HUNTINGTON EXPLORATION INC.

AUDITED FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2019

- AND –

UNAUDITED FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE INTERIM PERIOD ENDED SEPTEMBER 30, 2020

Huntington Exploration Inc.
Consolidated Financial Statements
December 31, 2018

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Independent Auditors' Report

To: The Shareholders of **Huntington Exploration Inc.**

Opinion

We have audited the consolidated financial statements of Huntington Exploration Inc. and its subsidiaries (collectively, the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017 and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that at December 31, 2018 the Company had a deficit of $13,087,004. This condition, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Report (continued)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this Independent Auditors' report is Roland A. Bishop, CPA, CA.

Kenway Mack Slusarchuk Stewart LLP

April 30, 2019 — Chartered Professional Accountants,
Calgary, Alberta — Chartered Accountants

Huntington Exploration Inc.
Consolidated Statements of Financial Position

	Notes	December 31, 2018		December 31, 2017	
Assets					
Current					
Cash		$	**87,306**	$	339,640
Accounts receivable			**6,646**		27,687
Prepaid expenses			**5,048**		5,120
			99,000		372,447
Restricted cash	6		**60,738**		133,358
Property and equipment	5		**368**		48,790
		$	**160,106**	$	554,595
Liabilities					
Current					
Accounts payable and accrued liabilities		$	**53,596**	$	100,396
Provision for abandonment			**44,885**		49,500
Flow through share provision	7		**-**		30,000
			98,481		179,896
Decommissioning obligations	6		**71,191**		68,700
			169,672		248,596
Equity					
Share capital	9		**10,870,380**		10,870,380
Share based payment reserve			**2,207,058**		2,207,058
Deficit			**(13,087,004)**		(12,771,439)
			(9,566)		305,999
		$	**160,106**	$	554,595
Going Concern	2				

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board:

"Signed Tim Bowes"
J. Timothy Bowes, Director

"Signed Bob Verhelst"
Bob Verhelst, Director

Huntington Exploration Inc.
Consolidated Statements of Operations and Comprehensive Loss

For the year ended December 31,	Notes	2018	2017
Revenues			
Oil and natural gas		**$ 62,958**	$ 139,519
Finance income		**2,041**	1,790
Royalties		**(10,185)**	(23,369)
		54,814	117,940
Expenses			
Operating		**117,575**	147,136
Administrative		**186,754**	230,204
Finance charges:			
Accretion of decommissioning obligation	**6**	**2,490**	3,493
Depletion and depreciation	**5**	**8,860**	57,030
Impairment provision of property and equipment	**5**	**39,562**	204,000
		355,241	641,863
Net loss from continuing operations		**(300,427)**	(523,923)
Net income (loss) from discontinued operation	**15**	**(15,138)**	98,784
Net and comprehensive loss for the year		**$ (315,565)**	$ (425,138)
Loss per share			
- basic and diluted *(1) – continuing operations*		**$ (0.008)**	$ (0.013)
- basic and diluted *(1) – total*		**$ (0.008)**	$ (0.011)
Weighted average shares outstanding			
- basic and diluted		**39,597,723**	39,597,723

(1) The options and warrants have been excluded from the diluted loss per share computation as they are anti-dilutive.

The accompanying notes are an integral part of these consolidated financial statements.

Huntington Exploration Inc.
Consolidated Statements of Changes in Equity

		Share Capital		Share Based Payment Reserve		Deficit		Total Equity
Balance January 1, 2017	$	10,918,489	$	2,158,949	$	(12,346,301)	$	731,1377
Net and comprehensive loss for the year		-		-		(425,138)		(425,138)
Expiry of warrants		(48,109)		48,109		-		-
Balance December 31, 2017	$	10,870,380	$	2,207,058	$	(12,771,439)	$	305,999

		Share Capital		Share Based Payment Reserve		Deficit		Total Equity
Balance January 1, 2018	$	10,870,380	$	2,207,058	$	(12,771,439)	$	305,999
Net and comprehensive loss for the year		-		-		(315,565)		(315,565)
Expiry of warrants		-		-		-		-
Balance December 31, 2018	$	10,870,380	$	2,207,058	$	(13,087,004)	$	(9,566)

The accompanying notes are an integral part of these consolidated financial statements.

Huntington Exploration Inc.
Consolidated Statements of Cash Flows

For the year ended December 31,	Notes		2018		2017
Cash flows from (used in) operating activities					
Net income (loss) for the year		**$**	**(315,565)**	$	(425,138)
Items not involving cash:					
Depletion and depreciation – continuing operations			**8,860**		57,030
Accretion of decommissioning obligations			**2,490**		3,493
Impairment (recovery) of impairment of property and equipment			**39,562**		204,000
Gain on sale of properties			**-**		(125,799)
Decommissioning expense provision			**-**		9,606
Flow through share liability recovery			**(30,000)**		(18,000)
Cash used in operating activities before changes in non-cash working capital			**(294,653)**		(294,808)
Changes in non-cash working capital balances:					
Accounts receivable			**21,041**		(13,842)
Prepaid expenses			**72**		(238)
Accounts payable and accrued liabilities			**(46.800)**		18,813
Cash flow used in operating activities			**(320,340)**		(290,075)
Cash flows from (used in) Investing activities					
Proceeds on disposition of property and equipment			**-**		118,500
Decommissioning liability			**(4,614)**		(42,953)
Restricted cash			**72,620**		84,753
Cash flow used in investing activities			**68,006**		160,300
Increase (decrease) in cash			**(252,334)**		(129,775)
Cash, beginning of year			**339,640**		469,415
Cash, end of year		**$**	**87,306**	$	339,640

Supplemental information				
Interest paid	**$**	**-**	$	-
Taxes paid	**$**	**-**	$	-

The accompanying notes are an integral part of these consolidated financial statements.

1. Corporate Information

Huntington Exploration Inc. ("Huntington" or the "Company") is a public junior oil and gas company engaged in the evaluation, acquisition, exploration and development of natural gas and oil properties in Western Canada. The Company's shares trade on the TSX Venture Exchange under the symbol HEI.

Huntington was incorporated under the *Business Corporations Act* (Alberta) as 676182 Alberta Ltd. under the laws of the Province of Alberta on November 28, 1995. On February 1, 1996 the Company changed its name to Goldust Mines Ltd. and subsequently, on July 18, 1997 changed its name to Huntington Exploration Inc. The head office of the Company is located at 1910, 407 – 2 Street, Calgary, Alberta, T2P 2Y3 and the registered office is located at Suite 1000, 250 - 2 Street SW, Calgary, Alberta, T2P 0C1.

Huntington has a 100% interest in Huntington Capital Inc.

2. Basis of Presentation

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

These financial statements were approved and authorized for issuance by the Board of Directors on April 30, 2019.

Going concern assumption
The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations, generate sufficient funds therefrom, receive continued support from its creditors and continue to obtain capital from investors sufficient to meet its current and future obligations. The Company had working capital of $519 (2017 –$192,551) at December 31, 2018. The Company had a deficit of $13,087,004 (2017 - $12,771,439). During the fiscal 2018 year the Company realized net comprehensive loss of $315,565 (2017 – $425,138) and realized negative cash flow from operating activities before changes in non-cash working capital of $294,653(2017 - $294,808). Management continues to focus its efforts on optimizing current production and raising additional capital through debt or equity financings. Although management's efforts to raise capital and monetize assets have been successful in the past, there is no certainty that they will be able to do so in the future. The aforementioned circumstances may create significant doubt as to the ability of the Company to continue as a going concern and meet its obligations as they come due. These financial statements have been prepared using accounting principles that are applied to a going concern and do not reflect the adjustments that would be necessary to the presentation and carrying amounts of the assets and liabilities if the Company were not able to continue operations. These adjustments and reclassifications may be material.

Functional and presentation currency
These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Basis of measurement
These financial statements have been prepared on a historical cost basis except for certain financial instruments and share based payment transactions that are measured at fair value.

Basis of consolidation
The consolidated financial statements comprise the financial statements of Huntington Exploration Inc. (the parent Company) and its subsidiary, Huntington Capital Inc.

2. Basis of Presentation - continued

The subsidiary has been fully consolidated from the date of its incorporation. Intercorporate transactions have been eliminated.

Use of estimates and judgments

The preparation of financial statements requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the consolidated financial statements.

Accordingly, actual results may differ from the estimated amounts as future confirming events occur. Significant estimates and judgments made by management in the preparation of these consolidated financial statements are as follows:

Valuation of account receivable

The valuation of accounts receivable is based on management's best estimate of the provision for expected credit losses.

Decommissioning and Abandonment Provisions

Decommissioning and abandonment provisions have been created based on the Company's knowledge as at December 31, 2018 and 2017. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standard and techniques will result in changes to provisions from period to period. Actual decommissioning costs will ultimately depend on future market prices for the decommissioning costs which will reflect the market conditions at the time of the decommissioning costs are actually incurred. The final cost of the currently recognized decommissioning provisions may be higher or lower than currently provided for.

Exploration and Evaluation Expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information become available.

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

2. Basis of Presentation - continued

Share-based Payment Transactions
The company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Flow-through share Provision
The amounts recorded for the flow-through share provision and the related deferred income tax effect are based on management's estimates of the tax liability that the Company has to pay to its shareholders for not meeting its commitment to expend the qualified expenditures in a timely manner.

Impairment
A CGU is defined as the lowest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has concluded each CGU is the individual properties held. As of December 31, 2018 and 2017 the Company had one CGU being Warwick. The allocation of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, similar exposure to market risks, shared infrastructures, and the way in which management monitors the operations. The recoverable amounts of CGUs and individual assets have been determined based on the higher of fair value less costs to sell or value-in-use calculations. The key assumptions the Company uses in estimating future cash flows for recoverable amounts are anticipated future commodity prices, expected production volumes and future operating and development costs. Changes to these assumptions will affect the recoverable amount of CGUs and individual assets and may then require a material adjustment to their related carrying value.

Reserves
The estimate of reserves is used in forecasting the recoverability and economic viability of the Company’s oil and gas properties, and in the depletion and impairment calculations. The process of estimating reserves is complex and requires significant interpretation and judgment. It is affected by economic conditions, production, operating and development activities, and is performed using available geological, geophysical, engineering, and economic data. Reserves are evaluated at least annually by the Company’s independent reserve evaluators and updates to those reserves, if any, are estimated internally. Future development costs are estimated using assumption as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities and other capital assets.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to the years presented in these financial statements, unless otherwise indicated.

Jointly controlled operations and jointly controlled assets:
The Company’s oil and natural gas activities involve jointly controlled assets. Under the joint arrangement the Company has rights to the assets and obligations for the liabilities. Accordingly the financial statements include the Company’s share of these jointly controlled assets and related liability and a proportional share of the relevant revenue and related costs.

3. Summary of Significant Accounting Policies – continued

Financial instruments:

(i) Non-derivative financial instruments:

Non-derivative financial instruments comprise accounts receivables, cash, restricted cash, and, accounts payable and accrued liabilities. Non-derivative financial instruments are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Financial assets at fair value through profit and loss:
An instrument is classified at fair value through profit and loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in earnings when incurred. Financial instruments at fair value through profit and loss are measured at fair value, and changes therein are recognized in earnings.

Compound instruments:
Compound instruments are separated into their liability and equity components using the effective interest method. The liability component accretes up to the principal balance at maturity. The equity component will be reclassified to share capital on conversions. Any balance in equity that remains after the settlement of the liability is transferred to contributed surplus. The equity portion is recognized net of deferred income taxes.

Other:
Other non-derivative financial instruments, such as accounts receivable, and accounts payable and accrued liabilities, are measured at amortized cost using the effective interest method, less any impairment losses.

(ii) Derivative financial instruments:

The Company may enter into certain financial derivative contracts in order to manage the exposure to market risks from fluctuations in commodity prices. The Company has not entered into any commodity pricing contracts. These instruments are not used for trading or speculative purposes. The Company has not designated its financial derivative contracts as effective accounting hedges, and thus not applied hedge accounting, even though the Company considers all commodity contracts to be economic hedges. As a result, all financial derivative contracts are classified as fair value through profit and loss and are recorded on the statement of financial position at fair value. Transaction costs are recognized in earnings when incurred.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through earnings. Changes in the fair value of separable embedded derivatives are recognized immediately in earnings.

(iii) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Property and equipment and exploration and evaluation assets:

Exploration and evaluation expenditures:
Pre-license costs are recognized in the statement of operations and comprehensive income (loss) as incurred. Exploration and evaluation costs, including the costs of acquiring undeveloped land and drilling costs are initially capitalized until the drilling of the well is complete and the results have been evaluated. The costs are accumulated in cost centres by well, field or exploration area pending determination of technical feasibility and commercial viability. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proved reserves are determined to exist. If proved reserves are found, the drilling costs and associated

3. Summary of Significant Accounting Policies – continued

undeveloped land are transferred to property and equipment. The cost of undeveloped land that expires or any impairment recognized during a period is recorded as impairment expense.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units ("CGU's").

Development and production costs:
Items of property and equipment, which include oil and natural gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. The cost of development and production assets includes: transfers from exploration and evaluation assets, which generally include the cost to drill the well and the cost of the associated land upon determination of technical feasibility and commercial viability; the cost to complete and tie-in the wells; facility costs; the cost of recognizing provisions for future decommissioning; geological and geophysical costs; and directly attributable overhead costs.

When significant parts of an item of property and equipment, including oil and natural gas interests, have different useful lives, they are accounted for as separate items (major components). Huntington will capitalize the cost of major plant turnarounds and overhauls and depreciates these costs over their estimated useful life of four years.

Gains and losses on disposal of an item of property and equipment, including oil and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in the statement of operations and comprehensive loss.

Subsequent costs:
Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property and equipment are recognized as oil and natural gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in earnings as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and producing or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized.

The costs of the day-to-day servicing of property and equipment are recognized in operating expenses as incurred.

Depletion and depreciation:
The net carrying value of development and production assets is depleted using the unit of production method by reference to the ratio of production in the period to the related proved plus probable reserves, taking into account estimated future development costs necessary to bring those reserves into production and the estimated salvage value of the assets at the end of their useful lives. Future development costs are estimated taking into account the level of development required to produce the reserves.

Proved plus probable reserves are estimated annually by independent qualified reserve evaluators and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

3. Summary of Significant Accounting Policies – continued

Impairment:

(i) Financial assets:

The Company has elected to apply the simplified approach to providing for expected credit losses and measures loss allowances for trade accounts receivable at an amount equal to lifetime expected credit losses at the date of initial recognition of the trade account receivable. In estimating the lifetime expected credit losses the Company considered historical default rates, current conditions and forecasts of future economic conditions.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the statement of operations and comprehensive income (loss).

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets, other than exploration and evaluation assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and other intangible assets that have indefinite lives or that are not yet available for use an impairment test is completed each year. Exploration and evaluation assets are assessed for impairment when they are transferred to property and equipment, and also if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (CGU). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell. The Company has grouped its development and production assets into one CGU being Warwick.

Fair value less cost to sell is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties. The fair value less cost to sell of oil and gas assets is generally determined as the net present value of the estimated future cash flows expected to arise from the continued use of the CGU, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate which would be applied by such a market participant to arrive at a net present value of the CGU.

Value in use is determined as the net present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and can only take into account approved future development costs. Estimates of future cash flows used in the evaluation of impairment of assets are made using management's forecasts of commodity prices and expected production volumes. The latter takes into account assessments of field reservoir performance and includes expectations about proved and probable volumes, which are risk-weighted utilizing geological, production, recovery and economic projections.

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to the CGU's that are expected to benefit from the synergies of the combination. Exploration and evaluation assets are allocated to related CGUs when they are assessed for impairment, both at the time of any triggering facts and circumstances as well as upon their eventual reclassification to producing assets (oil and natural gas interests in property and equipment).

3. Summary of Significant Accounting Policies – continued

An impairment loss is recognized if the carrying amount of a CGU exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Impairment losses recognized in prior years are assessed at each reporting date to determine if facts and circumstances indicate that the loss has decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognized.

Share based compensation:
The Company has established a share based compensation plan (the "Plan") (refer to note 9(d) for further details of the Plan). The Company uses the fair value method for valuing share based compensation. Under this method, the compensation cost attributed to stock options granted are measured at the fair value at the grant date and expensed over the vesting period with a corresponding increase to a category within equity referred to as share based payment reserve. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of option or units that vest. Upon the settlement of the stock options the previously recognized value in share based payment reserve is recorded as an increase to share capital.

Provisions:
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax "risk-free" rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

Decommissioning obligations:
The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of abandonment and site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation as at the reporting date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion whereas increases/decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

Flow through share provisions:
Periodically, the Company finances a portion of its exploration and development activities through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes related to exploratory development activities are renounced to investors in accordance with tax legislation. Flow through shares issued are recorded in share capital at the fair value of common shares on the date of issue. The premium received on issuing flow-through shares is initially recorded as a liability. When the qualifying expenditures are incurred, the share premium liability is recognized in deferred tax expense along with the tax effect on the expenditures. The Company is subject to Part XII.6 tax in respect of flow through share proceeds renounced if the expenditures are not made within the prescribed time permitted. Provisions are measured based on prevailing tax rates and expected penalties.

3. **Summary of Significant Accounting Policies – continued**

Revenue:
Revenue from the sale of petroleum and natural gas is measured based on the consideration specified in contracts with customers. The Company recognizes revenue when it transfers control of the product to the buyer. This is generally at the time the customer obtains legal title to the product and when it is physically transferred to the custody transfer point agreed with the customer, often terminals, pipelines or other transportation methods. As a practical expedient the Company does not adjust the transaction price for the effects of a financing component when at contract inception the expected period between the transfer of goods to the customer and the expected payment will be one year or less..

