founder of Travelucion which consists of a booking platform and a large Cuban web domain/asset portfolio. He is a trilingual entrepreneur specializing in international marketing and deal brokering having successfully adapted to varied world markets throughout his career directing marketing campaigns in Spain, France, Russia, Moldova, Ukraine and Cuba including a multinational timeshare company and a multilevel digital marketing corporation. Mr. Marshall spent 11 years in Cuba specializing in Cuban joint ventures and successfully founded a number of companies including, Primeras Inversiones, (Havana Free Zone), first State approved real estate joint venture – CIMEX, Dimension W-Tech start-up joint venture with the Ministry of Communications, and the first Cuba-centric online marketing company with the Ministry of Tourism. Steve's past Cuban ventures have received coverage in the Financial Times, BBC News, CNN, Time Magazine, Washington Post, Chicago Tribune, and The Wall Street Journal. Steve was a special advisor to a number of Cuban corporations spearheading their entrance into the new economy and providing support and investment in a range of commercial sectors. He is knowledgeable concerning the idiosyncrasies of dealing with the Cuban Government and Cuba's foreign investment laws.

COMPANY HIGHLIGHTS SINCE ACQUISITION

Since the COB and acquisition of Travelucion S.L the Company has achieved the following:

- The closing of a non-brokered private placement of \$490,500. The financing was completed through the issuance of up to 9,810,000 Units at a price of \$0.05 per Unit (news release November 17, 2016).
- Created and advisory board consisting of: Alfredo Manreza Ruiz, a Spanish banker with a background of banking in Cuba as one of a handful of foreign nationals authorized by the Cuban Central Bank to operate in Cuba; Walfrido Sebastian Quinones, a licensed Cuban attorney who has worked with Steve Marshall for many years (news release March 22, 2016); and Vito Echevarria.
- Travelucion is currently uploading over 4,000 Cuban private residences.
- Steve Marshall was appointed CEO of Cuba Ventures Corp. (news release March 19, 2016), Mr. Donald Myers resigned as Director of the Company (news release June 17, 2016) and Mr. Tim Fernback joined the Company's Board of Directors (news release September 20, 2016).
- Tim Fernback was appointed Company CFO (news release December 29, 2016).
- Cuba Ventures signed a partnership with Mercosur Chamber of Commerce. This is a South American enterprise that promotes free trade within the region and is looking to increase business opportunities in Cuba (news release May 31, 2016).
- Cuba Ventures, through its wholly owned subsidiary, Travelucion S.L., entered into a memorandum of understanding with US sports media giant SPORTTU for the distribution of Cuban sports events, player profiles and bios, Cuban team facts and results, and Cuban sports-media content in the United States and worldwide (news release October 19, 2016).
- Cuba Ventures & Travelucion have received significant media coverage in the United States as relations between Cuba and the US continue to improve.

OUTLOOK: FUTURE GROWTH

Up until the present, Travelucion's growth has been organic and the booking sales have been largely online and unaided sales. Furthermore, most of the revenue growth generated to date has originated from the company's own Cuba related websites with traffic being transferred to the e-commerce booking platforms. Additional external and paid online marketing has been minimal and the online marketing secured by the Company has been largely limited to Travelucion's own websites. Travelucion's highly targeted Cuba-centric web traffic is a major asset and management believes that this traffic could be further converted into revenue via the update of key web properties and by bringing these in line with current online travel trends of multicurrency, xml, GDS, and the reintroduction of flights, package deals and specialized Cuba travel services into Travelucion's revenue. Due to the historic recommencement of commercial flights between Cuba and the US, Travelucion intends to expose its increasing US web visitor traffic to online flight offers originating in the US in partnership with those airlines approved to fly commercially to Cuba.

Travelucion plans to overhaul and modernize some or all of its websites that currently generate over 30 million page views a year to leverage this traffic and drive volume to the booking platforms to monetize it further. Furthermore, Travelucion's online traffic could also be monetized by selling it to other companies who are looking to market their respective Cuba related businesses in the form of banner ads and digital marketing contracts.

