Huntington Exploration Inc.

2021 First quarter Condensed Interim Consolidated Financial Statements (unaudited)

Notice for National Instrument 51-102

The interim condensed consolidated financial statements and notes thereto for the three months ended March 31, 2021 are prepared by management and have not been independently audited or reviewed by the Company's auditors.

	Notes	March 31, 2021 $	December 31, 2020 $
Assets			
Current assets			
Cash		**946,777**	1,144,150
Accounts receivable		**29,411**	39,835
Prepaid expenses and deposits		**240,549**	186,210
Total current assets		**1,216,737**	1,370,195
Restricted Cash	6	**45,862**	45,806
Mineral exploration and evaluation assets	4	**75,835**	33,635
Property, plant and equipment	5	**119**	132
		1,338,553	1,449,768
Liabilities and shareholders' equity			
Current liabilities			
Accounts payables and accrued liabilities		**77,634**	108,804
Provision for abandonment		**33,000**	33,000
Total current liabilities		**110,634**	141,804
Decommissioning liability	6	**87,879**	87,204
Total liabilities		**198,513**	229,008
Shareholders' deficiency			
Share capital	8	**12,637,976**	12,459,976
Contributed surplus		**2,207,058**	2,207,058
Accumulated deficit		**(13,704,994)**	(13,446,274)
		1,140,040	1,220,760
		1,338,553	1,449,768

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

For the three months ended March 31,	NOTES	2021	2020
		$	$
Revenue			
Oil and natural gas		19,779	15,986
Finance income		56	227
Royalties		(3,178)	(2,678)
		16,657	13,535
Expenses			
Operating		29,103	14,963
Administrative		245,586	32,865
Finance charges:			
Accretion of decommissioning liabilities		675	654
Depletion and depreciation		13	22
		275,377	48,504
Net Income (loss) for the period		(258,720)	(34,969)
Loss per common share - **basic and diluted**		(0.006)	(0.002)
Weighted average shares outstanding - **basic and diluted** (1)		43,064,499	19,899,431

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

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

	Share capital $	Contributed surplus $	Deficit $	Total $
Balance at January 1, 2021	**12,459,976**	**2,207,058**	**(13,446,274)**	**1,220,760**
Net and comprehensive loss for the period	-	-	(258,720)	(258,720)
Shares issued for cash (net of issue costs)	178,000	-	-	178,000
Balance at March 31, 2021	**12,637,976**	**2,207,058**	**(13,704,994)**	**1,140,040**
Balance, January 1, 2020	**11,360,736**	**2,207,058**	**(13,269,361)**	**298,433**
Net and comprehensive loss for the period	-	-	**(34,969)**	(34,969)
Balance at March 31, 2020	**11,360,736**	**2,207,058**	**(13,304,330)**	**263,464**

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

For the three months ended March 31,	2021	2020
	$	$
Cash flows from operating activities		
Net Income (loss)	(258,719)	(34,969)
Add items not affecting cash:		
Depletion and depreciation	13	22
Accretion on decommissioning liabilities	675	654
Decommissioning expenditures	-	-
Changes in non-cash working capital items related to operating activities	(75,086)	5,791
Total cash flows from operating activities	(333,117)	(28,502)
Cash flows from investing activities		
Acquisition of exploration properties	(42,200)	-
Increase in restricted cash	(56)	(227)
Total cash (outflows) from investing activities	(42,256)	(227)
Cash flows from financing activities		
Issue of common shares (net of costs)	178,000	-
Total cash inflows from financing activities	178,000	-
Decrease in cash and cash equivalents	(197,373)	(28,728)
Cash and cash equivalents, beginning of period	1,144,150	427,345
Cash and cash equivalents, end of period	946,777	398,617

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

1. CORPORATE INFORMATION

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

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's principal operating address is Eau Claire Place II, 440, Box 14, 521 – 3 Avenue S.W., Calgary, Alberta.

Huntington has a 100% interest in Huntington Capital Inc.

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 consolidated financial statements for the year ended December 31, 2020. These condensed financial statements were authorised for issue by the Board of Directors on May 19, 2021.

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 $1,106,103 at March 31, 2021, has an accumulated deficit of $13,704,994 incurred a net loss of $258,719 during the current three month period and incurred a loss of cash from operating activities before changes in non-cash working capital of $258,031 during the period ended March 31, 2021. Management continues to focus its efforts on considering strategic alternative operations 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.

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

d) Basis of consolidation

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

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, 2020 and 2019. 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.

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

2. BASIS OF PREPARATION (CONTINUED)

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, 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 March 31, 2021 and December 31, 2020 the Company had one CGU's 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. As of December 31, 2020, the Company no longer carries any oil and gas assets that have been assigned economic reserves.

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, 2020.