Royalty income is recognized as it accrues in accordance with the terms of the overriding royalty agreements.

Finance:
Finance expense comprises interest expense on borrowings, accretion of the discount on decommissioning obligations and the issuance of penalty shares, if and when issued.

Income tax:
Income tax expense is comprised of current and deferred tax. Income tax expense is recognized in the statement of operations and comprehensive income (loss) except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes in accounting policies:
The Company adopted the following new accounting pronouncements, in accordance with the transitional provisions of the standard. A brief description of each new accounting policy and its impact on the Company's financial statements are as follows:

IFRS 9 Financial Instruments
The Company adopted IFRS 9, Financial Instruments, on January 1, 2018. The transition to IFRS 9 had no impact on the Company's financial statements.

IFRS 9 includes a principle- based approach for classification and measurement of financial assets and a forward-looking 'expected credit-loss' model. As a result of adopting IFRS 9, the Company's accounts receivables were reclassified from loans and receivables at amortized cost to financial assets at amortized cost. For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivable.
For financial liabilities, the new standard retains most of the IAS 39 requirements. The main change arises in cases where the Company chooses to designate a financial liability as at fair value through

3. Summary of Significant Accounting Policies – continued

profit or loss. In these situation, the portion of the fair value change related to the Company's own credit risk is recognized in other comprehensive income (loss) rather than profit or loss. The Company has no financial liabilities that are measured at fair value through profit or loss.

IFRS 15 Revenue from Contracts with Customers
The Company adopted IFRS 15, Revenue from Contracts with Customers, on January 1, 2018. The Company used the modified retrospective adoption approach to adopt the new standard. The Company reviewed its revenue contracts with customers using the IFRS 15 five-step model, which did not result in any changes to the comparative period or the opening deficit.

Future Changes in Accounting Policies:
Huntington has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company is currently evaluating the impact of the adoption of these standards and amendments. The adoption of these standards and amendments are not expected to significantly impact the Company.

IFRS 16 "Leases" requires that at inception of a contract an assessment is to be made whether the contract is, or contains, a lease. The standard provides the requirements for separating each lease component within a lease from non-lease components and for determining the lease term. There is an exemption for leases to explore for or use mineral, oil and natural gas and licenses of intellectual property granted by a lessor within the scope of IFRS 15 "Revenue from Contracts with Customers", effective years beginning on or after January 1, 2019.

4. Exploration and Evaluation ("E&E")

		Intangible Exploration Assets
Cost:		
Balance, December 31, 2016	$	100,000
Additions		-
Dispositions		(100,000)
Balance, December 31, 2017		-
Additions		-
Balance, December 31, 2018	$	-

E&E assets consist of the Company's unproved properties and capitalized exploration drilling and completion costs which are pending the determination of commercial feasibility. The Company assesses the recoverability of E&E assets before and at the moment of reclassification to property and equipment, within the Company's CGU. The CGU's include both E&E assets and assets related to oil and natural gas interests for that area. During 2017 the Company disposed of its E&E assets for gross proceeds of $68,000.

5. Property and Equipment

	Petroleum Properties	Office Equipment	Total
Balance, December 31, 2016	$ 1,203,056	$ 7,599	$ 1,210,655
Disposition	(34,160)	-	(34,160)
Balance, December 31, 2017	$ 1,168,896	$ 7,599	$ 1,176,495
Disposition	-	-	-
Balance, December 31, 2018	$ 1,168,896	$ 7,599	$ 1,176,495
Accumulated depletion and depreciation:			
Balance, December 31, 2016	$ 908,220	$ 6,578	$ 914,798
Depletion and depreciation	56,622	408	57,030
Disposition	(48,123)	-	(48,123)
Impairment	204,000	-	204,000
Balance, December 31, 2017	$ 1,120,719	$ 6,986	$ 1,127,705
Depletion and depreciation	8,615	245	8,860
Disposition	-	-	-
Impairment	39,562	-	39,562
Balance, December 31, 2018	$ 1,168,896	$ 7,231	$ 1,176,127
Carrying amounts:			
December 31, 2017	$ 48,177	$ 613	$ 48,790
December 31, 2018	$ -	$ 368	$ 368

The depletion, depreciation and impairment of property and equipment, and any eventual reversal thereof, are recognized in earnings. At December 31, 2018, the Company included $Nil (2017 - $Nil) of future development costs into the net carrying value of development or production assets subject to depletion.

For impairment tests performed, the recoverable amount of each CGU was estimated based on the higher of the value in use or the fair value less costs to sell. The Company performed impairment tests for the years ended December 31, 2018 and 2017. The estimate of fair value less cost to sell was determined using proved plus probable forecasted before tax cash flows, discounted at 15%, with escalating prices and future development costs, as obtained from the Company's reserve reports at December 31, 2018 and 2017. The future commodity prices used to estimate the fair value less cost to sell are those used by independent industry reserve engineers. The Warwick CGU was stated with an impaired amount of $39,562 was recognized in 2018. The Warwick CGU was stated with an impaired amount of $204,000 was recognized in 2017.

The following table outlines benchmark prices used in the impairment test at December 31, 2018:

Natural Gas Liquids
Prices in Canadian Dollars

	Henry Hub	Rocky Mountain	AECO-C	Alliance Chicago Spot	BC Westcoast Station 2	Huntingdon/Sumas 30 d Spot	Exchange Rate	Inflation Rate
	$US/MMbtu	$US/MMbtu	$/Mmbtu	Price $/MMbtu	$/MMbtu	$/MMbtu	$Cdn/ $US	%/Year
2019	3.00	2.70	1.95	3.80	1.35	2.55	0.80	2.00
2020	3.25	2.94	2.44	3.96	1.94	3.14	0.80	2.00
2021	3.50	3.19	3.00	4.28	2.60	3.80	0.80	2.00
2022	3.57	3.25	3.21	4.36	2.81	4.01	0.80	2.00
2023	3.64	3.32	3.30	4.45	2.90	4.10	0.80	2.00
2024	3.71	3.38	3.39	4.54	2.99	4.19	0.80	2.00
2025+	3.79	3.45	3.49	4.64	3.09	4.29	0.80	2.00

Escalation Rate of 2.0% thereafter

6. Decommissioning Obligation

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligation associated with the decommissioning of oil and natural gas properties.

	December 31, 2018	December 31, 2017
Obligation, beginning of year	**$ 68,700**	$ 160,001
Change in estimate	**-**	-
Liabilities directly associated with assets sold	**-**	(94,794)
Accretion expenses	**2,490**	3,493
Obligation, end of year	**$ 71,191**	$ 68,700

The undiscounted amount of cash flows, required over the estimated life of the underlying assets, to settle the obligation, adjusted for inflation, is estimated at $110,487. The obligation was calculated using a risk free discount rate of 3.13 percent and an inflation rate of 2.5 percent. It is expected that the majority of costs are expected to occur between 2019 and 2028.

Pursuant to government regulations, the Company has on deposit cash of $60,738 (2017 - $133,358) restricted for the completion of future abandonments.

7. Flow through Share Provision

	December 31, 2018	December 31, 2017
Flow through share provision, beginning of year	**$ 30,000**	$ 48,000
Reduced liability for unexpended flow through funds	**(30,000)**	(18,000)
Flow through share provision, end of year	**$ -**	$ 30,000

On December 31, 2012, Huntington issued 9,750,000 common shares on a flow-through basis at $0.05 per share. As a result of the issue of flow-through shares, the Company had committed to incur $487,500 of Canadian Eligible Expenses on or before December 31, 2013. In 2012 Huntington recognized a deferred liability based on the premium received on the flow-through shares compared to the common share trading price adjusting for less the fair value of the warrants issued in the financing. During the fiscal year 2013 Huntington was unable to meet their commitment and as a result had accrued $198,420 as a provision for the estimated liability it has to the shareholders that invested in the flow through offering. The majority of these funds were paid out in the first quarter of 2015.

8. Income Taxes

(a) The provision for income taxes varies from the amount that would be computed by applying the expected tax rate to loss before income taxes. The principal reasons for differences between such expected income tax expense and the amount actually recorded are as follows:

		2018		2017
Income (loss) before income taxes	**$**	**(315,565)**	$	(425,138)
Corporate income tax rate		**27.00%**		27.00%
Computed expected tax expense (recovery)	**$**	**(85,202)**	$	(114,787)
Increase (decrease) in income taxes resulting from:				
Non-deductible provision (non-taxable recovery)		**83,135**		114,735
Non-deductible expenses		**68**		52
Other		**-**		-
Income tax expense	$	-	$	-

(b) Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for income tax purposes. The components of the Company's deferred income tax assets and liabilities are as follows:

As at December 31,		2018		2017
Property and equipment	**$**	**2,439,405**	$	2,030,129
Non-capital losses		**2,041,350**		1,935,083
Capital losses (income)		**17,993**		17,993
		4,498,748		3,983,2015
Deferred income tax assets not recognized		**(4,498,748)**		(3,983,205)
Deferred tax liability	**$**	**-**	$	-

The Company has non-capital losses of approximately $7,558,907 (2017 – $7,165,326), which are available to reduce taxable income in future years. If unutilized, these losses will expire as follows: 2029 - $79,376, 2030 - $121,116, 2031 - $612,783, 2032 $ 1,542,026, 2033 - $2,943,712, 2034 - $343,844, 2035 - $496,938, 2036 - $552,161, 2037 - $473,370 and 2038 - $393,581.

(c) The following are the Company’s estimated Federal tax pools at December 31

		2018		2017
Undepreciated capital cost	**$**	**22,525**	$	29,877
Canadian exploration expense		**4,066,678**		4,066,678
Canadian development expense		**38,212**		54,589
Canadian oil and gas property expense		**1,085,306**		1,205,896
	$	**5,212,721**	$	5,357,040

9. Share Capital

(a) Authorized

Unlimited number of:

Common shares without par value

Preferred shares, assumable in series

(b) Issued

	December 31, 2018			December 31, 2017		
Common shares	**Shares**		**Amounts**	Shares		Amounts
Opening balance	**39,597,723**	**$**	**10,870,380**	39,597,723	$	10,870,380
Share issued for cash	**-**		**-**	-		-
Balance end of year	**39,597,723**	**$**	**10,870,380**	39,597,723	$	10,870,380
Warrants						
Opening balance	**16,666,667**	**$**	**-**	18,291,667	$	48,109
Warrants expired	**-**		**-**	(1,625,000)		(48,109)
Balance end of year	**16,666,667**	**$**	**-**	16,666,667	$	-
		$	**10,870,380**		$	10,870,380

(c) Warrants

The following table summarizes the warrants outstanding and exercisable at December 31, 2018:

Number of warrants	Exercise price	Expiry date
16,666,667	$0.05	June 9, 2019

(d) Options

The Company has a stock option plan that provides for the issuance to its directors, officers, employees and consultants options to purchase from treasury a number of common shares not exceeding 10% of the common shares that are outstanding from time to time which is the number of shares reserved for issuance under the plan. Options granted under the plan vest immediately. The options are non-transferable if not exercised. The exercise price is based on the Company’s common shares prior to the day of the grant, which may be different from the closing price of such shares on the day of grant for options granted to date. To date the exercise price has not been materially different from the trading price of the shares on the grant date.

As at December 31, 2018 there were no stock options outstanding. There were no stock options outstanding at year end.

10. Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel include the officers and vice-presidents. Executive officers are paid salaries or management fees and participate in the Company’s stock option program. Key management personnel compensation is comprised of the following:

		December 31, 2018		December 31, 2017
Consulting and management fees	**$**	**92,320**	$	136,320
Directors fees		**-**		-
Share based compensation		**-**		-
Total key management remuneration	**$**	**92,320**	$	136,320

11. Commitments and Contingencies

(a) From time to time, the Company may be involved in litigation or has claims sought against it in the normal course of business operations. Management of the Company is not currently aware of any claims or actions that would materially affect the Company's reported financial position or results from operations.

(b) Under the terms of certain agreements and the Company's by-laws the Company indemnifies individuals who have acted at the Company's request to be a director and/or officer of the Company, to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individuals as a result of their service.

12. Financial Instruments

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to a variety of financial risks. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

(a) Commodity price risk
The Company is subject to commodity price risk for the sale of its production. The Company may enter into contracts for risk management purposes only, in order to protect a portion of its future cash flow from the volatility of petroleum commodity prices. To date the Company has not entered into any forward commodity contracts.

(b) Credit Risk
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the date of the statement of financial position. A majority of the Company's current financial assets at the balance sheet date arise from oil sales and the Company's accounts receivable are with these customers and joint venture participants in the oil and natural gas industry. Commodity sales are normally settled on the 25th day of the month following the month of production. The Company's production is sold to large marketing companies. Typically, the Company's maximum credit exposure to customers is revenue from two months of sales. During the year ended December 31, 2018, the Company sold approximately 100% (2017 – 100%) of its oil and gas production to a single purchaser. At December 31, 2018, $5,212 (2017 - $10,212) is due from its marketer. These sales were conducted on transaction terms that are typical for the sale of oil and gas in Canada. In addition, when joint operations are conducted on behalf of a joint venture partner relating to capital expenditures, costs of such operations are paid for in advance to the Company by way of a cash call by the partner of the operation being conducted.

(c) Foreign Currency Exchange Risk
The Company does not sell or transact in any foreign currency, however, the US dollar influences the price of oil and natural gas sold in Canada. Price fluctuations, as a result can affect the fair value of the Company's future cash flows however, given it is an indirect influence, the impact of changing exchange rates cannot be accurately quantified. The Company's other financial assets and liabilities are not directly affected by a change in currency rates.

(d) Interest Risk
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to interest rate fluctuations at December 31, 2018 and 2017.

Fixed rate debt is subject to interest rate price risk, as the value will fluctuate as a result of changes in market rates. As at December 31, 2018, the Company had no fixed interest rate debt.

12. Financial Instruments - continued

(e) Market risk

Market risk is comprised of two components: currency risk and interest rate risk.

(f) Fair Value of Financial Instruments

The Company classifies the fair value of the financial instruments measured at fair value subsequent to initial recognition according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash and restricted cash and the investment have been classified as Level 1.

As a result of adopting IFRS 9, the Company's accounts receivables were reclassified from loans and receivables at amortized cost to financial assets at amortized cost. All financial liabilities were reclassified from other liabilities to financial liabilities at amortized cost. There have been no other changes to the aforementioned classifications during the year ended December 31, 2018. The carrying value of these financial instruments approximates fair value due to their short-terms to maturity.

(g) Liquidity Risk

Liquidity risk includes the risk that, as a result of the Company's operational liquidity requirements:

- The Company will not have sufficient funds to settle a transaction on the due date;
- The Company will be forced to sell financial assets at a value which is less than what they are worth; or
- The Company may be unable to settle or recover a financial asset.

The company has assessed its liquidity risk in Note 2.

The Company's accounts payable and accrued liabilities as at December 31, 2018 and 2017 is comprised of the following:

		December 31, 2018		December 31, 2017
Trade accounts payable	**$**	**600**	$	6,461
Accruals *(1)*		**30,000**		39,000
Joint venture		**22,996**		54,935
	$	**53,596**	$	100,396

(1) Includes $30,000 (2017 - $39,000) with respect to professional fees and $NIL (2017 - $NIL) with respect to other costs.

The Company's trade accounts payable and accrued liabilities as at December 31, 2018 are aged as follows:

Total	0 to 30 Days	31 to 60 Days	61 to 90 Days	Greater than 90 days
$53,596	$39,397	$2,073	-	$12,126

12. Financial Instruments - continued

The Company's operating cash requirements including amounts projected to complete the Company's existing capital expenditure program are continuously monitored and adjusted as input variables change. These variables include but are not limited to, oil production from existing wells, results from new wells drilled, commodity prices, cost overruns on capital projects and regulations relating to prices, taxes, royalties, land tenure, allowable production and availability of markets. As these variables change, liquidity risks may necessitate the Company to conduct equity issues or obtain project debt financing.

13. Capital Risk Management

The Company manages its capital with the objective to continue as a going concern, create investor confidence, meet its capital commitments and to strengthen its working capital position. The capital structure of the Company is primarily composed of equity. The Company's strategy is to currently access capital, primarily through equity issuances, in order to maintain a strong capital base for the objectives of maintaining financial flexibility and to sustain the future development of the business. The Company manages its capital structure and makes adjustments relative to changes in economic conditions and the Company's risk profile.

In order to maintain the capital structure, the Company may from time to time issue shares and adjust its capital spending to manage current working capital levels. Bank debt may be added in future periods. The Company is not currently subject to any externally imposed covenants.

The Company's capital includes the following:

	December 31, 2018	December 31, 2017
Equity	**$ (9,566)**	$ 305,999

14. Segmented Information

The Company operates in one reportable operating segment as described in note 1.

15. Discontinued Operations

During the year ended December 31, 2017, the Company disposed of its interests in the Provost, Bindloss and Panny CGU's. During the year ended December 31, 2018, adjustments to the closing costs of $15,138 were incurred.

Huntington Exploration Inc.
Management's Discussion and Analysis

This management's discussion and analysis of the financial condition and results of operations ("MD&A") of Huntington Exploration Inc. ("Huntington" or "the Company") is dated April 30, 2019 and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2018. These consolidated financial statements, including the comparative figures, were prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all financial measures are expressed in Canadian dollars. This MD&A contains forward looking information based on the Company's current expectations and projections.

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

Forward Looking Statements - Certain statements contained within the Management's Discussion and Analysis, and in certain documents incorporated by reference into this document, constitute forward looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements.