Cuba is gearing up for GDS incorporation for central booking which will streamline the booking process for travel providers. Travelucion is preparing its 432 websites for GDS integration in preparation for GDS real-time bookings through Amadeus, Abacus and, when authorized, American GDS companies Travelport and Sabre. This will likely decrease costs and increase booking volumes for the company going forward. Steve Marshall has also taken the necessary courses and is licensed to run a travel business that can incorporate the use of a GDS distribution channel.

Travelucion will continue selling travel through its online booking platform to worldwide clientele but will also establish relationships to carry out physical bookings through travel agents as well under a B2B profile. The company also plans to monetize its online traffic generated through its 432 websites by selling advertising and "pay per click" through its websites.

Management believes that there are several opportunities to grow the business going forward through marketing. Each one of these has a timeline and will be done internally or outsourced or both.

- Increase online marketing budget both internally and with 3rd party online marketing groups, advertising, partnerships, and hiring dedicated individuals to oversee social media marketing and other digital marketing initiatives (implement immediately and continue to do so over the next few years)
- Leverage Travelucion's current contact/email database of over 80,000 subscribed past customers as well as over 100,000 social media followers to generate additional sales through email and online marketing campaigns (implement immediately and continue to do so over the next few years)
- Establish relationships/partnerships with large North American travel and cruise line companies, as well as other companies that provide various travel related services like water sports, ecotourism, convention services, specialty tours, etc. (carry this out over the next 3-4 years)
- Enhance corporate profile through physical marketing efforts in North America; this would entail a sales team or relationships with travel agents to help develop Travelucion's profile (carry this out over the next 3-4 years)
- As most of Travelucion's bookings are currently unaided online bookings the company can add people to physically assist in the booking process thereby capturing those customers that still want/need to talk to someone (i.e. call centre or chat room)
- Increase exposure by attending global industry conventions and trade shows but with a focus on North America (carry this out over the next 3-4 years)
- Develop mobile and web-based interfaces that will permit visitors to preview and book private homes directly from their phones, order classic car tours on demand, reserve private restaurants, tours and adventures in real time, yet with a uniquely Cuban style (carry this out over the next 3-4 years)

- Update currency availability on websites to include major currencies in real-time pricing.
- Revamp the booking platform to incorporate GDS/XML third party offers while offering XML channels to select B2B partners for direct third party web deployment and third party sales.

Travelucion plans to increase its online marketing budget both internally and with 3rd party online marketing groups, advertising, partnerships, and hiring dedicated individuals to oversee social media marketing and other digital marketing initiatives. Furthermore, Travelucion plans to enhance its corporate profile through physical marketing efforts in North America and engage a sales team or establish relationships with travel agents to help develop the company's profile. Travelucion also plans to increase its exposure by attending global travel industry conventions and trade shows but with a focus on North American and plans to carry this out over the next 3-4 years.

The aforementioned marketing programs are estimated to cost approximately \$150,000 for the increase in online marketing, \$250,000 per year for a sales team and call centre, and \$100,000 per year for attending travel industry conventions and trade shows. These programs and initiatives will be implemented in the next 3-4 years. The Company is also looking into a complete rebuild of its e-commerce booking platforms and websites to accommodate the arrival of the GDS central booking system in Cuba. This will increase the ease of use and standardize the look and feel of the websites. Cost estimates associated to this are being collected. Travelucion will be able to begin these marketing initiatives using the capital it plans to raise in the future, as well as its current cash flow. Increased marketing budgets going forward could be funded from internal cash flows assuming the business grows as expected.

Overall Performance

Nature of Business and Overall Performance

Cuba Ventures Corp., formerly MPH Ventures Corp., is a public company listed on the TSX Venture Exchange under the symbol "CUV", previously "MPS". The Company has been primarily a junior exploration company. During the year, the Company underwent a change of business and became an online travel and digital media marketing company that specializes in travel marketing, electronic reservations and online booking solutions for international visitors to Cuba.

Operations for the Three Months Ended November 30, 2016

During the period the Company continued to sell travel-related products and services through its online booking platform to a worldwide clientele. During the three months ended November 30, 2016 the Company continued the development of its 432 websites and digital media properties.