4. MINERAL EXPLORATION AND EVALUATION ASSETS

On December 1, 2020, the Company entered into two mineral property acquisition agreements with arm's length third parties with respect to the purchase of option rights to mineral exploration properties in the Birch-Uchi region in Ontario bridging Treaty 3 and Treaty 9 Territories (the "Birch-Uchi Property"). Under the terms of the agreements, the purchase price will be satisfied by aggregate cash payments of $30,000 and the issuance of 200,000 common shares at a deemed price of $0.165 per share within ten business days of acceptance of the agreements by the TSX-Venture Exchange. One of the vendors retains a 1.5% Net Smelter Return ("NSR") royalty, payable upon the commencement of commercial production from the Birch-Uchi Property. The Company has the right at any time to purchase one-half of the NSR royalty from the vendor for $500,000. The Company has the right to terminate the agreements in their entirety at any time prior to the transfer date.

The Company received TSX-Venture Exchange approval on January 18, 2021.

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, 2019	1,168,896	7,599	1,176,495
Addition	-	-	-
Balance, December 31, 2020	1,168,896	7,599	1,176,495
Additions	-	-	-
Balance, March 31, 2021	1,168,896	7,599	1,176,495
Accumulated depletion and depreciation:			
Balance, December 31, 2019	1,168,896	7,378	1,176,274
Depletion and depreciation	-	89	89
Balance, December 31, 2019	1,168,896	7,467	1,176,363
Depletion and depreciation	-	13	13
Balance, March 31, 2020	1,168,896	7,480	1,176,376

Carrying amounts:	Cost	Depletion & impairment	Net book value
December 31, 2020	$ -	$ 132	$ 132
March 31, 2021	$ -	$ 119	$ 119

6. DECOMMISSIONING LIABILITIES

		March 31, 2021		December 31, 2020
Balance, beginning of period	$	87,204	$	73,757
Accretion expense		675		13,447
Balance, end of period	$	87,879	$	87,204

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 12 years with the majority of costs incurred between 2021 and 2034.

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 $45,862 (2020 - $45,806) 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

	March 31, 2021			December 31, 2020		
Common shares	**Shares**		**Amounts**	Shares		Amounts
Opening balance	42,649,431	$	12,459,976	19,899,431	$	11,360,736
Shares issued for cash pursuant to exercise of warrants	2,900,000		145,000	27,750,000		1,137,500
Shares-based payments	200,000		33,000	-		-
Share issue costs	-		-	-		(38,260)
Balance end of period	45,749,431	$	12,637,976	42,649,431	$	12,459,976
Warrants						
Opening balance	32,750,000	$	-	14,166,667	$	-
Warrants expired	-		-	(4,166,667)		-
Warrants exercised	(2,900,000)		-	-		-
Warrants issued	-		-	22,750,000		-
Balance end of year	29,850,000	$	-	32,750,000	$	-
		$	12,637,976		$	12,459,976

7. SHARE CAPITAL (CONTINUED)

On November 27, 2020 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 $1,137,500. Each Unit consisted 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 1,000,000 units under the private placement for proceeds of $50,000.

(b) Warrants

The following table summarizes the warrants outstanding and exercisable at March 31, 2021:

Number of warrants	Exercise price	Expiry date
7,500,000	$0.05	August 15, 2021
22,350,000	$0.05	November 27, 2022

(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 March 31, 2021 and December 31, 2020 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:

	March 31, 2021 **$**	March 31, 2020 $
Salaries and fees incurred to companies owned by Executive or senior management	**90,000**	6,000

9. FINANCIAL INSTRUMENTS

(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 March 31, 2021 and December 31, 2020. 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 March 31, 2021 and December 31, 2020, the Company has no fixed interest rate debt.

(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.

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. 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 March 31, 2021 and December 31, 2020 is comprised of the following:

		March 31, 2021		December 31, 2020
Trade accounts payable	$	44,135	$	22,409
Accruals *(1)*		4,800		54,000
Joint venture		28,699		32,395
	$	77,634	$	108,804

(1) Includes the $4,800 (2020 - $24,000) with respect to professional fees and $Nil (2020 - $30,000) with respect to other costs.

9. FINANCIAL INSTRUMENTS (CONTINUED)

The Company's trade accounts payable and accrued liabilities as at March 31, 2021 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
$77,634	$28,080	$18,688	$ -	$30,866

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 EVENTS

On April 7, 2021 the Company announced that, subject to regulatory approval, it has granted a total of 1,500,000 options to purchase common shares of Huntington to directors, officers and consultants of Huntington, with an exercise price of $0.24 and an expiry date of April 7 2031.

On May 4, 2021 the Company announced that it has entered into a letter of intent to purchase 100% of 17 patented mining claims located in the District of Kenora, Northern Ontario. Huntington will issue 4.0 million shares and a 2% NSR to the vendor for 100% ownership of the property subject to regulatory approval.