In particular, this MD&A contains the following forward-looking statements pertaining to, without limitation, the following: Huntington's production volumes and the timing of when additional production volumes will come on stream; Huntington's realized price of commodities in relation to reference prices; future commodity prices; the Company's future royalty rates and the realization of royalty incentives; Huntington's expectation of reducing operating costs on a per unit basis; the relationship of Huntington's interest expense and the Bank of Canada interest rates; increases in general and administrative expenses and recoveries; future development and exploration activities and the timing thereof; the future tax liability of the Company; the depletion, depreciation and accretion rate; the estimated future contractual obligations of the Company and the amount expected to be incurred under its farm-in commitments; the future liquidity and financial capacity of the Company; and its ability to fund its working capital and forecasted capital expenditures. In addition, 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.

With respect to the forward-looking statements contained in the MD&A, Huntington has made assumptions regarding: future commodity prices; the impact of royalty regimes and certain royalty incentives, the timing and the amount of capital expenditures; production of new and existing wells and the timing of new wells coming on-stream; future proved finding and development costs; future operating expenses including processing and gathering fees; the performance characteristics of oil and natural gas properties; the size of oil and natural gas reserves; the ability to raise capital and to continually add to reserves through exploration and development; the continued availability of capital, undeveloped land and skilled personnel; the ability to obtain equipment in a timely manner to carry out exploration and development activities; the ability to obtain financing on acceptable terms; the ability to add production and reserves through exploration and development activities; and the continuation of the current tax and regulation.

We believe the expectations reflected in those forward looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward looking statements included in, or incorporated by reference into, this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A or as of the date specified in the documents incorporated by reference into this Management's Discussion and Analysis, as the case may be. The actual results could differ materially from those anticipated in these forward looking statements as a result of the risk factors set forth below and elsewhere in this Management's Discussion and Analysis: volatility in market prices for oil and natural gas; counterparty credit risk; access to capital; changes or fluctuations in production levels; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; geological, technical, drilling and processing problems; limitations on insurance; changes in environmental or legislation applicable to the Company's operations, and ability to comply with current and future environmental and other laws; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; and the other factors discussed under "Risk Factors" in the following MD&A.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward looking statements contained in this MD&A and the documents incorporated by reference herein are expressly qualified by this cautionary statement. The forward-looking statements contained in this document speak only as of the date of this document and Huntington does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

The financial data presented herein has been prepared in accordance with IFRS. The Company has also used certain measures of financial reporting that are commonly used as benchmarks within the oil and natural gas production industry in the following MD&A discussion. The measures discussed are widely accepted measures of performance and value within the industry, and are used by investors and analysts to compare and evaluate oil and natural gas exploration and producing entities. The measure used is operating netback. Operating netback is a benchmark used in the crude oil and natural gas industry to measure the contribution of oil and natural gas sales subsequent to the deduction of royalties and operating costs. The measure is not defined under IFRS and should not be considered in isolation or as an alternative to conventional IFRS measure. The underlying calculation is not necessarily comparable to a similarly titled measure of another entity. When the measure is used, it is defined as “non IFRS” and should be given careful consideration by the reader.

Per barrel of oil equivalent (“boe”) amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. BOE’s may be misleading, particularly if used in isolation. The boe conversion ratio used is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Select Annual Information

($ thousands, except per share amounts)	For the year ended December 31, 2018	For the year ended December 31, 2017	For the year ended December 31, 2016
Petroleum and natural gas sales, net of royalties	53	125	142
Net income (loss) from continuing operations	(300)	(524)	(278)
Per share – basic and diluted	(0.008)	(0.013)	(0.009)
Net income (loss)	(316)	(425)	(297)
Per share – basic and diluted	(0.008)	(0.011)	(0.010)
Net capital expenditures	-	-	-
Working capital surplus (deficiency)	-	193	277
Total assets	160	555	1,102
Weighted average shares outstanding (000s) *	39,598	39,598	30,191
Current shares outstanding (000s) *	39,598	39,598	39,598

*Comparative year information has been restated to reflect the one new-for-six-old share consolidation that received regulatory approval June 9, 2016

Lands and Rights Held As At December 31, 2018

A summary description of Huntington Exploration Inc.'s major producing and exploration properties is set out below. References to gross volumes refer to total production. References to net volumes refer to Huntington Exploration's working interest share before the deduction of royalties payable to others. These properties are all located in the Alberta, Canada.

Warwick Alberta

Huntington Exploration owns a 50% working interest in two wells located on one section of land. The Company share of production from these wells in 2018 was 50,323 mcf which the averaged over the year net to the company was 138 mcf/d.

Production and Operating Costs

	For the Three Months Ended December 31,		**For the Year Ended December 31,**	
	2018	2017	**2018**	2017
Total boe production	**1,797**	2,812	**8,390**	12,010
BOE/day	**20**	31	**31**	32
Working interest revenue ($)	**13,799**	24,502	**62,958**	146,927
Revenue / boe ($)	**7.68**	8.71	**7.50**	12.23

Royalties ($)	**(2,311)**	(8,136)	**(10,185)**	(25,679)
Production costs ($)	**22,275**	26,457	**117,575**	155,195
Production costs/boe ($)	**12.39**	9.42	**14.01**	11.26
Operating net back ($)	**(10,787)**	(17,318)	**(64,802)**	(15,315)
Operating net back/boe ($)	**(6.00)**	(6.16)	**(7.72)**	(1.11)

The current year's production has decreased due to the disposal of the Company's interest in the Provost property.

Production costs are in line with expectations.

Depletion and Depreciation Expense

The depletion expense in 2018 and 2017 comparative periods is in line with expectations. The Company is using its proved plus probable reserves to compute the depletion expense.

Impairment Provisions

For impairment tests performed, the recoverable amount of each CGU was estimated based on the higher of the value in use or the fair value less costs to sell. The Company performed impairment tests for the years ended December 31, 2018 and 2017. The estimate of fair value less cost to sell was determined using proved plus probable forecasted before tax cash flows, discounted at 15%, with escalating prices and future development costs, as obtained from the Company's reserve reports at December 31, 2018 and 2017. The future commodity prices used to estimate the fair value less cost to sell are those used by independent industry reserve engineers. A provision for impairment on the Warwick CGU was recognized at December 31, 2018 of $39,562. A provision for impairment on the Warwick CGU of $204,000 was recognized in 2017

General and Administrative Expenses

General and administrative costs decreased by $43,450 or 19% to $186,754 for the year ended December 31, 2018 from $230,204 for the year ended December 31, 2017. Staffing and consulting fees accounted for approximately 29% (2017 - 41%) of the total general and administrative expenses, professional fees were 35% (2017 - 25%), regulatory reporting and shareholder and public relations were 1% (2017 - 8%), insurance costs were 9% (2017 - 6%), software costs were 6% (2017 – 4%) and all other costs were 20% (2017 - 16%) of general and administrative expenses.

Finance Expense

The finance expense is comprised of the incremental fair value of the warrant extension and increase in the present value of the decommissioning obligation. The following is the summary of the finance expenses incurred:

	2018	2017
Accretion of decommissioning obligation	$ 2,490	$ 3,493

The accretion of the decommissioning obligation will fluctuate commensurate with the asset retirement obligation as new wells are drilled, acquired through acquisitions or property depositions and as changes to the estimates are made.

Income Taxes

Presently the Company does not expect to pay current taxes into the foreseeable future based on existing tax pools, planned capital activities and current forecasts of taxable income. However, the current tax horizon will ultimately depend on several factors including commodity prices, future production, corporate expenses, and both the type and amount of capital expenditures incurred during the remainder of the year and in future reporting periods.

Working Capital, Liquidity & Capital Resources

As at December 31, 2018, Huntington has working capital of $519.
During 2018, the Company expended $NIL (2017- $NIL) in capital expenditures for its developed and producing oil and gas activities. During 2018, the Company expended $NIL (2017 - $NIL) in capital expenditures for its exploration and evaluation oil and gas activities.

Outstanding Share Data

The Company has authorized an unlimited number of Common shares, Non-voting shares and first and second preferred shares, assumable in series. The Company currently has 39,597,723 common shares outstanding.

The following details the share capital structure as of the date of this MD&A.

	Expiry Date	Exercise Price	Number	Total Number
Common shares				39,597,723
Warrants	June 9, 2019	$0.05	16,666,667	

Financial Instruments

Crude oil and natural gas operations involve certain risks and uncertainties. These risks include, but are not limited to, commodity prices, foreign exchange rates, interest rates, credit, operational and safety.

Operational risks are managed through the Company's external insurance program designed to protect the Company from significant losses arising from risk exposures. Risks associated with commodity prices, interest and exchange rates are generally beyond the control of the Company; however, various hedging products may be considered to reduce the volatility in these areas.

Safety and environmental risks are addressed by compliance with government regulations as well as adoption and compliance of the Company's safety and environmental standards policy.

The Company is exposed to concentration of credit risk as substantially all of the Company's accounts receivable are with customers and joint venture partners in the oil and gas industry and are subject to normal industry credit risks. During the year ended December 31, 2018, the Company sold approximately 100% of its oil and gas production to a single purchaser. At December 31, 2018, 79% of the balance of accounts receivable is due from this purchaser. The Company mitigates this risk by entering into transactions with long-standing counterparts and partners. If significant amounts of capital are to be spent on behalf of a joint venture partner, the partner is "cash called" in advance of the capital spending taking place.

Management assesses quarterly if there should be any impairment of the financial assets of the Company.

Summary of Quarterly Results

($ thousands, except per share amounts)	Three months ended December 31, 2018	Three months ended September 30, 2018	Three months ended June 30, 2018	Three months ended March 31, 2018
Revenue	14	11	11	27
Net income (loss)	(97)	(71)	(78)	(70)
Per share – basic and diluted *	(0.002)	(0.002)	(0.002)	(0.002)
Total assets	160	306	929	1,008

($ thousands, except per share amounts)	Three months ended December 31, 2017	Three months ended September 30, 2017	Three months ended June 30, 2017	Three months ended March 31, 2017
Revenue	25	25	64	34
Net income (loss)	(342)	71	(53)	(101)
Per share – basic and diluted	(0.011)	0.002	(0.001)	(0.001)
Net income (loss) from continuing operations	(458)	71	(53)	(84)
Per share – basic and diluted from continuing operations	(0.011)	0.002	(0.001)	(0.002)
Total assets	554	960	929	1,008

Changes in accounting polices:

Effective January 1, 2018, the Company adopted IFRS 9 "Financial Instruments", IFRS 15 "Revenue from contracts with customers", IFRS 2 "Share-Bases Payments" and IAS 28 "Investments in associates and joint ventures". There were no material changes as a result of the adoption of these standards.

New accounting standards and interpretations not yet adopted:

Huntington has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company is currently evaluating the impact of the adoption of these standards and amendments. The adoption of these standards and amendments are not expected to significantly impact the Company.

IFRS 16 "Leases" requires that at inception of a contract an assessment is to be made whether the contract is, or contains, a lease. The standard provides the requirements for separating each lease component within a lease from non-lease components and for determining the lease term. There is an exemption for leases to explore for or use mineral, oil and natural gas and licenses of intellectual property granted by a lessor within the scope of IFRS15 "Revenue from Contracts with Customers", effective years beginning on or after January 1, 2019

Risk Factors

There are a number of risk factors facing Companies that participate in the Canadian oil and gas industry. A summary of certain risk factors relating to our business are disclosed below.

Exploration, Development and Production Risks

Oil and natural gas exploration involves a high degree of risk, for which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that expenditures made on future exploration by Huntington will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over-pressured zones, tools lost in the hole and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

The long-term commercial success of Huntington will depend on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that Huntington will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Huntington may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition. Huntington attempts to minimize exploration, development and production risks by utilizing a technical team with extensive experience to assure the highest probability of success in its drilling efforts. Our collaboration of a team of seasoned veterans in the oil and gas business, each with a unique expertise in the various upstream to downstream technical disciplines of prospect generation to operations, provides the best assurance of competency, risk management and drilling success. A full cycle economic model is utilized to evaluate all hydrocarbon prospects. Detailed geological and geophysical techniques are regularly employed including 3D seismic, petrography, sedimentology, petrophysical log analysis and regional geological evaluation.

Prices, Markets and Marketing of Crude Oil and Natural Gas

Oil and natural gas are commodities whose prices are determined based on world demand, supply and other factors, all of which are beyond the control of Huntington. World prices for oil and natural gas have fluctuated widely in recent years. Any material decline in prices could result in a reduction of net production revenue. Certain wells or other projects may become uneconomic as a result of a decline in world oil prices and natural gas prices, leading to a reduction in the volume of Huntington's oil and gas reserves. Huntington might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in Huntington's future net production revenue, causing a reduction in its oil and gas acquisition and development activities. In addition, bank borrowings available to Huntington are expected to be determined in part by the borrowing base of Huntington. A sustained material decline in prices from historical average prices could limit Huntington's borrowing base, therefore reducing the bank credit available to Huntington, and could require that a portion of any existing bank debt of Huntington be repaid.

In addition to establishing markets for its oil and natural gas, Huntington must also successfully market its oil and natural gas to prospective buyers. The marketability and price of oil and natural gas which may be acquired or discovered by Huntington will be affected by numerous factors beyond its control. Huntington will be affected by the differential between the price paid by refiners for light quality oil and the grades of oil produced by Huntington. The ability of Huntington to market its natural gas may depend upon its ability to acquire space on pipelines which deliver natural gas to commercial markets. Huntington will also likely be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Huntington’s portfolio consists of heavy crude oil. Huntington continually monitors the movement of commodity prices, interest rates and adjusts its capital expenditure program accordingly.

Substantial Capital Requirements; Liquidity

Huntington's cash flow from its production and sales of petroleum and natural gas may not, at all times be sufficient to fund its ongoing activities. From time to time, Huntington may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause Huntington to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If Huntington's revenues from its production of petroleum and natural gas decrease as a result of lower oil and natural gas prices or otherwise, it may affect Huntington's ability to expend the necessary capital to replace its reserves or to maintain its production. If Huntington's funds from operations are not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Huntington.

If Huntington is able to negotiate debt financing it is likely lenders will be provided with security over substantially all of the assets of Huntington. If Huntington becomes unable to pay its debt service charges or otherwise commits an event of default, such as bankruptcy, these lenders may foreclose on or sell Huntington's properties. The proceeds of any such sale would be applied to satisfy amounts owed to Huntington's lenders and other creditors and only the remainder, if any, would be available to Huntington.

Huntington monitors and updates its cash projection models on a regular basis which assists in the timing decision of capital expenditures. Farm-outs of projects may be arranged if capital constraints are an issue or if the risk profile dictates that the Company wish to hold a lesser working interest position. Equity, if available and if on reasonable terms, may be utilized to help fund Huntington’s capital program.

Access to Capital
Access to capital has become limited during these times of economic uncertainty. To the extent the external sources of capital become limited or unavailable. Huntington's ability to make the necessary capital investments to maintain or expand oil and gas reserves may be impaired.

Credit Exposure
Recent economic conditions have increased the risk that certain counterparties for the Company's oil and gas sales and our joint venture partners may fail to pay. We mitigate these increased risks through a review process of the credit worthiness of our counterparties.

Huntington's policy to mitigate credit risk associated with product sales is to maintain marketing relationships with a large, established and reputable purchaser that is considered creditworthy. Huntington has not experienced any collection issues with its petroleum and natural gas marketer. Joint venture receivables are typically collected within two to three months of the joint venture bill being issued to the partner. Huntington attempts to mitigate the risk from joint venture receivables by obtaining partner approval of significant capital and operating expenditures prior to expenditure and in certain circumstances may require cash deposits in advance of incurring financial obligations on behalf of joint venture partners.

Joint venture receivables are from partners in the petroleum and natural gas industry who are subject to the risks and conditions of the industry. Significant changes in industry conditions and risks that negatively impact partners' ability to generate cash flow will increase the risk of not collecting receivables. Huntington does not typically obtain collateral from petroleum and natural gas marketers or joint venture partners; however the Company does have the ability to withhold production from joint venture partners in the event of non-payment or may be able to register security on the assets of joint venture partners**.**

Health, Safety and Environment
All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Corporation to incur costs to remedy such discharge.

There are potential risks to the environment inherent in the business activities of the Company. Huntington has developed and implemented policies and procedures to mitigate health, safety and environment (HS&E) risks. Huntington mitigates HS&E risks by maintaining its wells and complying with all regulations. Regular field inspections are also carried out to ensure that all field personnel and third party contractors comply with all company and regulatory guidelines. An action plan has been developed to ensure inactive wells are suspended properly and abandoned in a timely fashion. The above noted policies and procedures are designed to protect and maintain the environment and to ensure that the employees, contractors, subcontractors and the public at large are kept safe at all times.

Insurance
Huntington's involvement in the exploration for and development of oil and gas properties may result in Huntington becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although Huntington has insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, Huntington may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Huntington. The occurrence of a significant event that Huntington is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Huntington's financial position, results of operations or prospects.

Competition
Huntington actively competes for reserve acquisitions, exploration leases, licenses and concessions and skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial

and personnel resources than Huntington. Huntington's competitors include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators.

Certain of Huntington's customers and potential customers are themselves exploring for oil and natural gas, and the results of such exploration efforts could affect Huntington's ability to sell or supply oil or gas to these customers in the future. Huntington's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

Social License to Operate

Heightened public monitoring and regulation of hydrocarbon resource producers, refiners, distributors and commercial/retail sellers, especially where their activities carry the potential for having negative impacts on communities and the environment, involves varying degrees of risk to the Company’s reputation, relations with landowners and regulators, and in extreme cases even the ability to operate. Huntington maintains an active website that complies with Exchange requirements for timely disclosure and is the primary means of communicating to the general public when required. While media attention and public perception remaining largely beyond the control of Huntington’s executive, employees, contractors and directors, the Company makes every effort in its corporate and field operations to engage all stakeholders in a respectful and transparent manner.