Legacy Mineral Properties

Pidgeon Molybdenum Mines Limited ("PMML") - Ontario, Canada

In 2007, the Company purchased a 100% interest in patented mineral claims totaling 21 hectares under the name "Pidgeon Molybdenum Deposit". In 2012, the Company filed an updated NI 43 101 resource estimate on the Pidgeon Moly Project. On December 3, 2014, the Company received acceptance to renew its lease on the patented claims for a further twenty-one years. The new lease expires on September 30, 2034. As a result of the change in business during the previous fiscal year, the property was written-down to \$1 in the subsidiary.

Raney Gold Project, Ontario, Canada

In May 2009, the Company acquired a 100% interest in six mineral claims consisting of 14 units (224 hectares) located in the Raney Township, in the Porcupine Mining Division of Ontario. As consideration the Company issued 50,000 shares valued at \$57,500. The property is subject to a 2% NSR. Two additional claims were also acquired for a \$7,200 cash payment. These two claims were written-off during fiscal 2010 as they were cancelled.

During the period ending November 30, 2016, the Company sold the property for \$25,000. The property value was written-down during the last annual fiscal year end to \$25,000 and \$32,500 in acquisition costs and \$352,921 in exploration expenditures were charged to operations

Summary of Quarterly Results

Quarterly results for the three months ended November 30, 2016 and 2015 are as follows:

	Quarter	November 30, 2016 2nd (3 months)	August 31, 2016 1st (3 months)	May 31, 2016 4th (3 months)	February 29, 2016 3rd (3 months)
(a)	Revenue	\$ 483,077	\$ 606,590	\$ 305,141	\$ -
(b)	Net income (loss)	\$ (481,792)	\$ (394,062)	\$ (3,422,345)	\$ (238,720)
(c)	Net income (loss) per share:				
	Basic -	\$ (0.008)	\$ (0.006)	\$ (0.11)	\$ (0.010)
	Fully Diluted -	\$ (0.008)	\$ (0.006)	\$ (0.11)	\$ (0.010)

	Quarter	November 30, 2015 2nd (3 months)	August 31, 2015 1st (3 months)	May 31, 2015 4th (3 months)	February 28, 2015 3rd (3 months)
(a)	Revenue	\$ -	\$ -	\$ -	\$ -
(b)	Net income (loss)	\$ (290,003)	\$ (80,694)	\$ (196,957)	\$ (104,189)
(c)	Net income (loss) per share:				
	Basic -	\$ (0.015)	\$ (0.006)	\$ (0.015)	\$ (0.008)
	Fully Diluted -	\$ (0.015)	\$ (0.006)	\$ (0.015)	\$ (0.008)

Results of Operations for the Three Months Ended November 30, 2016

During the previous fiscal year, the Company underwent a change of business and became an online travel and digital media marketing company that specializes in travel marketing, electronic reservations and online booking solutions for international visitors to Cuba. The Company obtains revenue primarily from the sale of hotel rooms, rental cars and tours. These services are purchased from the suppliers with Travelucion S.L. (foreign subsidiary located in Spain) bearing responsibility for customer satisfaction, obtaining customers for purchased services (inventory risk), setting the price, and collection of all receivables. As a result, Travelucion is considered the principal in these sales transactions. The parent company acquired a 100% interest in Travelucion as of March 21, 2016.

In addition to revenue of \$483,077, there is \$393,981 in deferred revenue. (August 31, 2016 - \$188,433). The Company received this revenue but it is not included as earned sales or booking revenue until the travelers have completed their trips. When the travel is completed, the deferred revenue is realized and recorded as revenue.

The Company's loss for the comparative three month period ended November 30, 2015 was \$290,003 or a \$0.015 loss per share, compared to a loss of \$481,792 as at the end of the three month period ended November 30, 2016, an increase of \$191,789. An analysis of the current quarter loss of \$481,792 consists of \$139,331 for the amortization of the Intangible assets; total loss of \$235,414 in the subsidiary Travelucion S.L. and \$207,124 in expense directly related to the parent company. Due to the aforementioned change of business that occurred during the most recently ended fiscal year, the prior three month period ended November 30, 2015 loss does not reflect the nature of the Company's current business.