Huntington Exploration Inc.
Consolidated Financial Statements
December 31, 2019

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Kenway Mack Slusarchuk Stewart LLP
Chartered Professional Accountants,
Chartered Accountants

Celebrating 30 years

Independent Auditors' Report

To: The Shareholders of **Huntington Exploration Inc.**

Opinion

We have audited the consolidated financial statements of Huntington Exploration Inc. and its subsidiaries (collectively, the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018 and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements which indicates that at December 31, 2019 the Company had a deficit of $13,269,361. This condition, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Independent Auditors’ Report (continued)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

<u>Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements</u>

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this Independent Auditors' report is Roland A. Bishop, CPA, CA.

Kenway Mack Slusarchuk Stewart LLP

April 29, 2020 — Chartered Professional Accountants

Calgary, Alberta

Huntington Exploration Inc.
Consolidated Statements of Financial Position

	Notes	December 31, 2019	December 31, 2018
Assets			
Current			
Cash		$ **427,345**	$ 87,306
Accounts receivable		**1,172**	6,646
Prepaid expenses		**2**	5,048
		428,519	99,000
Restricted cash	**5**	**45,376**	60,738
Property and equipment	**4**	**221**	368
		$ **474,116**	$ 160,106
Liabilities			
Current			
Accounts payable and accrued liabilities		$ **68,926**	$ 53,596
Provision for abandonment		**33,000**	44,885
		101,926	98,481
Decommissioning obligations	**5**	**73,757**	71,191
		175,683	169,672
Equity			
Share capital	**8**	**11,360,736**	10,870,380
Share based payment reserve		**2,207,058**	2,207,058
Deficit		**(13,269,361)**	(13,087,004)
		298,433	(9,566)
		$ **474,116**	$ 160,106
Going Concern	**2**		

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board:

"Signed Tim Bowes"
J. Timothy Bowes, Director

"Signed Bob Verhelst"
Bob Verhelst, Director

Huntington Exploration Inc.
Consolidated Statements of Operations and Comprehensive Loss

For the year ended December 31,	Notes		2019		2018
Revenues					
Oil and natural gas		$	**46,173**	$	62,958
Finance income			**1,138**		2,041
Royalties			**(8,574)**		(10,185)
			38,737		54,814
Expenses					
Operating			**58,073**		117,575
Administrative			**176,808**		186,754
Finance charges:					
Accretion of decommissioning obligation	**5**		**2,566**		2,490
Depletion and depreciation	**4**		**147**		8,860
Abandonment recovery			**(16,500)**		
Impairment provision of property and equipment	**4**		**-**		39,562
			221,094		355,241
Net loss from continuing operations			**(182,357)**		(300,427)
Net income (loss) from discontinued operations	**14**		**-**		(15,138)
Net and comprehensive loss for the year		$	**(182,357)**	$	(315,565)
Loss per share					
- basic and diluted *(1) – continuing operations*		$	**(0.013)**	$	(0.032)
- basic and diluted *(1) – total*		$	**(0.013)**	$	(0.032)
Weighted average shares outstanding					
- basic and diluted			**13,707,650**		9,899,431

(1) The options and warrants have been excluded from the diluted loss per share computation as they are anti-dilutive.

The accompanying notes are an integral part of these consolidated financial statements.

	Share Capital	Share Based Payment Reserve	Deficit	Total Equity
Balance January 1, 2018	$ 10,870,380	$ 2,207,058	$ (12,771,439)	$ 305,999
Net and comprehensive loss for the year	-	-	(315,565)	(315,565)
Expiry of warrants	-	-	-	-
Balance December 31, 2018	$ 10,870,380	$ 2,207,058	$ (13,087,004)	$ (9,566)

	Share Capital	Share Based Payment Reserve	Deficit	Total Equity
Balance January 1, 2019	$ 10,870,380	$ 2,207,058	$ (13,087,004)	$ (9,566)
Net and comprehensive loss for the year	-	-	(182,357)	(182,357)
Shares issued for cash (net of issue costs)	490,356	-	-	490,356
Balance December 31, 2019	$ 11,360,736	$ 2,207,058	$ (13,269,361)	$ 298,433

The accompanying notes are an integral part of these consolidated financial statements.

Huntington Exploration Inc.
Consolidated Statements of Cash Flows

For the year ended December 31,	Notes	2019	2018
Cash flows from (used in) operating activities			
Net income (loss) for the year		**$ (182,357)**	$ (315,565)
Items not involving cash:			
Depletion and depreciation – continuing operations		**147**	8,860
Accretion of decommissioning obligations		**2,566**	2,490
Impairment of property and equipment		**-**	39,562
Abandonment recovery		**(16,500)**	-
Change in estimate for abandonment		**4,614**	
Flow through share liability recovery		**-**	(30,000)
Cash used in operating activities before changes in non-cash working capital		**(191,530)**	(294,653)
Changes in non-cash working capital balances:			
Accounts receivable		**5,474**	21,041
Prepaid expenses		**5,046**	72
Accounts payable and accrued liabilities		**15,331**	(46,800)
Cash flow used in operating activities		**(165,679)**	(320,340)
Cash flows from (used in) Financing activities			
Issue of common shares (net of costs)		**490,356**	-
Cash flows from (used in) Investing activities			
Decommissioning liability		**-**	(4,614)
Restricted cash		**15,362**	72,620
Cash flow used in investing activities		**15,362**	68,006
Increase (decrease) in cash		**340,039**	(252,334)
Cash, beginning of year		**87,306**	339,640
Cash, end of year		**$ 427,345**	$ 87,306

Supplemental information			
Interest paid		**$ -**	$ -
Taxes paid		**$ -**	$ -

The accompanying notes are an integral part of these consolidated financial statements.

1. Corporate Information

Huntington Exploration Inc. ("Huntington" or the "Company") is a public junior oil and gas company engaged in the evaluation, acquisition, exploration and development of natural gas and oil properties in Western Canada. The Company's shares trade on the TSX Venture Exchange under the symbol HEI.

Huntington was incorporated under the *Business Corporations Act* (Alberta) as 676182 Alberta Ltd. under the laws of the Province of Alberta on November 28, 1995. On February 1, 1996 the Company changed its name to Goldust Mines Ltd. and subsequently, on July 18, 1997 changed its name to Huntington Exploration Inc. The head office of the Company is located at Eau Claire Place II, 440, Box 14, 521 – 3 Avenue SW, Calgary, Alberta, T2P 3T3 and the registered office is located at Suite 1000, 250 - 2 Street SW, Calgary, Alberta, T2P 0C1.

Huntington has a 100% interest in Huntington Capital Inc.

2. Basis of Presentation

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

These financial statements were approved and authorized for issuance by the Board of Directors on April 29, 2020.

Going concern assumption
The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations, generate sufficient funds therefrom, receive continued support from its creditors and continue to obtain capital from investors sufficient to meet its current and future obligations. The Company had working capital of $326,593 (2018 –$519) at December 31, 2019. The Company had a deficit of $13,269,361 (2018 - $13,087,004). During the fiscal 2019 year the Company realized net comprehensive loss of $182,357 (2018 – $315,565) and realized negative cash flow from operating activities before changes in non-cash working capital of $191,530 (2018 - $294,653). Also, during 2019 the operator of the jointly controlled assets invoked its rights under the agreement to receive the Company's share of revenue and apply it against outstanding amounts due for operating expenses. Management continues to focus its efforts on optimizing current production and raising additional capital through debt or equity financings. Although management's efforts to raise capital and monetize assets have been successful in the past, there is no certainty that they will be able to do so in the future. The aforementioned circumstances may create significant doubt as to the ability of the Company to continue as a going concern and meet its obligations as they come due. These financial statements have been prepared using accounting principles that are applied to a going concern and do not reflect the adjustments that would be necessary to the presentation and carrying amounts of the assets and liabilities if the Company were not able to continue operations. These adjustments and reclassifications may be material.

Functional and presentation currency
These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Basis of measurement
These financial statements have been prepared on a historical cost basis except for certain financial instruments and share based payment transactions that are measured at fair value.

Basis of consolidation
The consolidated financial statements comprise the financial statements of Huntington Exploration Inc. (the parent Company) and its subsidiary, Huntington Capital Inc.

2. Basis of Presentation - continued

The subsidiary has been fully consolidated from the date of its incorporation. Intercorporate transactions have been eliminated.

Use of estimates and judgments

The preparation of financial statements requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the consolidated financial statements.

Accordingly, actual results may differ from the estimated amounts as future confirming events occur. Significant estimates and judgments made by management in the preparation of these consolidated financial statements are as follows:

Valuation of account receivable

The valuation of accounts receivable is based on management's best estimate of the provision for expected credit losses.

Decommissioning and Abandonment Provisions

Decommissioning and abandonment provisions have been created based on the Company's knowledge as at December 31, 2019 and 2018. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standard and techniques will result in changes to provisions from period to period. Actual decommissioning costs will ultimately depend on future market prices for the decommissioning costs which will reflect the market conditions at the time of the decommissioning costs are actually incurred. The final cost of the currently recognized decommissioning provisions may be higher or lower than currently provided for.

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

2. Basis of Presentation - continued

Flow-through share Provision
The amounts recorded for the flow-through share provision and the related deferred income tax effect are based on management's estimates of the tax liability that the Company has to pay to its shareholders for not meeting its commitment to expend the qualified expenditures in a timely manner.

Impairment
A CGU is defined as the lowest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has concluded each CGU is the individual properties held. As of December 31, 2019 and 2018 the Company had one CGU being Warwick. The allocation of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, similar exposure to market risks, shared infrastructures, and the way in which management monitors the operations. The recoverable amounts of CGUs and individual assets have been determined based on the higher of fair value less costs to sell or value-in-use calculations. The key assumptions the Company uses in estimating future cash flows for recoverable amounts are anticipated future commodity prices, expected production volumes and future operating and development costs. Changes to these assumptions will affect the recoverable amount of CGUs and individual assets and may then require a material adjustment to their related carrying value.

Reserves
The estimate of reserves is used in forecasting the recoverability and economic viability of the Company's oil and gas properties, and in the depletion and impairment calculations. The process of estimating reserves is complex and requires significant interpretation and judgment. It is affected by economic conditions, production, operating and development activities, and is performed using available geological, geophysical, engineering, and economic data. Reserves at December 31, 2018 were evaluated by the Company's independent reserve evaluators and updates to those reserves are estimated internally.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to the years presented in these financial statements, unless otherwise indicated.

Jointly controlled operations and jointly controlled assets:
The Company's oil and natural gas activities involve jointly controlled assets. Under the joint arrangement the Company has rights to the assets and obligations for the liabilities. Accordingly the financial statements include the Company's share of these jointly controlled assets and related liability and a proportional share of the relevant revenue and related costs.

Financial instruments:
(i) Non-derivative financial instruments:
Non-derivative financial instruments comprise accounts receivables, cash, restricted cash, and, accounts payable and accrued liabilities. Non-derivative financial instruments are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Financial assets at fair value through profit and loss:
An instrument is classified at fair value through profit and loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in earnings when incurred. Financial instruments at fair value through profit and loss are measured at fair value, and changes therein are recognized in earnings.

3. Summary of Significant Accounting Policies – continued

Compound instruments:
Compound instruments are separated into their liability and equity components using the effective interest method. The liability component accretes up to the principal balance at maturity. The equity component will be reclassified to share capital on conversions. Any balance in equity that remains after the settlement of the liability is transferred to contributed surplus. The equity portion is recognized net of deferred income taxes.

Other:
Other non-derivative financial instruments, such as accounts receivable, and accounts payable and accrued liabilities, are measured at amortized cost using the effective interest method, less any impairment losses.

(ii) Derivative financial instruments:
The Company may enter into certain financial derivative contracts in order to manage the exposure to market risks from fluctuations in commodity prices. The Company has not entered into any commodity pricing contracts. These instruments are not used for trading or speculative purposes. The Company has not designated its financial derivative contracts as effective accounting hedges, and thus not applied hedge accounting, even though the Company considers all commodity contracts to be economic hedges. As a result, all financial derivative contracts are classified as fair value through profit and loss and are recorded on the statement of financial position at fair value. Transaction costs are recognized in earnings when incurred.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through earnings. Changes in the fair value of separable embedded derivatives are recognized immediately in earnings.

(iii) Share capital
Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Development and production costs:
Items of property and equipment, which include oil and natural gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. The cost of development and production assets includes: transfers from exploration and evaluation assets, which generally include the cost to drill the well and the cost of the associated land upon determination of technical feasibility and commercial viability; the cost to complete and tie-in the wells; facility costs; the cost of recognizing provisions for future decommissioning; geological and geophysical costs; and directly attributable overhead costs.

When significant parts of an item of property and equipment, including oil and natural gas interests, have different useful lives, they are accounted for as separate items (major components). Huntington will capitalize the cost of major plant turnarounds and overhauls and depreciates these costs over their estimated useful life of four years.

Gains and losses on disposal of an item of property and equipment, including oil and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in the statement of operations and comprehensive loss.

Subsequent costs:
Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property and equipment are recognized as oil and natural gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in earnings as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and producing or enhancing production from such reserves, and are accumulated on a field or

3. Summary of Significant Accounting Policies – continued

geotechnical area basis. The carrying amount of any replaced or sold component is derecognized.

The costs of the day-to-day servicing of property and equipment are recognized in operating expenses as incurred.

Depletion and depreciation:
The net carrying value of development and production assets is depleted using the unit of production method by reference to the ratio of production in the period to the related proved plus probable reserves, taking into account estimated future development costs necessary to bring those reserves into production and the estimated salvage value of the assets at the end of their useful lives. Future development costs are estimated taking into account the level of development required to produce the reserves.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Impairment:
(i) Financial assets:
The Company has elected to apply the simplified approach to providing for expected credit losses and measures loss allowances for trade accounts receivable at an amount equal to lifetime expected credit losses at the date of initial recognition of the trade account receivable. In estimating the lifetime expected credit losses the Company considered historical default rates, current conditions and forecasts of future economic conditions.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the statement of operations and comprehensive income (loss).

(ii) Non-financial assets:
The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and other intangible assets that have indefinite lives or that are not yet available for use an impairment test is completed each year.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (CGU). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell. The Company has grouped its development and production assets into one CGU being Warwick.

Fair value less cost to sell is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties. The fair value less cost to sell of oil and gas assets is generally determined as the net present value of the estimated future cash flows expected to arise from the continued use of the CGU, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate which would be applied by such a market participant to arrive at a net present value of the CGU.

Value in use is determined as the net present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and can only take into account approved future development costs. Estimates of future cash flows used in the evaluation of impairment of assets are made using management's forecasts of commodity prices and expected production volumes. The latter takes into account assessments of field reservoir

3. Summary of Significant Accounting Policies – continued

performance and includes expectations about proved and probable volumes, which are risk-weighted utilizing geological, production, recovery and economic projections.

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to the CGU's that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of a CGU exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Impairment losses recognized in prior years are assessed at each reporting date to determine if facts and circumstances indicate that the loss has decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognized.

Share based compensation:
The Company has established a share based compensation plan (the "Plan") (refer to note 9(d) for further details of the Plan). The Company uses the fair value method for valuing share based compensation. Under this method, the compensation cost attributed to stock options granted are measured at the fair value at the grant date and expensed over the vesting period with a corresponding increase to a category within equity referred to as share based payment reserve. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of option or units that vest. Upon the settlement of the stock options the previously recognized value in share based payment reserve is recorded as an increase to share capital.

Provisions:
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax "risk-free" rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

Decommissioning obligations:
The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of abandonment and site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation as at the reporting date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion whereas increases/decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

Flow through share provisions:
Periodically, the Company finances a portion of its exploration and development activities through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes related to exploratory development activities are renounced to investors in accordance with tax legislation. Flow through shares issued are recorded in share capital at the fair value of common shares on the date of issue. The premium received on issuing flow-through shares is initially recorded as a liability. When the qualifying expenditures are incurred, the share premium liability is recognized in deferred tax expense along with the tax effect on the expenditures. The Company is

3. Summary of Significant Accounting Policies – continued

subject to Part XII.6 tax in respect of flow through share proceeds renounced if the expenditures are not made within the prescribed time permitted. Provisions are measured based on prevailing tax rates and expected penalties.

Revenue:
Revenue from the sale of petroleum and natural gas is measured based on the consideration specified in contracts with customers. The Company recognizes revenue when it transfers control of the product to the buyer. This is generally at the time the customer obtains legal title to the product and when it is physically transferred to the custody transfer point agreed with the customer, often terminals, pipelines or other transportation methods. As a practical expedient the Company does not adjust the transaction price for the effects of a financing component when at contract inception the expected period between the transfer of goods to the customer and the expected payment will be one year or less.

Royalty income is recognized as it accrues in accordance with the terms of the overriding royalty agreements.

Finance:
Finance expense comprises interest expense on borrowings, accretion of the discount on decommissioning obligations and the issuance of penalty shares, if and when issued.

Income tax:
Income tax expense is comprised of current and deferred tax. Income tax expense is recognized in the statement of operations and comprehensive income (loss) except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes in accounting policy:
The Company adopted the following new accounting pronouncement, in accordance with the transitional provisions of the standard. A brief description of the new accounting policy and its impact on the Company's financial statements are as follows:

IFRS 16 "Leases" requires that at inception of a contract an assessment is to be made whether the contract is, or contains, a lease. The standard provides the requirements for separating each lease component within a lease from non-lease components and for determining the lease term. There is an exemption for leases to explore for or use mineral, oil and natural gas.