The Company's quarterly general and administrative expenses of \$475,225, excluding amortization of intangible assets in the amount of \$139,331 (November 30, 2015 - \$290,003), increased by \$185,222 or 64% compared to the same quarter in the previous year.

Expenses such as professional fees, shareholder communications and transfer agent and filing fees, may vary quarter to quarter as the quarter in which they occur may vary from one year to another. The expenses in the recently completed fiscal quarter ending November 30, 2016 include those of the foreign subsidiary, Travelucion, whereas the comparative 2015 fiscal quarter does not, making a comparison not necessarily a true reflection between the two quarters.

Individual items contributing to the increase in loss in the three month fiscal quarter ending November 30, 2016 are as follows:

- Administrative expenses decreased by \$16,432 to \$15,591 (2015 - \$32,023) due to the change in business activity associated with the acquisition of Travelucion S.L. in 2016, as compared to, the Company's prior business activity in mineral exploration.
- Advertising increased by 100% to \$133,984 (2015 - \$0) due to the business activity associated with the acquisition of Travelucion S.L.
- Amortization expense increased by 100% to \$139,331 (2015 - \$0) due to the amortization of intangible assets resulting from the acquisition of Travelucion S.L.
- Office and miscellaneous expenses increased by \$40,666 to \$51,454 (2015 - \$11,388) due to the increased business activity associated with the acquisition of Travelucion S.L.
- Consulting fees increased by \$46,572 to \$81,117 (2015 - \$34,545) as the Company incurred consultation relating to the Travelucion S.L. acquisition and integration.
- Professional fees increased by \$35,593 to \$69,141 (2015 - \$33,548) as the Company incurred additional audit and legal fees relating to the Travelucion S.L. acquisition and translation services.
- Share-based compensation decreased by \$106,411 to \$0 (2015 - \$106,411), as no stock options were granted in the three month period ending November 30, 2016.
- Shareholder communications, transfer agent and filing fees - these amounts may vary from one year to another. Shareholder communications increases or decreases as the Company increases or decreases its advertising in trade magazines, on the internet and purchases more or less promotional materials as a result of the current market situation. Shareholder communications expense decreased by \$256 to \$41,255 (2015 - \$41,511) due to a similar amount of business activity in both 2016 and 2015.
- Rent and parking expenses decreased by \$7,941 to \$8,875 (2015 - \$16,816) due to the reduced rate charged to the Company during 2016.
- Banking fees increased by \$19,049 to \$19,049 (2015 - \$0) due to the increased activities in on-line travel bookings in the fiscal quarter ending November 30, 2016. These fees relate to banking administration charges for on-line bookings.
- Transfer agent and filing fees decreased by \$2,340 to \$4,110 (2015 - \$6,450) due to the reduced activities in the fiscal quarter ending November 30, 2016.
- Telephone expenditures decreased by \$90 to \$1,193 (2015 - \$1,283) due to a similar amount of business activity associated in both 2016 and 2015.
- Travel expenses increased by \$43,428 to \$49,456 (2015 - \$6,028) due to the increased business activity associated with the acquisition of Travelucion S.L. and its international business activities.

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business.

November 30, 2016 Compared With November 30, 2015:

Private Placements

During the fiscal quarter ending November 30, 2016, the Company announced the closing of a non-brokered private placement of \$490,500 on November 17, 2016. The financing was completed through the issuance of up to 9,810,000 Units at a price of \$0.05 per Unit. Each Unit consists of one common share and one non-transferable share purchase warrant ("Warrant"), with each whole Warrant entitling the holder to purchase one common share for a period of two years at a price of \$0.075 per share. In connection with the financing, Cuba Ventures issued a total of 383,600 warrants to finders who introduced certain subscribers to the private placement.

During the fiscal quarter ending November 30, 2015, the Company did not complete any private placements involving new issuances of equity.

Options Granted

No incentive stock options were issued by the Company during the fiscal quarter ending November 30, 2016.

Shares held in escrow

The 20,000,000 shares issued for the 100% Travelucion S.L. acquisition are subject to an escrow agreement under the policies of the TSX-V. Of this amount, 2,000,000 shares were released from escrow as at November 30, 2016.