3. **Summary of Significant Accounting Policies – continued**

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases and applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS17 were not reassessed for whether a lease existed. The Company also elected not to recognize right-of-use assets or lease liabilities for leases that have a term of 12 months or less and leases of low value assets. As such, no right-of-use assets or lease liabilities have been recognized as of January 1, 2019. The Company does not have any leases with terms greater than 12 months. There was no impact or adjustment to the current period's opening retained earnings on adoption.

Future Changes in Accounting Policies:
Huntington has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company is currently evaluating the impact of the adoption of these standards and amendments. The adoption of these standards and amendments are not expected to significantly impact the Company.

IFRS 3 "Business Combinations" – amendments to the definition of a business. The objectives of the amendments to the definition of a business are to help distinguish a business combination from a purchase of a group of assets and to clarify the accounting for previously held interests in a business if control or joint control of the business is acquired. Emphasis is put on the outputs of a business being the provision of goods or services to customers or generating income whereas previously outputs had been viewed in terms of an ability to provide a return or benefits to investors or other owners. In an effort to simplify the assessment of whether an acquired set of activities and assets meets the revised definition, an optional concentration test is available. The amendments are effective for transactions after January 1, 2020.

4. Property and Equipment

	Petroleum Properties	Office Equipment	Total
Balance, December 31, 2017	$ 1,168,896	$ 7,599	$ 1,176,495
Disposition	-	-	-
Balance, December 31, 2018	$ 1,168,896	$ 7,599	$ 1,176,495
Disposition	-	-	-
Balance, December 31, 2019	$ 1,168,896	$ 7,599	$ 1,176,495
Accumulated depletion and depreciation:			
Balance, December 31, 2017	$ 1,120,719	$ 6,986	$ 1,127,705
Depletion and depreciation	8,615	245	8,860
Impairment	39,562		39,562
Balance, December 31, 2018	$ 1,168,896	$ 7,231	$ 1,176,127
Depletion and depreciation	-	147	147
Balance, December 31, 2019	$ 1,168,896	$ 7,378	$ 1,176,274
Carrying amounts:			
December 31, 2018	$ -	$ 368	$ 368
December 31, 2019	$ -	$ 221	$ 221

The depletion, depreciation and impairment of property and equipment, and any eventual reversal thereof, are recognized in earnings. At December 31, 2019, the Company included $Nil (2018 - $Nil) of future development costs into the net carrying value of development or production assets subject to depletion.

For impairment and impairment reversal tests performed, the recoverable amount of each CGU was estimated based on the higher of the value in use or the fair value less costs to sell. The Company performed tests as at December 31, 2019 and 2018. The Warwick CGU was stated with an impaired amount of $39,562 was recognized in 2018.

5. Decommissioning Obligation

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligation associated with the decommissioning of oil and natural gas properties.

	December 31, 2019	December 31, 2018
Obligation, beginning of year	**$ 71,191**	$ 68,700
Change in estimate	**-**	-
Liabilities directly associated with assets sold	**-**	-
Accretion expenses	**2,566**	2,490
Obligation, end of year	**$ 73,757**	$ 71,191

The undiscounted amount of cash flows, required over the estimated life of the underlying assets, to settle the obligation, adjusted for inflation, is estimated at $110,487. The obligation was calculated using a risk free discount rate of 3.13 percent and an inflation rate of 2.5 percent. It is expected that the majority of costs are expected to occur between 2020 and 2028.

Pursuant to government regulations, the Company has on deposit cash of $45,376 (2018 - $60,738) restricted for the completion of future abandonments.

6. Flow through Share Provision

	December 31, 2019	December 31, 2018
Flow through share provision, beginning of year	**$ -**	$ 30,000
Reduced liability for unexpended flow through funds	**-**	(30,000)
Flow through share provision, end of year	**$ -**	$ -

On December 31, 2012, Huntington issued 9,750,000 common shares on a flow-through basis at $0.05 per share. As a result of the issue of flow-through shares, the Company had committed to incur $487,500 of Canadian Eligible Expenses on or before December 31, 2013. In 2012 Huntington recognized a deferred liability based on the premium received on the flow-through shares compared to the common share trading price adjusting for less the fair value of the warrants issued in the financing. During the fiscal year 2013 Huntington was unable to meet their commitment and as a result had accrued $198,420 as a provision for the estimated liability it has to the shareholders that invested in the flow through offering. The majority of these funds were paid out in the first quarter of 2015.

7. Income Taxes

(a) The provision for income taxes varies from the amount that would be computed by applying the expected tax rate to loss before income taxes. The principal reasons for differences between such expected income tax expense and the amount actually recorded are as follows:

		2019		2018
Income (loss) before income taxes	**$**	**(182,357)**	$	(315,565)
Corporate income tax rate		**26.50%**		27.00%
Computed expected tax expense (recovery)	**$**	**(48,325)**	$	(85,202)
Increase (decrease) in income taxes resulting from:				
Increase in unrecognized losses		**48,150**		85,135
Non-deductible expenses		**175**		68
Other		**-**		-
Income tax expense	$	-	$	-

(b) Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for income tax purposes. The components of the Company's deferred income tax assets and liabilities are as follows:

As at December 31,		2019		2018
Property and equipment	**$**	**2,358,977**	$	2,439,405
Non-capital losses		**2,088,180**		2,041,350
Capital losses		**15,009**		17,993
		4,472,840		4,498,748
Deferred income tax assets not recognized		**(4,472,840)**		(4,498,748)
Deferred tax liability	**$**	**-**	$	-

The Company has non-capital losses of approximately $7,879,923 (2018 – $7,558,907), which are available to reduce taxable income in future years. If unutilized, these losses will expire as follows: 2029 - $79,376, 2030 - $121,116, 2031 - $612,783, 2032 $ 1,542,026, 2033 - $2,943,712, 2034 - $343,844, 2035 - $496,938, 2036 - $552,161, 2037 - $473,370, 2038 - $393,581 and 2039 - $321,016.

(c) The following are the Company's estimated Federal tax pools at December 31

		2019		2018
Undepreciated capital cost	**$**	**16,988**	$	22,525
Canadian exploration expense		**4,066,678**		4,066,678
Canadian development expense		**26,748**		38,212
Canadian oil and gas property expense		**976,775**		1,085,306
	$	**5,087,189**	$	5,212,721

8. Share Capital

(a) Authorized
Unlimited number of:
Common shares without par value
Preferred shares, assumable in series

(b) Issued

	December 31, 2019			December 31, 2018		
Common shares	**Shares (1)**		**Amounts**	Shares (2)		Amounts
Opening balance	**9,899,431**	**$**	**10,870,380**	9,899,431	$	10,870,380
Share issued for cash	**10,000,000**		**500,000**	-		-
Share issue costs			**(9,644)**			
Balance end of year	**19,899,431**	**$**	**11,360,736**	9,899,431	$	10,870,380
Warrants						
Opening balance	**4,166,667**	**$**	**-**	4,166,667	$	-
Warrants issued	**10,000,000**		**-**	-		-
Balance end of year	**14,166,667**	**$**	**-**	4,166,667	$	-
		$	**11,360,736**		$	10,870,380

(1) Pursuant to a special resolution passed by shareholders on December 31, 2018 the Company has consolidated its capital on a one-new-for-four-old basis. Effective at the opening, June 14, 2019, the shares commenced trading on the TSX Venture Exchange on the consolidated basis.
(2) The number of common shares and warrants have been retrospectively adjusted to reflect their numbers pursuant to the regulatory approval of consolidation.

On August 15, 2019 the Company completed the closing of a non-brokered private placement offering of units at a price of $0.05 per Unit, for gross proceeds of up to $500,000. Each Unit will consist of one common share and one transferable common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of $0.05 per share for a period of two years from closing. Directors of the Company subscribed for, directly or indirectly, a total of 3,500,000 units under the private placement for proceeds of $175,000.

(c) Warrants
The following table summarizes the warrants outstanding and exercisable at December 31, 2019:

Number of warrants	Exercise price	Expiry date
4,166,667	$0.20	July 26, 2020
10,000,000	$0.05	August 15, 2021

(1) In June 2019, the Company extended the expiry date of the 4,166,667 warrants from July 2019 to July 2020.

(d) Options
The Company has a stock option plan that provides for the issuance to its directors, officers, employees and consultants options to purchase from treasury a number of common shares not exceeding 10% of the common shares that are outstanding from time to time which is the number of shares reserved for issuance under the plan. Options granted under the plan vest immediately. The options are non-transferable if not exercised. The exercise price is based on the Company's common shares prior to the day of the grant, which may be different from the closing price of such shares on the day of grant for options granted to date. To date the exercise price has not been materially different from the trading price of the shares on the grant date.

There were no stock options outstanding at December 31, 2019 or 2018.

9. Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel include the officers and vice-presidents. Executive officers are paid salaries or management fees and participate in the Company's stock option program. Key management personnel compensation is comprised of the following:

		December 31, 2019		December 31, 2018
Consulting and management fees	**$**	**42,440**	$	92,320
Directors fees		**-**		-
Share based compensation		**-**		-
Total key management remuneration	**$**	**42,440**	$	92,320

10. Commitments and Contingencies

(a) From time to time, the Company may be involved in litigation or has claims sought against it in the normal course of business operations. Management of the Company is not currently aware of any claims or actions that would materially affect the Company's reported financial position or results from operations.

(b) Under the terms of certain agreements and the Company's by-laws the Company indemnifies individuals who have acted at the Company's request to be a director and/or officer of the Company, to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individuals as a result of their service.

11. Financial Instruments

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to a variety of financial risks. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

(a) <u>Commodity price risk</u>
The Company is subject to commodity price risk for the sale of its production. The Company may enter into contracts for risk management purposes only, in order to protect a portion of its future cash flow from the volatility of petroleum commodity prices. To date the Company has not entered into any forward commodity contracts.

(b) <u>Credit Risk</u>
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the date of the statement of financial position. A majority of the Company's current financial assets at the balance sheet date arise from oil sales and the Company's accounts receivable are with these customers and joint venture participants in the oil and natural gas industry. Commodity sales are normally settled on the 25th day of the month following the month of production. The Company's production is sold to large marketing companies. Typically, the Company's maximum credit exposure to customers is revenue from two months of sales. During the year ended December 31, 2019, the Company sold approximately 100% (2018 – 100%) of its oil and gas production to a single purchaser. At December 31, 2019, NIL (2018 - $10,212) is due from its marketer. These sales were conducted on transaction terms that are typical for the sale of oil and gas in Canada. In addition, when joint operations are conducted on behalf of a joint venture partner relating to capital expenditures, costs of such operations are paid for in advance to the Company by way of a cash call by the partner of the operation being conducted.

11. Financial Instruments - continued

(c) Foreign Currency Exchange Risk
The Company does not sell or transact in any foreign currency, however, the US dollar influences the price of oil and natural gas sold in Canada. Price fluctuations, as a result can affect the fair value of the Company's future cash flows however, given it is an indirect influence, the impact of changing exchange rates cannot be accurately quantified. The Company's other financial assets and liabilities are not directly affected by a change in currency rates.

(d) Fair Value of Financial Instruments
The Company classifies the fair value of the financial instruments measured at fair value subsequent to initial recognition according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash and restricted cash have been classified as Level 1.

(e) Liquidity Risk
Liquidity risk includes the risk that, as a result of the Company's operational liquidity requirements:

- The Company will not have sufficient funds to settle a transaction on the due date;
- The Company will be forced to sell financial assets at a value which is less than what they are worth; or
- The Company may be unable to settle or recover a financial asset.

The Company has assessed its liquidity risk in Note 2.

The Company's accounts payable and accrued liabilities as at December 31, 2019 and 2018 is comprised of the following:

	December 31, 2019	December 31, 2018
Trade accounts payable	**$ 4,160**	$ 600
Accruals *(1)*	**25,500**	30,000
Joint venture	**39,266**	22,996
	$ 68,926	$ 53,596

(3) Includes $25,500 (2018 - $30,000) with respect to professional fees and $NIL (2018 - $NIL) with respect to other costs.

The Company's trade accounts payable and accrued liabilities as at December 31, 2019 are aged as follows:

Total	0 to 30 Days	31 to 60 Days	61 to 90 Days	Greater than 90 days
$68,926	$29,542	$8,553	-	$30,831

11. Financial Instruments - continued

The Company's operating cash requirements are continuously monitored and adjusted as input variables change. These variables include but are not limited to, oil production from existing wells, results from new wells drilled, commodity prices, cost overruns on capital projects and regulations relating to prices, taxes, royalties, land tenure, allowable production and availability of markets. As these variables change, liquidity risks may necessitate the Company to conduct equity issues or obtain project debt financing.

12. Capital Risk Management

The Company manages its capital with the objective to continue as a going concern, create investor confidence and to strengthen its working capital position. The capital structure of the Company is primarily composed of equity. The Company's strategy is to currently access capital, primarily through equity issuances, in order to maintain a strong capital base for the objectives of maintaining financial flexibility and to sustain the future development of the business. The Company manages its capital structure and makes adjustments relative to changes in economic conditions and the Company's risk profile.

In order to maintain the capital structure, the Company may from time to time issue shares and adjust its capital spending to manage current working capital levels. Bank debt may be added in future periods. The Company is not currently subject to any externally imposed covenants.

The Company's capital includes the following:

	December 31, 2019	December 31, 2018
Equity (deficiency)	**$ 298,433**	$ (9,566)

13. Segmented Information

The Company operates in one reportable operating segment as described in note 1.

14. Discontinued Operations

During the year ended December 31, 2017, the Company disposed of its interests in the Provost, Bindloss and Panny CGU's. During the year ended December 31, 2018, adjustments to the closing costs of $15,138 were incurred.

15. Subsequent Event

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", was declared a global pandemic by the World Health Organization and governments worldwide have enacted emergency measures to combat the spread of the virus. These measures, which include public health measures requesting the public to stay at home as much as possible, the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruptions to businesses globally resulting in an economic slowdown. Global equity markets and oil prices have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company.

Huntington Exploration Inc.
Management's Discussion and Analysis

This management's discussion and analysis of the financial condition and results of operations ("MD&A") of Huntington Exploration Inc. ("Huntington" or "the Company") is dated April 29, 2020 and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2019. These consolidated financial statements, including the comparative figures, were prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all financial measures are expressed in Canadian dollars. This MD&A contains forward looking information based on the Company's current expectations and projections.

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

Forward Looking Statements - Certain statements contained within the Management's Discussion and Analysis, and in certain documents incorporated by reference into this document, constitute forward looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements.

In particular, this MD&A contains the following forward-looking statements pertaining to, without limitation, the following: Huntington's production volumes and the timing of when additional production volumes will come on stream; Huntington's realized price of commodities in relation to reference prices; future commodity prices; the Company's future royalty rates and the realization of royalty incentives; Huntington's expectation of reducing operating costs on a per unit basis; the relationship of Huntington's interest expense and the Bank of Canada interest rates; increases in general and administrative expenses and recoveries; future development and exploration activities and the timing thereof; the future tax liability of the Company; the depletion, depreciation and accretion rate; the estimated future contractual obligations of the Company and the amount expected to be incurred under its farm-in commitments; the future liquidity and financial capacity of the Company; and its ability to fund its working capital and forecasted capital expenditures. In addition, 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.

With respect to the forward-looking statements contained in the MD&A, Huntington has made assumptions regarding: future commodity prices; the impact of royalty regimes and certain royalty incentives, the timing and the amount of capital expenditures; production of new and existing wells and the timing of new wells coming on-stream; future proved finding and development costs; future operating expenses including processing and gathering fees; the performance characteristics of oil and natural gas properties; the size of oil and natural gas reserves; the ability to raise capital and to continually add to reserves through exploration and development; the continued availability of capital, undeveloped land and skilled personnel; the ability to obtain equipment in a timely manner to carry out exploration and development activities; the ability to obtain financing on acceptable terms; the ability to add production and reserves through exploration and development activities; and the continuation of the current tax and regulation.

We believe the expectations reflected in those forward looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward looking statements included in, or incorporated by reference into, this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A or as of the date specified in the documents incorporated by reference into this Management's Discussion and Analysis, as the case may be. The actual results could differ materially from those anticipated in these forward looking statements as a result of the risk factors set forth below and elsewhere in this Management's Discussion and Analysis: volatility in market prices for oil and natural gas; counterparty credit risk; access to capital; changes or fluctuations in production levels; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; geological, technical, drilling and processing problems; limitations on insurance; changes in environmental or legislation applicable to the Company's operations, and ability to comply with current and future environmental and other laws; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; and the other factors discussed under "Risk Factors" in the following MD&A.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward looking statements contained in this MD&A and the documents incorporated by reference herein are expressly qualified by this cautionary statement. The forward-looking statements contained in this document speak only as of the date of this document and Huntington does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

The financial data presented herein has been prepared in accordance with IFRS. The Company has also used certain measures of financial reporting that are commonly used as benchmarks within the oil and natural gas production industry in the following MD&A discussion. The measures discussed are widely accepted measures of performance and value within the industry, and are used by investors and analysts to compare and evaluate oil and natural gas exploration and producing entities. The measure used is operating netback. Operating netback is a benchmark used in the crude oil and natural gas industry to measure the contribution of oil and natural gas sales subsequent to the deduction of royalties and operating costs. The measure is not defined under IFRS and should not be considered in isolation or as an alternative to conventional IFRS measure. The underlying calculation is not necessarily comparable to a similarly titled measure of another entity. When the measure is used, it is defined as “non IFRS” and should be given careful consideration by the reader.