Operations

Income

During the previous fiscal year, the Company underwent a change of business from a mining exploration company and became an online travel and digital media marketing company that specializes in travel marketing, electronic reservations and online booking solutions for international visitors to Cuba. As such, direct comparisons of the three month fiscal periods ending November 30, 2016 and November 30, 2015 will result in a comparison of very different businesses and expenses incurred during the 2015 and 2016 fiscal years may not be an indication of expenses incurred in the 2017 fiscal year.

The Company obtains revenue primarily from the sale of hotel rooms, rental cars and tours. These services are purchased from the suppliers with Travelucion S.L. (foreign subsidiary located in Spain) bearing responsibility for customer satisfaction, obtaining customers for purchased services (inventory risk), setting the price, and collection of all receivables. As a result, Travelucion is considered the principal in these sales transactions. The parent company acquired a 100% interest in Travelucion as of March 21, 2016.

The Company's service revenue of \$483,077 is for the three-month period ending November 30, 2016. Due to the off-season travel months to warm destinations, the net income may not necessarily reflect an accurate service revenue amount on an annualized basis. This bringing into consideration that off season months amount to seven months of the year and, during high season months, revenue and sales may increase significantly, throughout each remaining high season month. As mentioned herein, the Company does not have any comparable figures for its fiscal quarter ending November 30, 2015 due to the aforementioned change of business.

Liquidity and Capital Resources

At November 30, 2016 the Company had cash of \$600,980 (May 31, 2016 - \$262,447). The Company's capital needs are usually met by equity subscriptions which were \$490,500 in the current period ending November 30, 2016 (November 30, 2015 – the Company received \$NIL in share subscriptions).

Working capital surplus was \$26,388 at November 30, 2016 compared to a working capital surplus of \$73,019 as at May 31, 2016 and a working capital surplus of \$319,244 at November 30, 2015

The Company's cash position at May 31, 2016 was \$262,447. As a result of expenditures incurred during the current period for general business expenses; the decrease in receivables and prepaid expenses of \$27,139 and the decrease of \$170,614 in accounts payable and accrued liabilities; the decrease in deferred revenue of \$179,842; \$25,000 gross proceeds received from the sale of an exploration and evaluation asset and \$10,742 repayment of loans and \$21,217 in share issuance costs incurred during the current period; the Company's cash position at November 30, 2016 was \$600,980.

The Company has historically met all cash requirements for operation by equity financing. Future funding needs of the Company are dependent upon the Company's continued ability to obtain equity and/or debt financing to meet its financial obligations and to pursue further exploration on its properties.

Off-Balance Sheet Arrangements

At November 30, 2016 the Company did not have any off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Transactions with Related Parties

All amounts either due from or due to related parties are non-interest bearing, unsecured and have no fixed terms of repayment. All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company paid or accrued the following to directors, executive officers and officers of the Company:

	November 30, 2016	November 30, 2015
Consulting fees	\$ 38,000	\$ 12,027
Wages	-	10,674
Share-based compensation	<u>32,579</u>	<u>60,508</u>
	\$ 70,579	\$ 83,209

Administrative agreement

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company and is charged an administration fee of \$Nil (November 30, 2015 - \$20,538) representing 15% of the costs incurred.

Included in accounts payable and accrued liabilities at November 30, 2016 is \$Nil (November 30, 2015 - \$17,997) due to the private company.

Included in receivables and prepaid expenses at November 30, 2016 is \$11,793 (November 30, 2015 - \$Nil) due from private companies.

Effective June 30th, 2016, the privately owned company mentioned herein, no longer provided administrative services to the Company.

On July 1, 2016, the Company commenced administrative services with another private company with a common director. No administrative fees are charged for this service.

Subsequent Events

Cuba Ventures CEO Steve Marshall to be Keynote Speaker at New York Times Travel Show and Record Monthly Sales in December of over CDN \$360,000

On January 18, 2017, the Company announced that its CEO Steve Marshall has been invited as keynote speaker at the New York Times Travel Show from January 27th to 29th, 2017. This comes after increased media attention for the company in one of the most active States for travel to Cuba in the United States - Florida.