Per barrel of oil equivalent (“boe”) amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. BOE’s may be misleading, particularly if used in isolation. The boe conversion ratio used is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Select Annual Information

($ thousands, except per share amounts)	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017
Petroleum and natural gas sales, net of royalties	38	53	125
Net income (loss) from continuing operations	(182)	(300)	(524)
Per share – basic and diluted	(0.013)	(0.032)	(0.053)
Net income (loss)	(182)	(300)	(425)
Per share – basic and diluted	(0.013)	(0.032)	(0.043)
Net capital expenditures	-	-	-
Working capital surplus (deficiency)	327	-	193
Total assets	474	160	555
Weighted average shares outstanding (000s) *	13,708	9,899	9,899
Current shares outstanding (000s) *	19,899	9,899	9,899

*Comparative year information has been restated to reflect the one new-for-four-old share consolidation that received regulatory approval June 14, 2019.

Lands and Rights Held As At December 31, 2019

A summary description of Huntington Exploration Inc.'s major producing and exploration properties is set out below. References to gross volumes refer to total production. References to net volumes refer to Huntington Exploration's working interest share before the deduction of royalties payable to others. These properties are all located in the Alberta, Canada.

Warwick Alberta

Huntington Exploration owns a 50% working interest in two wells located on one section of land. The Company share of production from these wells in 2019 was 36,143 mcf which the averaged over the year net to the company was 99 mcf/d.

Production and Operating Costs

	For the Three Months Ended December 31,		**For the Year Ended December 31,**	
	2019	2018	**2019**	2018
Total boe production	**1,214**	1,797	**6,023**	8,390
BOE/day	**13**	20	**16**	31
Working interest revenue ($)	**8,279**	13,799	**46,173**	62,958
Revenue / boe ($)	**6.82**	7.68	**7.66**	7.50

Royalties ($)	**(2,211)**	(2,311)	**(8,574)**	(10,185)
Production costs ($)	**12,171**	22,275	**58,073**	117,575
Production costs/boe ($)	**10.02**	12.39	**9.64**	14.01
Operating net back ($)	**(6,103)**	(10,787)	**(20,474)**	(64,802)
Operating net back/boe ($)	**(5.03)**	(6.00)	**(3.40)**	(7.72)

Production costs are in line with expectations.

Depletion and Depreciation Expense

The depletion expense in 2019 and 2018 comparative periods is in line with expectations.

Impairment Provisions

For impairment tests performed, the recoverable amount of each CGU was estimated based on the higher of the value in use or the fair value less costs to sell. The Company performed impairment tests for the year ended December 31, 2018. The estimate of fair value less cost to sell was determined using proved plus probable forecasted before tax cash flows, discounted at 15%, with escalating prices and future development costs, as obtained from the Company's reserve reports at December 31, 2018. At December 31, 2019 the impairment losses recognized in prior years were assessed and it was determined that facts and circumstances did not indicate that the losses had decreased or no longer exist.

General and Administrative Expenses

General and administrative costs decreased by $9,946 or 6% to $176,809 for the year ended December 31, 2019 from $186,754 for the year ended December 31, 2018. Staffing and consulting fees accounted for approximately 7% (2018 - 29%) of the total general and administrative expenses, professional fees were 39% (2018 - 35%), regulatory reporting and shareholder and public relations were 1% (2018 - 1%), insurance costs were 8% (2018 - 9%), software costs were 7% (2018 – 6%) and all other costs were 38% (2018 - 20%) of general and administrative expenses.

Finance Expense

The finance expense is comprised of the incremental fair value of the warrant extension and increase in the present value of the decommissioning obligation. The following is the summary of the finance expenses incurred:

	2019	2018
Accretion of decommissioning obligation	$ 2,566	$ 2,490

The accretion of the decommissioning obligation will fluctuate commensurate with the asset retirement obligation as new wells are drilled, acquired through acquisitions or property depositions and as changes to the estimates are made.

Income Taxes

Presently the Company does not expect to pay current taxes into the foreseeable future based on existing tax pools, planned capital activities and current forecasts of taxable income. However, the current tax horizon will ultimately depend on several factors including commodity prices, future production, corporate expenses, and both the type and amount of capital expenditures incurred during the remainder of the year and in future reporting periods.

Working Capital, Liquidity & Capital Resources

As at December 31, 2019, Huntington has a current working capital of $326,593.
During 2019, the Company expended $NIL (2018- $NIL) in capital expenditures for its developed and producing oil and gas activities. During 2019, the Company expended $NIL (2018 - $NIL) in capital expenditures for its exploration and evaluation oil and gas activities.

Outstanding Share Data

The Company has authorized an unlimited number of Common shares, Non-voting shares and first and second preferred shares, assumable in series. The Company currently has 19,899,431 common shares outstanding.

The following details the share capital structure as of the date of this MD&A.

	Expiry Date	Exercise Price	Number	Total Number
Common shares				19,899,431
Warrants	July 26, 2020	$0.20	4,166,667	
	August 15, 2021	$0.05	10,000,000	14,166,667

Financial Instruments

Crude oil and natural gas operations involve certain risks and uncertainties. These risks include, but are not limited to, commodity prices, foreign exchange rates, interest rates, credit, operational and safety.

Operational risks are managed through the Company's external insurance program designed to protect the Company from significant losses arising from risk exposures. Risks associated with commodity prices, interest and exchange rates are generally beyond the control of the Company; however, various hedging products may be considered to reduce the volatility in these areas.

Safety and environmental risks are addressed by compliance with government regulations as well as adoption and compliance of the Company's safety and environmental standards policy.

The Company is exposed to concentration of credit risk as substantially all of the Company's accounts receivable are with customers and joint venture partners in the oil and gas industry and are subject to normal industry credit risks. During the year ended December 31, 2019, the Company sold approximately 100% of its oil and gas production to a single purchaser. At December 31, 2019, Nil% of the balance of accounts receivable is due from this purchaser. The Company mitigates this risk by entering into transactions with long-standing counterparts and partners. If significant amounts of capital are to be spent on behalf of a joint venture partner, the partner is "cash called" in advance of the capital spending taking place.

Management assesses quarterly if there should be any impairment of the financial assets of the Company.

Summary of Quarterly Results

($ thousands, except per share amounts)	Three months ended December 31, 2019	Three months ended September 30, 2019	Three months ended June 30, 2019	Three months ended March 31, 2019
Revenue	12	7	8	19
Net income (loss)	(14)	(84)	(18)	(66)
Per share – basic and diluted *	(0.001)	(0.008)	(0.002)	(0.002)
Total assets	474	500	84	121

($ thousands, except per share amounts)	Three months ended December 31, 2018	Three months ended September 30, 2018	Three months ended June 30, 2018	Three months ended March 31, 2018
Revenue	14	11	11	27
Net income (loss)	(97)	(71)	(78)	(70)
Per share – basic and diluted	(0.011)	(0.007)	(0.007)	(0.007)
Total assets	160	306	350	451

Changes in accounting polices:

Effective January 1, 2019, the Company adopted IFRS 16 "Leases". There were no material changes as a result of the adoption of these standards.

New accounting standards and interpretations not yet adopted:

Huntington has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company is currently evaluating the impact of the adoption of these standards and amendments. The adoption of these standards and amendments are not expected to significantly impact the Company.

IFRS 3 "Business Combinations" – amendments to the definition of a business. The objectives of the amendments to the definition of a business are to help distinguish a business combination from a purchase of a group of assets and to clarify the accounting for previously held interests in a business if control or joint control of the business is acquired. Emphasis is put on the outputs of a business being the provision of goods or services to customers or generating income whereas previously outputs had been viewed in terms of an ability to provide a return or benefits to investors or other owners. In an effort to simplify the assessment of whether an acquired set of activities and assets meets the revised definition, an optional concentration test is available. The amendments are effective for transactions after January 1, 2020

Risk Factors

There are a number of risk factors facing Companies that participate in the Canadian oil and gas industry. A summary of certain risk factors relating to our business are disclosed below.

Exploration, Development and Production Risks

Oil and natural gas exploration involves a high degree of risk, for which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that expenditures made on future exploration by Huntington will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over-pressured zones, tools lost in the hole and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

The long-term commercial success of Huntington will depend on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that Huntington will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Huntington may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition. Huntington attempts to minimize exploration, development and production risks by utilizing a technical team with extensive experience to assure the highest probability of success in its drilling efforts. Our collaboration of a team of seasoned veterans in the oil and gas business, each with a unique expertise in the various upstream to downstream technical disciplines of prospect generation to operations, provides the best assurance of competency, risk management and drilling success. A full cycle economic model is utilized to evaluate all hydrocarbon prospects. Detailed geological and geophysical techniques are regularly employed including 3D seismic, petrography, sedimentology, petrophysical log analysis and regional geological evaluation.

Prices, Markets and Marketing of Crude Oil and Natural Gas

Oil and natural gas are commodities whose prices are determined based on world demand, supply and other factors, all of which are beyond the control of Huntington. World prices for oil and natural gas have fluctuated widely in recent years. Any material decline in prices could result in a reduction of net production revenue. Certain wells or other projects may become uneconomic as a result of a decline in world oil prices and natural gas prices, leading to a reduction in the volume of Huntington's oil and gas reserves. Huntington might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in Huntington's future net production revenue, causing a reduction in its oil and gas acquisition and development activities. In addition, bank borrowings available to Huntington are expected to be determined in part by the borrowing base of Huntington. A sustained material decline in prices from historical average prices could limit Huntington's borrowing base, therefore reducing the bank credit available to Huntington, and could require that a portion of any existing bank debt of Huntington be repaid.

In addition to establishing markets for its oil and natural gas, Huntington must also successfully market its oil and natural gas to prospective buyers. The marketability and price of oil and natural gas which may be acquired or discovered by Huntington will be affected by numerous factors beyond its control. Huntington will be affected by the differential between the price paid by refiners for light quality oil and the grades of oil produced by Huntington. The ability of Huntington to market its natural gas may depend upon its ability to acquire space on pipelines which deliver natural gas to commercial markets. Huntington will also likely be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Huntington’s portfolio consists of heavy crude oil. Huntington continually monitors the movement of commodity prices, interest rates and adjusts its capital expenditure program accordingly.

Substantial Capital Requirements; Liquidity
Huntington's cash flow from its production and sales of petroleum and natural gas may not, at all times be sufficient to fund its ongoing activities. From time to time, Huntington may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause Huntington to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If Huntington's revenues from its production of petroleum and natural gas decrease as a result of lower oil and natural gas prices or otherwise, it may affect Huntington's ability to expend the necessary capital to replace its reserves or to maintain its production. If Huntington's funds from operations are not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Huntington.

If Huntington is able to negotiate debt financing it is likely lenders will be provided with security over substantially all of the assets of Huntington. If Huntington becomes unable to pay its debt service charges or otherwise commits an event of default, such as bankruptcy, these lenders may foreclose on or sell Huntington's properties. The proceeds of any such sale would be applied to satisfy amounts owed to Huntington's lenders and other creditors and only the remainder, if any, would be available to Huntington.

Huntington monitors and updates its cash projection models on a regular basis which assists in the timing decision of capital expenditures. Farm-outs of projects may be arranged if capital constraints are an issue or if the risk profile dictates that the Company wish to hold a lesser working interest position. Equity, if available and if on reasonable terms, may be utilized to help fund Huntington’s capital program.

Access to Capital
Access to capital has become limited during these times of economic uncertainty. To the extent the external sources of capital become limited or unavailable. Huntington’s ability to make the necessary capital investments to maintain or expand oil and gas reserves may be impaired.

Credit Exposure
Recent economic conditions have increased the risk that certain counterparties for the Company’s oil and gas sales and our joint venture partners may fail to pay. We mitigate these increased risks through a review process of the credit worthiness of our counterparties.

Huntington’s policy to mitigate credit risk associated with product sales is to maintain marketing relationships with a large, established and reputable purchaser that is considered creditworthy. Huntington has not experienced any collection issues with its petroleum and natural gas marketer. Joint venture receivables are typically collected within two to three months of the joint venture bill being issued to the partner. Huntington attempts to mitigate the risk from joint venture receivables by obtaining partner approval of significant capital and operating expenditures prior to expenditure and in certain circumstances may require cash deposits in advance of incurring financial obligations on behalf of joint venture partners.

Joint venture receivables are from partners in the petroleum and natural gas industry who are subject to the risks and conditions of the industry. Significant changes in industry conditions and risks that negatively impact partners' ability to generate cash flow will increase the risk of not collecting receivables. Huntington does not typically obtain collateral from petroleum and natural gas marketers or joint venture partners; however the Company does have the ability to withhold production from joint venture partners in the event of non-payment or may be able to register security on the assets of joint venture partners.

Health, Safety and Environment

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Corporation to incur costs to remedy such discharge.

There are potential risks to the environment inherent in the business activities of the Company. Huntington has developed and implemented policies and procedures to mitigate health, safety and environment (HS&E) risks. Huntington mitigates HS&E risks by maintaining its wells and complying with all regulations. Regular field inspections are also carried out to ensure that all field personnel and third party contractors comply with all company and regulatory guidelines. An action plan has been developed to ensure inactive wells are suspended properly and abandoned in a timely fashion. The above noted policies and procedures are designed to protect and maintain the environment and to ensure that the employees, contractors, subcontractors and the public at large are kept safe at all times.

Insurance

Huntington's involvement in the exploration for and development of oil and gas properties may result in Huntington becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although Huntington has insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, Huntington may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Huntington. The occurrence of a significant event that Huntington is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Huntington's financial position, results of operations or prospects.

Competition

Huntington actively competes for reserve acquisitions, exploration leases, licenses and concessions and skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial and personnel resources than Huntington. Huntington's competitors include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators.

Certain of Huntington's customers and potential customers are themselves exploring for oil and natural gas, and the results of such exploration efforts could affect Huntington's ability to sell or supply oil or gas to these customers in the future. Huntington's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

Social License to Operate

Heightened public monitoring and regulation of hydrocarbon resource producers, refiners, distributors and commercial/retail sellers, especially where their activities carry the potential for having negative impacts on communities and the environment, involves varying degrees of risk to the Company's reputation, relations with landowners and regulators, and in extreme cases even the ability to operate. Huntington maintains an active website that complies with Exchange requirements for timely disclosure and is the primary means of communicating to the general public when required. While media attention and public perception remaining largely beyond the control of Huntington's executive, employees, contractors and directors, the Company makes every effort in its corporate and field operations to engage all stakeholders in a respectful and transparent manner.

Huntington Exploration Inc.

2020 THIRD QUARTER CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Notice for National Instrument 51-102

The interim condensed financial statements and notes thereto for the nine months ended September 30, 2020 are prepared by management and have not been independently audited or reviewed by the Company's auditors.

Huntington Exploration Inc.

CONDENSED INTERIM STATEMENTS OF CONSOLIDATED FINANCIAL POSITION

(UNAUDITED)

	Notes	September 30, 2020 $	December 31, 2019 $
Assets			
Current assets			
Cash		**315,504**	427,345
Accounts receivable		**607**	1,172
Prepaid expenses and deposits		**9,435**	2
Total current assets		**325,546**	428,519
Restricted Cash	7	**46,013**	45,376
Property, plant and equipment	6	**154**	221
		371,713	474,116
Liabilities and shareholders' equity			
Current liabilities			
Accounts payables and accrued liabilities		**55,670**	68,926
Provision for abandonment		**33,000**	33,000
Total current liabilities		**88,670**	101,926
Decommissioning liability	7	**75,734**	73,757
Total liabilities		**164,404**	175,683
Shareholders' deficiency			
Share capital	8	**11,360,736**	11,360,736
Share based payment reserve		**2,207,058**	2,207,058
Accumulated deficit		**(13,360,485)**	(13,269,361)
		207,309	298,433
		371,713	474,116

The accompanying notes form an integral part of these condensed interim financial statements

September 30,	9 Months 2020	3 Months 2020	9 Months 2019	3 Months 2019
	$	$	$	$
Revenue				
Petroleum and natural gas revenue	43,273	15,135	37,894	7,262
Other income	637	200	307	104
Royalties	(7,248)	(2,535)	(6,362)	(1,231)
	36,662	12,800	31,839	6,135
Expenses				
Operating	40,747	13,078	45,902	26,368
Administrative	80,996	25,949	154,030	63,345
Finance charges:				
Accretion of decommissioning liabilities	1977	664	1,917	644
Depletion and depreciation	66	22	110	36
	127,786	39,713	201,958	90,393
Net income (loss) for the period	(91,124)	(26,913)	(170,120)	(84,258)
Income (loss) per common share				
- **basic and diluted - total**	(0.005)	(0.001)	(0.015)	(0.008)
Weighted average shares outstanding				
- **basic and diluted** (1)	19,899,431	19,899,431	11,187,102	11,187,102

(1) The options and warrants have been excluded from the diluted loss per share computation as they are anti-dilutive.

The accompanying notes form an integral part of these condensed interim financial statements

	Share capital	Contributed surplus	Deficit	Total
	$	$	$	$
Balance at January 1, 2019	**10,870,380**	**2,207,058**	**(13,087,044)**	**(9,566)**
Net and comprehensive loss for the period	-	-	(170,120)	(170,120)
Shares issued for cash (net of issue costs)	490,356	-	-	490,356
Balance at September 30, 2019	**11,360,736**	**2,207,058**	**(13,257,124)**	**310,670**
Balance, January 1, 2020	**11,360,736**	**2,207,058**	**(13,269,361)**	**298,433**
Net and comprehensive loss for the period	-	-	(91,124)	(91,124)
Balance at September 30, 2020	**11,360,736**	**2,207,058**	**(13,360,485)**	**207,309**

The accompanying notes form an integral part of these condensed interim financial statements.

For the nine months ended September 30,	2020 $	2019 $
Cash flows from operating activities		
Net income (loss)	(91,124)	(170,120)
Add items not affecting cash:		
Depletion and depreciation	66	110
Accretion on decommissioning liabilities	1,977	1,917
Gain on sale of property	-	-
Changes in non-cash working capital items related to operating activities	(22,123)	21,248
Total cash flows (outflows) from operating activities	(111,204)	(146,845)
Cash flows from investing activities		
Acquisition of property, plant and equipment	-	-
Total cash (outflows) from investing activities	-	-
Cash flows from financing activities		
Decrease (Increase) in restricted cash	(637)	16,192
Decrease (Increase) in decommissioning costs	-	4,615
Issue of common shares (net of costs)	-	490,356
Total cash inflows (outflows) from financing activities	(637)	511,163
Increase (decrease) in cash and cash equivalents	(111,841)	364,319
Cash and cash equivalents, beginning of period	427,345	87,306
Cash and cash equivalents, end of period	315,504	451,625

The accompanying notes form an integral part of these condensed interim financial statements

1. CORPORATE INFORMATION

Huntington Exploration Inc. ("Huntington" or the "Company") was incorporated as 676182 Alberta Ltd. under the laws of the Province of Alberta on November 28, 1995. On February 1, 1996 the Company changed its name to Goldust Mines Ltd. and subsequently, on July 18, 1997 changed its name to Huntington Exploration Inc. The Company is listed on the TSX Venture Exchange, having the symbol HEI. Huntington is engaged in the acquisition, exploration and development of oil and gas properties in western Canada. The Company's principal operating address is Eau Claire Pace II, Box 14, 521 – 3 Avenue S.W., Calgary, Alberta.

2. BASIS OF PREPARATION

a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. They do not contain all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements and, accordingly, should be read in conjunction with the audited financial statements for the year ended December 31, 2019. These condensed financial statements were authorised for issue by the Board of Directors on November 26, 2020.

b) Going Concern Assumption

The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations, generate sufficient funds therefrom, receive continued support from its creditors and continue to obtain capital from investors sufficient to meet its current and future obligations. The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19" was declared a global pandemic by the World Health Organization on March 11, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. These measures have caused material disruption to businesses globally resulting in an economic slowdown and oil prices have experienced significant volatility and weakness.

The Company had a working capital of $236,876 at September 30, 2020 has an accumulated deficit of $13,360,485, incurred a net loss of $91,124 during the current nine month period and incurred a loss of cash from operating activities before changes in non-cash working capital of $22,123 during the nine month period ended September 30, 2020. Management continues to focus its efforts on considering strategic alternative operations, optimizing current production, and raising capital through debt or equity financings. Although management's efforts to raise capital and monetize assets have been successful in the past, there is no certainty that they will be able to do so in the future.

Governments and central banks have reacted to the global pandemic with significant monetary and fiscal interventions designed to stabilize economic conditions. However, the duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the governments and central bank interventions.

The aforementioned circumstances may create significant doubt as to the ability of the Company to continue as a going concern and meet its obligations as they come due. These financial statements have been prepared using accounting principles that are applied to a going concern and do not reflect the adjustments that would be necessary to the presentation and carrying amounts of the assets and liabilities if the Company were not able to continue operations. These adjustments and reclassifications may be material.

2. BASIS OF PREPARATION(CONTINUED)

c) Basis of Measurement

These financial statements have been prepared on a historical cost basis except and share based payment transactions that are measured at fair value.

The condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

d) Basis of consolidation

The consolidated financial statements comprise of the financial statements of Huntington Exploration Inc. (the parent Company) and its subsidiary, Huntington Capital Inc.

The subsidiary has been fully consolidated from the date of its incorporation. Intercorporate transactions have been eliminated.

e) Use of Estimates

The preparation of financial statements requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur. Significant estimates and judgments made by management in the preparation of these financial statements are as follows:

Valuation of account receivable

The valuation of accounts receivable is based on management's best estimate of the provision for doubtful accounts.

Decommissioning Provisions

Decommissioning provisions have been created based on the Company's knowledge as at December 31, 2019 and 2018 Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standard and techniques will result in changes to provisions from period to period. Actual decommissioning costs will ultimately depend on future market prices from the decommissioning costs which will reflect the market conditions at the time of the decommissioning costs are actually incurred. The final cost of the currently recognized decommissioning provisions may be higher or lower than currently provided for.

Exploration and Evaluation Expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information become available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information become available.

2. BASIS OF PREPARATION (CONTINUED)

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transaction and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Share-based Payment Transactions

The company measurers the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Deferred price premium on flow-through shares

The amounts recorded for the deferred price premium on flow-through shares and the related deferred income tax effect are based on management's estimates of the estimated market value of the Company's shares on the date of issuance of the flow-through common shares.

Impairment

A CGU is defined as the lowest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has concluded each CGU is the individual properties held. As of September 30, 2020 and December 31, 2019 the Company has one CGU being Warwick. The allocation of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, similar exposure to market risks, shared infrastructures, and the way in which management monitors the operations. The recoverable amounts of CGUs and individual assets have been determined based on the higher of fair value less costs to sell or value-in-use calculations. The key assumptions the Company uses in estimating future cash flows for recoverable amounts are anticipated future commodity prices, expected production volumes and future operating and development costs. Changes to these assumptions will affect the recoverable amount of CGUs and individual assets and may then require a material adjustment to their related carrying value.

Reserves

The estimate of reserves is used in forecasting the recoverability and economic viability of the Company's oil and gas properties, and in the depletion and impairment calculations. The process of estimating reserves is complex and requires significant interpretation and judgment. It is affected by economic conditions, production, operating and development activities, and is performed using available geological, geophysical, engineering, and economic data. Reserves are evaluated at least annually by the Company's independent reserve evaluators and updates to those reserves, if any, are estimated internally. Future development costs are estimated using assumption as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities and other capital assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. They do not contain all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements and, accordingly, should be read in conjunction with the audited financial statements for the year ended December 31, 2019.

4. ADOPTED ACCOUNTING PRONOUNCEMENTS

January 1, 2020, the Company adopted the following new accounting pronouncements, in accordance with the transitional provisions of the standard. A brief description of each new accounting policy and its impact on the Company's financial statements are as follows:

IFRS 3 Business Combinations

The Company adopted IFRS 3, Business Combinations, on January 1, 2020.

The objectives of the amendments to the definition of a business are to help distinguish a business combination from a purchase of a group of assets and to clarify the accounting for previously held interests in a business if control or joint control of the business is acquired. Emphasis is put on the outputs of a business being the provision of goods or services to customers or generating income whereas previously outputs had been viewed in terms of an ability to provide a return or benefits to investors or other owners. In an effort to simplify the assessment of whether an acquired set of activities and assets meets the revised definition, an optional concentration test is available.

Future accounting changes

The Company continues to monitor the potential changes proposed by the IASB and considers the impact changes in the standards would have on the Company's operations.

5. PROPERTY, PLANT AND EQUIPMENT

The following represents a summary of changes in the Company's property and equipment.

	Petroleum Properties $	Office Equipment $	Total $
Balance, December 31, 2018	1,168,896	7,599	1,176,495
Additions	-	-	-
Balance, December 31, 2019	1,168,896	7,599	1,176,495
Disposition	-	-	-
Balance, September 30, 2020	1,168,896	7,599	1,176,495
Accumulated depletion and depreciation:			
Balance, December 31, 2018	1,168,896	7,231	1,176,127
Depletion and depreciation	-	148	148
Balance, December 31, 2019	1,168,896	7,379	1,176,275
Depletion and depreciation	-	66	66
Balance, September 30, 2020	1,168,896	7,445	1,176,341

Carrying amounts:	Cost	Depletion & impairment	Net book value
December 31, 2019	$ -	$ 221	$ 221
September 30, 2020	$ -	$ 154	$ 154

6. DECOMMISSIONING LIABILITIES

	September 30, 2020	December 31, 2019
Balance, beginning of period	$ **73,757**	$ 71,191
Accretion expense	**1,977**	2,566
Balance, end of period	$ **75,734**	$ 73,757

Decommissioning Provision

Huntington makes full provision for the future cost of site decommissioning on a discounted basis at the time development expenditures take place. The decommissioning provision represents the present value of decommissioning costs relating to petroleum and natural gas properties, which are expected to be incurred up to the final date of the properties' lives. These decommissioning provisions on currently producing assets are expected to be settled over the next 13 years with the majority of costs incurred between 2020 and 2033.

The discount rate currently applied in the calculation of the net present value of the provision is between 1.02%-2.33% and the inflation rate is 2.5%.

Pursuant to government regulations, the Company has on deposit cash of $46,013 (2019 - $45,376) restricted for the completion of future abandonments.

7. SHARE CAPITAL

a) **Authorized**

Unlimited number of:
Common shares without par value
Preferred shares, assumable in series

b) **Issued**

	September 30, 2020			December 31, 2019		
Common shares	**Shares (1)**		**Amounts**	Shares (1)		Amounts
Opening balance	19,899,431	$	11,360,736	9,899,431	$	10,370,380
Shares issued for cash	-		-	10,000,000		500,000
Share issue costs	-		-	-		(9,644)
Balance end of period	19,899,431	$	11,370,736	19,899,431	$	11,360,736
Warrants						
Opening balance	14,166,667	$	-	4,166,667	$	-
Warrants issued	-		-	10,000,000		-
Warrants expired	(4,166,677)		-			
Balance end of period	10,000,000	$	-	14,166,667	$	-
		$	11,370,736		$	11,360,736

On August 15, 2019 the Company completed the closing of a non-brokered private placement offering of units at a price of $0.05 per Unit, for gross proceeds of up to $500,000. Each Unit will consist of one common share and on transferable common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of $0.05 per share for a period of two years from closing. Directors of the company subscribed for, directly or indirectly, a total of 3,500,000 units under the private placement for proceeds of $175,000.

(b) Warrants

The following table summarizes the warrants outstanding and exercisable at September 30, 2019:

Number of warrants	Exercise price	Expiry date
10,000,000	$0.05	August 15, 2021

(c) Options

The Company has a stock option plan that provides for the issuance to its directors, officers, employees and consultants options to purchase from treasury a number of common shares not exceeding 10% of the common shares that are outstanding from time to time which is the number of shares reserved for issuance under the plan. Options granted under the plan vest immediately. The options are non-transferable if not exercised. The exercise price is based on the Company’s common shares prior to the day of the grant, which may be different from the closing price of such shares on the day of grant for options granted to date. To date the exercise price has not been materially different from the trading price of the shares on the grant date.

As at September 30, 2020 and December 31, 2019 there were no stock options outstanding.

8. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere in these condensed financial statements the Company had the following related party transactions during the period:

September 30,	9 Months 2020	3 Months 2020	9 Months 2019	3 Months 2019
	$	$	$	$
Salaries and fees incurred to companies owned by Executive or senior management	**18,000**	**6,000**	36,440	6,000

9. FINANCIAL INSTRUMENTS

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to, credit, and foreign exchange risks. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

(a) Foreign Currency Exchange Risk

The Company does not sell or transact in any foreign currency, however, the US dollar influences the price of oil and natural gas sold in Canada. Price fluctuations, as a result can affect the fair value of the Company's property and equipment and future cash flows however, given it is an indirect influence, the impact of changing exchange rates cannot be accurately quantified. The Company's other financial assets and liabilities are not directly affected by a change in currency rates.

(b) Interest Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to interest rate fluctuations at September 30, 2020 and December 31, 2019.

Fixed rate debt is subject to interest rate price risk, as the value will fluctuate as a result of changes in market rates. As at September 30, 2020 and December 31, 2019, the Company has fixed interest rates on 100% of its interest bearing obligations. As the interest rates approximate the prevailing market rates, the fair value of these debt instruments approximate its carrying values.

(c) Market risk

Market risk is comprised of two components: currency risk and interest rate risk.

(d) Fair Value of Financial Instruments

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

9. FINANCIAL INSTRUMENTS (CONTINUED)

Cash, restricted cash and the investment have been classified as Level 1.

All financial assets (except for cash which is classified as held for trading), are classified as either loans or receivables and are accounted for on an amortized cost basis. All financial liabilities are classified as other liabilities. The marketable securities have been designated as available-for-sale. There have been no changes to the aforementioned classifications during the year ended December 31, 2019.

(e) Liquidity Risk

Liquidity risk includes the risk that, as a result of the Company's operational liquidity requirements:

- The Company will not have sufficient funds to settle a transaction on the due date;
- The Company will be forced to sell financial assets at a value which is less than what they are worth; or
- The Company may be unable to settle or recover a financial asset.

The Company's accounts payable and accrued liabilities as at September 30, 2020 and December 31, 2019 is comprised of the following:

	September 30, 2020	December 31, 2019
Trade accounts payable	$ 569	$ 4,160
Accruals *(1)*	20,250	25,500
Joint venture	34,851	39,266
	$ 55,670	$ 68,926

(1) Includes the $20,250 (December 31, 2019 - $25,000) with respect to professional fees.

The Company's trade accounts payable as at September 30, 2020 are aged as follows:

Trade Accounts Payable and Joint Venture Payable	0 to 30 Days	31 to 60 Days	61 to 90 Days	Greater than 90 days
$55,670	$19,639	$501	$257	$35,273

The Company's operating cash requirements including amounts projected to complete the Company's existing capital expenditure program are continuously monitored and adjusted as input variables change. These variables include but are not limited to, oil production from existing wells, results from new wells drilled, commodity prices, cost overruns on capital projects and regulations relating to prices, taxes, royalties, land tenure, allowable production and availability of markets. As these variables change, liquidity risks may necessitate the Company to conduct equity issues or obtain project debt financing.

10. SUBSEQUENT EVENT

On October 9, 2020 the Company announced that it intends to complete a non-brokered private placement offering of units at a price of $0.05 per Unit, for gross proceeds of up to $1,000,000. Each Unit will consist of one common share and on transferable common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of $0.05 per share for a period of two years from closing. The closing of the Private Placement is expected to occur on or about October 30, 2020 and is subject to regulatory approval, including approval of the TSX Venture Exchange.

On November 12, 2020 the Company announced, further to its October 9, 2020 news release, to increase the size of the previously announced private placement of units from up to $1,000,000 to up to $1,500,000

HUNTINGTON
Exploration Inc.

Eau Claire Pace II, Box 14, 521 – 3 Avenue S.W., Calgary, Alberta.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis of financial condition and results of operations ("MD&A") of Huntington Exploration Inc. ("Huntington" or the "Company") is dated November 26, 2020 and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2019 and the unaudited condensed interim financial statements of the Company for the nine months ended September 30, 2020. These financial statements, including the comparative figures, were prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all financial measures are expressed in Canadian dollars. This MD&A contains forward looking information based on the Company's current expectations and projections.

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

Forward Looking Statements - Certain statements contained within the Management's Discussion and Analysis, and in certain documents incorporated by reference into this document, constitute forward looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements.

In particular, this MD&A contains the following forward-looking statements pertaining to, without limitation, the following: Huntington's production volumes and the timing of when additional production volumes will come on stream; Huntington's realized price of commodities in relation to reference prices; future commodity prices; the Company's future royalty rates and the realization of royalty incentives; Huntington's expectation of reducing operating costs on a per unit basis; the relationship of Huntington's interest expense and the Bank of Canada interest rates; increases in general and administrative expenses and recoveries; future development and exploration activities and the timing thereof; the future tax liability of the Company; the depletion, depreciation and accretion rate; the estimated future contractual obligations of the Company and the amount expected to be incurred under its farm-in commitments; the future liquidity and financial capacity of the Company; and its ability to fund its working capital and forecasted capital expenditures. In addition, 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.

With respect to the forward-looking statements contained in the MD&A, Huntington has made assumptions regarding: future commodity prices; the impact of royalty regimes and certain royalty incentives, the timing and the amount of capital expenditures; production of new and existing wells and the timing of new wells coming on-stream; future proved finding and development costs; future operating expenses including processing and gathering fees; the performance characteristics of oil and natural gas properties; the size of oil and natural gas reserves; the ability to raise capital and to continually add to reserves through exploration and development; the continued availability of capital, undeveloped land and skilled personnel; the ability to obtain equipment in a timely manner to carry out exploration and development activities; the ability to obtain financing on acceptable terms; the ability to add production and reserves through exploration and development activities; and the continuation of the current tax and regulation.

We believe the expectations reflected in those forward looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward looking statements included in, or incorporated by reference into, this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A or as of the date specified in the documents incorporated by reference into this Management's Discussion and Analysis, as the case may be. The actual results could differ materially from those anticipated in these forward looking statements as a result of the risk factors set forth below and elsewhere in this Management's Discussion and Analysis: volatility in market prices for oil and natural gas; counterparty credit risk; access to capital; changes or fluctuations in production levels; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; geological, technical, drilling and processing problems; limitations on insurance; changes in environmental or legislation applicable to the Company's operations, and ability to comply with current and future environmental and other laws; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; and the other factors discussed under "Risk Factors" in the following MD&A.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward looking statements contained in this MD&A and the documents incorporated by reference herein are expressly qualified by this cautionary statement. The forward-looking statements contained in this document speak only as of the date of this document and Huntington does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

The financial data presented herein has been prepared in accordance with IFRS. The Company has also used certain measures of financial reporting that are commonly used as benchmarks within the oil and natural gas production industry in the following MD&A discussion. The measures discussed are widely accepted measures of performance and value within the industry, and are used by investors and analysts to compare and evaluate oil and natural gas exploration and producing entities. Most notably, these measures include operating netback and funds flow from operations. Operating netback is a benchmark used in the crude oil and natural gas industry to measure the contribution of oil and natural gas sales subsequent to the deduction of royalties and operating costs. Funds flow from operations is before changes in non-cash working capital and site restoration expenditures, and is used to analyze operations, performance and liquidity. These measures are not defined under IFRS and should not be considered in isolation or as an alternative to conventional IFRS measures. These measures and their underlying calculations are not necessarily comparable to a similarly titled measure of another entity. When these measures are used, they are defined as "non IFRS" and should be given careful consideration by the reader.