Concurrently, Travelucion, a wholly owned subsidiary of Cuba Ventures, recorded its highest ever monthly net sales of over CDN \$360,000 in December 2016 to end a strong year in which Cuba received a record number of 4 million travelers up from 2.5 million in 2014.

Cuba Ventures Announces Tim Fernback as CFO and Re-Election of Directors at the AGM

On December 29, 2016, the Company appointed Tim Fernback MBA, CPA, CMA as its Chief Financial Officer ("CFO"). In addition, each one of the Company's directors: Steve Marshall, James Pettit, Donald Huston, Tim Fernback and Amanda Chow have been re-elected to the board of directors of the Company at the Company's annual general meeting of shareholders held in Vancouver on December 16th, 2016. Steve Marshall has consented to act as CEO, James Pettit to act as President and Tim Fernback has consented to act as CFO.

Cuba Ventures Commences Major Update of 166 of its Websites

On December 12, 2016, The Company announced that it has engaged Think Tank Labs to overhaul 166 of the company's websites to modernize their design, technology and SEO specifications. The aim is to make the websites more visually appealing while ensuring a superior user experience.

Financial Instruments and Other Risks

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash is carried at fair value using a Level 1 fair value measurement. The carrying values of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote because these instruments are due primarily from government agencies and cash is held with reputable financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at November 30, 2016 the Company had a cash balance of \$600,980 (May 31, 2016- \$262,447) to settle current liabilities of \$712,762 (May 31, 2016 - \$354,737). All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest rate risk

The Company has cash balances held with financial institutions. The Company's current policy is to invest excess cash in guaranteed investment certificates with Canadian banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The impact of a 1% change in interest rates would not have a significant effect on interest income.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in United States Dollars and the Euro. A 10% fluctuation in the US dollar against the Canadian dollar would affect net income for the year by \$Nil. A 10% fluctuation in the Euro against the Canadian dollar would not result in any material change in net income for the period ended November 30, 2016.

(c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

Additional Information

- Additional information with respect to the Company is also available on the Company's website at www.cubaventurescorp.com and also on SEDAR at www.sedar.com

New standards, interpretations and amendments adopted

Revenue Recognition

The Company recognizes revenue when it is earned and realizable based on the following criteria: persuasive evidence of an arrangement exists, services have been rendered, the price is fixed and determinable, and collectability is reasonably assured.

The Company has adopted the standards under IFRS 15, Revenue from Contracts with a Customer. Revenues are recognized on a gross basis, when a service has been delivered, with the cost of obtaining the service being presented as cost of sales. When evaluating presentation of revenue, the Company looks at whether the transaction represents a principal or agency relationship. A party is considered a principal if:

- The entity has the primary responsibility for providing the services to the customer,
- The entity has inventory risk before or after the customer order, during shipping or return,
- The entity has latitude in establishing prices, either directly or indirectly,
- The entity bears the customer's credit risk on the receivable due from the customer.

The Company obtains revenue primarily from the sale of hotel rooms, rental cars and tours. These services are purchased from the suppliers with Travelucion bearing responsibility for customer satisfaction, obtaining customers for purchased services (inventory risk), setting the price, and collection of all receivables. As a result, Travelucion is considered the principal in these sales transactions.

New standards not yet adopted

IFRS 9, Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. The Company has not yet made an assessment of the impact of the amendments.

IFRS 16 Leases replaces IAS 17 - Leases and requires lessees to account for leases on the statement of financial position by recognizing a right to use asset and lease liability. The standard is effective for annual reports beginning on or after January 1, 2019, with earlier adoption permitted.

Outstanding Share Data

As at the report date of January 30, 2017 the following were outstanding:

Share capital – issued and outstanding	72,412,487
Options	5,951,669
Warrants	31,339,580
Shares held in escrow	18,000,000

Management's Responsibility for Financial Statements

The Company's management is responsible for presentation and preparation of the unaudited condensed consolidated interim financial statements and MD&A.

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

The financial statements and information in the MD&A necessarily include amounts based on informed judgements and estimates of the expected effects of current events and transactions with appropriate consideration to materiality.

In addition, in preparing the financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information.

The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be obtained along with additional information at www.sedar.com.