Per barrel of oil equivalent ("boe") amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. BOE's may be misleading, particularly if used in isolation. The boe conversion ratio used is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Lands and Rights Held As At September 30, 2020

A summary description of Huntington's major producing and exploration properties is set out below. References to gross volumes refer to total production. References to net volumes refer to Huntington's working interest share before the deduction of royalties payable to others. These properties are all located in the Alberta, Canada.

Warwick Alberta

Huntington Exploration owns a 50% working interest in two wells located on one section of land. The Company share of production from these wells in the third quarter of 2020 was 7,535 mcf or 81.9 mcf/day.

Production and Operating Costs

September 30	**Nine Months 2020**	**Three Months 2020**	**Nine Months 2019**	**Three Months 2019**
Total boe production	**3,851**	1,256	**4,809**	1,571
BOE/day	**14.06**	13.65	**17.62**	17.08
Working interest revenue ($)	**43,273**	15,135	**37,894**	7,263
Revenue / boe ($)	11.24	12.05	7.88	4.66
Royalties ($)	**7,248**	2,535	**6,362**	1,232
Royalties/boe ($)	**1.88**	2.02	**1.32**	0.78
Production costs ($)	**40,747**	13,078	**45,902**	26,368
Production costs/boe ($)	**10.58**	10.41	**9.54**	16.80
Operating net back ($)	**(4,722)**	(478)	**(14,370)**	(20,337)
Operating net back/boe ($)	**(1.22)**	(0.38)	**(2.98)**	(12.92)

With respect to the revenues, royalties and production costs in the current period are in the line with expectations.

Depletion and Depreciation Expense

The depletion expense in 2020 and 2019 comparative periods is in line with expectations. The Company is using its proved plus probable reserves to compute the depletion expense.

General and Administrative Expense

A detailed breakdown of general and administrative expenses is as follows:

September 30,	**Nine Months 2020 $**	**Three Months 2020** $	**Nine Months 2019 $**	**Three Months 2019** $
Professional fees	**46,173**	12,000	**50,477**	28,078
Wages and salaries	**-**	-	**6,486**	-
Management and consulting fees	**-**	-	**6,000**	-
Shareholder communication	**-**	-	**1,390**	1,390
Insurance	**3,466**	2,338	**11,841**	3,526
Fees and Licenses	**10,545**	1,715	**38,734**	21,230
Rent	**4,717**	1,512	**16,139**	4,571
Evaluation fees	**2,250**	750	**6,750**	2,250
Software lease	**12,364**	5,974	**8,640**	2,880
Other	**5,481**	1,660	**7,573**	1,420
Total	**84,996**	25,949	**154,030**	65,345

The change in general and administrative expense is in line with expectations.

Finance Expense

The finance expense is the interest on the note payable and the increase in the present value of the decommissioning obligation for the current period and the amount of this expense will fluctuate commensurate with the asset retirement obligation as new wells are drilled, acquired through acquisitions or property depositions.

Income Taxes

Presently the Company does not expect to pay current taxes into the foreseeable future based on existing tax pools, planned capital activities and current forecasts of taxable income. However, the current tax horizon will ultimately depend on several factors including commodity prices, future production, corporate expenses, and both the type and amount of capital expenditures incurred during the remainder of the year and in future reporting periods.

Working Capital, Liquidity & Capital Resources

As at September 30, 2020, Huntington has a current working capital of $236,876. The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations, generate sufficient funds there from, receive support from its creditors and continue to obtain capital from investors sufficient to meet its current and future obligations. Although management's efforts to raise capital and monetize assets have been successful in the past there is no certainty that they will be able to do so in the future. The Company will use additional equity issues to fund its obligations and future obligations, if available.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19" was declared a global pandemic by the World Health Organization on March 11, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. These measures have caused material disruption to businesses globally resulting in an economic slowdown and oil prices have experienced significant volatility and weakness.

Governments and central banks have reacted to the global pandemic with significant monetary and fiscal interventions designed to stabilize economic conditions. However, the duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the governments and central bank interventions.

Outstanding Share Data

The Company has authorized an unlimited number of Common shares, Non-voting shares and First and second preferred shares, assumable in series. The Company currently has 19,899,431 common shares outstanding.

The following details the share capital structure as of the date of this MD&A.

	Expiry Date	Exercise Price	Number	Total Number
Common shares				19,899,431
Warrants	August 15, 2021	$0.05	10,000,000	10,000,000

Financial Instruments

Crude oil and natural gas operations involve certain risks and uncertainties. These risks include, but are not limited to, commodity prices, foreign exchange rates, interest rates, credit, operational and safety.

Operational risks are managed through the Company's external insurance program designed to protect the Company from significant losses arising from risk exposures. Risks associated with commodity prices, interest and exchange rates are generally beyond the control of the Company; however, various hedging products may be considered to reduce the volatility in these areas.

Safety and environmental risks are addressed by compliance with government regulations as well as adoption and compliance of the Company's safety and environmental standards policy.

The Company is exposed to concentration of credit risk as substantially all of the Company's accounts receivable are with customers and joint venture partners in the oil and gas industry and are subject to normal industry credit risks. The Company mitigates this risk by entering into transactions with long-standing counterparts and partners. If significant amounts of capital are to be spent on behalf of a joint venture partner, the partner is “cash called” in advance of the capital spending taking place.

Management assesses quarterly if there should be any impairment of the financial assets of the Company. No impairment provisions were required during the current quarter.

Summary of Quarterly Results

($ thousands, except per share amounts)	Three months ended September 30, 2020	Three months ended June 30, 2020	Three months ended March 31, 2020	Three months ended December 31, 2019
Revenue	15	12	16	12
Net income (loss)	(27)	(29)	(35)	(14)
Per share – basic and diluted	(0.001)	(0.001)	(0.002)	(0.001)
Total assets	372	392	447	474

($ thousands, except per share amounts)	Three months ended September 30, 2019	Three months ended June 30, 2019	Three months ended March 31, 2019	Three months ended December 31, 2018
Revenue	7	8	19	14
Net income (loss)	(84)	(18)	(66)	(97)
Per share – basic and diluted	(0.008)	(0.002)	(0.002)	(0.010)
Total assets	500	84	121	160

Critical Accounting Estimates

A summary of the Company’s significant accounting policies is contained in note 3 to the financial statements. These accounting policies are subject to estimates and key judgments about future events, many of which are beyond Huntington’s control. The following is a discussion of the accounting estimates that are critical to the financial statements.

Crude oil and natural gas assets - reserves estimates – Huntington retained Reliance Engineering Group Petroleum Consultants to evaluate its crude oil and natural gas reserves, prepare an evaluation report, and report to the Reserves Committee of the Board of Directors. The process of estimating crude oil and natural gas reserves is subjective and involves a significant number of decisions and assumptions in evaluating available geological, geophysical, engineering and economic data. These estimates will change over time as additional data from ongoing development and production activities becomes available and as economic conditions affecting crude oil and natural gas prices and costs change. Reserves can be classified as proved, probable or possible with decreasing levels of likelihood that the reserves will be ultimately produced.

Reserve estimates are a key input to the Company’s depletion calculations and impairment tests. Property, plant and equipment within each area are depleted using the unit-of-production method based on proved and probable reserves using estimated future prices and costs. In addition, the costs subject to depletion include an estimate of future costs to be incurred in developing proved reserves. A revision in reserve estimates or future development costs could result in the recognition of higher depletion charged to net income.

Under the IFRS, the carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the estimated recoverable amount is calculated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proven and probable reserves. Exploration and evaluation ("E&E") assets will be allocated to the related CGU's to assess for impairment, both at the time of any triggering facts and circumstances as well as upon their eventual reclassification to producing assets (oil and natural gas interests in property, plant and equipment). An impairment loss is recognized in income if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Reserve, revenue, royalty and operating cost estimates and the timing of future cash flows are all critical components of the impairment test. Revisions of these estimates could result in a write-down of the carrying amount of crude oil and natural gas properties.

Decommissioning liabilities – The Company recognizes the estimated fair value of the decommission liability in the period in which it is incurred, and records a corresponding increase in the carrying value of the related asset. The future asset retirement obligation is an estimate based on the Company's ownership interest in wells and facilities and reflects estimated costs to complete the abandonment and reclamation as well as the estimated timing of the costs to be incurred in future periods. Estimates of the costs associated with abandonment and reclamation activities require judgments concerning the method, timing and extent of future retirement activities. The capitalized amount is depleted on a unit-of-production method over the life of the proved and probable reserves. The liability amount is increased each reporting period due to the passage of time and this accretion amount is charged to earnings in the period, which is included as a financing expense. Actual costs incurred on settlement of the decommissioning liability are charged against the liability. Judgments affecting current and annual expense are subject to future revisions based on changes in technology, abandonment timing, costs, discount rates and the regulatory environment.

Share based payments – Stock options issued to employees and directors under the Company's stock option plan are accounted for using the fair value method of accounting for stock-based compensation. The fair value of the option is recognized as a share based payment and contributed surplus over the vesting period of the option. Share based payment is determined on the date of an option grant using the Black-Scholes option pricing model. The Black-Scholes pricing model requires the estimation of several variables including estimated volatility of Huntington's stock price over the life of the option, estimated option forfeitures, estimated life of the option, estimated risk-free rate and estimated dividend rate. A change to these estimates would alter the valuation of the option and would result in a different related share based payment.

Income taxes – Huntington follows the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Current tax is the expect tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting period, and any adjustment to tax payable in respect to previous periods. Tax interpretations and legislation in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty and interpretations can impact net income through current tax arising from the changes in the deferred income tax asset and liabilities.

Adopted Accounting Pronouncements

January 1, 2020, the Company adopted the following new accounting pronouncements, in accordance with the transitional provisions of the standard. A brief description of each new accounting policy and its impact on the Company's financial statements are as follows:

IFRS 3 Business Combinations

The Company adopted IFRS 3, Business Combinations, on January 1, 2020.

The objectives of the amendments to the definition of a business are to help distinguish a business combination from a purchase of a group of assets and to clarify the accounting for previously held interests in a business if control or joint control of the business is acquired. Emphasis is put on the outputs of a business being the provision of goods or services to customers or generating income whereas previously outputs had been viewed in terms of an ability to provide a return or benefits to investors or other owners. In an effort to simplify the assessment of whether an acquired set of activities and assets meets the revised definition, an optional concentration test is available.

Risk Factors

There are a number of risk factors facing Companies that participate in the Canadian oil and gas industry. A summary of certain risk factors relating to our business are disclosed below.

Exploration, Development and Production Risks

Oil and natural gas exploration involves a high degree of risk, for which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that expenditures made on future exploration by Huntington will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over-pressured zones, tools lost in the hole and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

The long-term commercial success of Huntington will depend on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that Huntington will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Huntington may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.
Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition. Huntington attempts to minimize exploration, development and production risks by utilizing a technical team with extensive experience to assure the highest probability of success in its drilling efforts. Our collaboration of a team of seasoned veterans in the oil and gas business, each with a unique expertise in the various upstream to downstream technical disciplines of prospect generation to operations, provides the best assurance of competency, risk management and drilling success. A full cycle economic model is utilized to evaluate all hydrocarbon prospects. Detailed geological and geophysical techniques are regularly employed including 3D seismic, petrography, sedimentology, petrophysical log analysis and regional geological evaluation.

Prices, Markets and Marketing of Crude Oil and Natural Gas

Oil and natural gas are commodities whose prices are determined based on world demand, supply and other factors, all of which are beyond the control of Huntington. World prices for oil and natural gas have fluctuated widely in recent years. Any material decline in prices could result in a reduction of net production revenue. Certain wells or other projects may become uneconomic as a result of a decline in world oil prices and natural gas prices, leading to a reduction in the volume of Huntington's oil and gas reserves. Huntington might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in Huntington's future net production revenue, causing a reduction in its oil and gas acquisition and development activities. In addition, bank borrowings available to Huntington are expected to be determined in part by the borrowing base of Huntington. A sustained material decline in prices from historical average prices could limit Huntington's borrowing base, therefore reducing the bank credit available to Huntington, and could require that a portion of any existing bank debt of Huntington be repaid.

In addition to establishing markets for its oil and natural gas, Huntington must also successfully market its oil and natural gas to prospective buyers. The marketability and price of oil and natural gas which may be acquired or discovered by Huntington will be affected by numerous factors beyond its control. Huntington will be affected by the differential between the price paid by refiners for light quality oil and the grades of oil produced by Huntington. The ability of Huntington to market its natural gas may depend upon its ability to acquire space on pipelines which deliver natural gas to commercial markets. Huntington will also likely be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Huntington’s portfolio consists of heavy crude oil. Huntington continually monitors the movement of commodity prices, interest rates and adjusts its capital expenditure program accordingly.

Substantial Capital Requirements; Liquidity
Huntington's cash flow from its production and sales of petroleum and natural gas may not, at all times be sufficient to fund its ongoing activities. From time to time, Huntington may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause Huntington to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If Huntington's revenues from its production of petroleum and natural gas decrease as a result of lower oil and natural gas prices or otherwise, it may affect Huntington's ability to expend the necessary capital to replace its reserves or to maintain its production. If Huntington's funds from operations are not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Huntington.

Huntington's lenders may be provided with security over substantially all of the assets of Huntington. If Huntington becomes unable to pay its debt service charges or otherwise commits an event of default, such as bankruptcy, these lenders may foreclose on or sell Huntington's properties. The proceeds of any such sale would be applied to satisfy amounts owed to Huntington's lenders and other creditors and only the remainder, if any, would be available to Huntington.

Huntington monitors and updates its cash projection models on a regular basis which assists in the timing decision of capital expenditures. Farm-outs of projects may be arranged if capital constraints are an issue or if the risk profile dictates that the Company wishes to hold a lesser working interest position. By entering into a farmout agreement the Company limits the capital exposure associated with a oil and gas project. Equity, if available and if on reasonable terms, may be utilized to help fund Huntington’s capital program.

Access to Capital
Access to capital has become limited during these times of economic uncertainty. To the extent the external sources of capital become limited or unavailable. Huntington’s ability to make the necessary capital investments to maintain or expand oil and gas reserves may be impaired.

Credit Exposure
Recent economic conditions have increased the risk that certain counterparties for the Company’s oil and gas sales and our joint venture partners may fail to pay. We mitigate these increased risks through diversification and a review process of the credit worthiness of our counterparties.

Huntington’s policy to mitigate credit risk associated with product sales is to maintain marketing relationships with large, established and reputable purchasers that are considered creditworthy. Huntington has not experienced any collection issues with its petroleum and natural gas marketers. Joint venture receivables are typically collected within two to three months of the joint venture bill being issued to the partner. Huntington attempts to mitigate the risk from joint venture receivables by obtaining partner approval of significant capital and operating expenditures prior to expenditure and in certain circumstances may require cash deposits in advance of incurring financial obligations on behalf of joint venture partners.

Joint venture receivables are from partners in the petroleum and natural gas industry who are subject to the risks and conditions of the industry. Significant changes in industry conditions and risks that negatively impact partners' ability to generate cash flow will increase the risk of not collecting receivables. Huntington does not typically obtain collateral from petroleum and natural gas marketers or joint venture partners; however the Company does have the ability to withhold production from joint venture partners in the event of non-payment or may be able to register security on the assets of joint venture partners**.**

Health, Safety and Environment
All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Corporation to incur costs to remedy such discharge.

There are potential risks to the environment inherent in the business activities of the Company. Huntington has developed and implemented policies and procedures to mitigate health, safety and environment (HS&E) risks. Huntington mitigates HS&E risks by maintaining its wells and complying with all regulations. Regular field inspections are also carried out to ensure that all field personnel and third party contractors comply with all company and regulatory guidelines. An action plan has been developed to ensure inactive wells are suspended properly and abandoned in a timely fashion. The above noted policies and procedures are designed to protect and maintain the environment and to ensure that the employees, contractors, subcontractors and the public at large are kept safe at all times.

Insurance
Huntington's involvement in the exploration for and development of oil and gas properties may result in Huntington becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although Huntington has insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, Huntington may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Huntington. The occurrence of a significant event that Huntington is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Huntington's financial position, results of operations or prospects.

Competition
Huntington actively competes for reserve acquisitions, exploration leases, licenses and concessions and skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial and personnel resources than Huntington. Huntington's competitors include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators.

Certain of Huntington's customers and potential customers are themselves exploring for oil and natural gas, and the results of such exploration efforts could affect Huntington's ability to sell or supply oil or gas to these customers in the future. Huntington's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

Social License to Operate

Heightened public monitoring and regulation of hydrocarbon resource producers, refiners, distributors and commercial/retail sellers, especially where their activities carry the potential for having negative impacts on communities and the environment, involves varying degrees of risk to the Company's reputation, relations with landowners and regulators, and in extreme cases even the ability to operate. Huntington maintains an active website that complies with Exchange requirements for timely disclosure and is the primary means of communicating to the general public when required. While media attention and public perception remaining largely beyond the control of Huntington's executive, employees, contractors and directors, the Company makes every effort in its corporate and field operations to engage all stakeholders in a respectful and transparent manner.