

HUFFINGTON CAPITAL CORP.

Condensed Interim Financial Statements

May 31, 2018

Presented in Canadian dollars - Unaudited

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by the entity's auditor.

HUFFINGTON CAPITAL CORP.Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars – Unaudited)

	Note	May 31, 2018	August 31, 2017
Assets			
Current assets			
Cash		\$ 106,401	\$ 126,613
Interest receivable		192	492
Prepaid expenses		3,033	1,733
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Total assets		\$ 109,626	\$ 128,838
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Liabilities and shareholders' equity			
Current liabilities			
Accounts payable		\$ 5,827	\$ 7,323
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Shareholders' equity			
Share capital	3	277,057	266,482
Share based payment reserve		41,118	41,118
Deficit		(214,376)	(186,085)
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Total shareholders' equity		103,799	121,515
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Total liabilities and shareholders' equity		\$ 109,626	\$ 128,838
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Nature and continuance of operations (Note 1)

Approved on behalf of the Board:

"Steve Bajic"

Steve Bajic, Director

"Hamlet Abnoui"

Hamlet Abnoui, Director

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

HUFFINGTON CAPITAL CORP.

Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars – Unaudited)

	Three Months Ended May 31, 2018	Three Months Ended May 31, 2017	Nine Months Ended May 31, 2018	Nine Months Ended May 31, 2017
Administrative expenses				
General and administrative	\$ 5,356	\$ 4,428	\$ 15,532	\$ 26,729
Transfer agent and filing fees	5,092	2,688	11,401	9,240
Professional fees	1,000	-	2,235	5,370
Interest income	(374)	(183)	(877)	(491)
Net and comprehensive loss	\$ (11,074)	\$ (6,933)	\$ (28,291)	\$ (40,848)
Weighted average number of outstanding shares	1,030,542	1,022,125	1,024,962	1,011,346
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.04)

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

HUFFINGTON CAPITAL CORP.

Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars – Unaudited)

	Share capital		Share based payment reserve	Deficit	Total shareholders' equity
	Number	Amount			
Balance, August 31, 2016	2,000,000	\$ 258,274	\$ 43,434	\$ (136,619)	\$ 165,089
Recovery of share issuance costs	-	1,467	-	-	1,467
Exercise of warrants	22,125	4,425	-	-	4,425
Net loss	-	-	-	(40,848)	(40,848)
Balance, May 31, 2017	2,022,125	\$ 264,166	\$ 43,434	\$ (177,467)	\$ 130,133
Balance, August 31, 2017	2,022,125	\$ 266,482	\$ 41,118	\$ (186,085)	\$ 121,515
Exercise of warrants	52,875	10,575	-	-	10,575
Net loss	-	-	-	(28,291)	(28,291)
Balance, May 31, 2018	2,075,000	\$ 277,057	\$ 41,118	\$ (214,376)	\$ 103,799

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

HUFFINGTON CAPITAL CORP.Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars – Unaudited)

	Nine Months Ended May 31, 2018	Nine Months Ended May 31, 2017
Cash provided by (used in):		
Operating activities		
Net loss	\$ (28,291)	\$ (40,848)
Changes in non-cash working capital items:		
Interest receivable	300	453
Prepaid expenses	(1,300)	-
Accounts payable and accrued liabilities	(1,496)	(7,390)
Cash used in operating activities	(30,787)	(47,785)
Financing activity		
Recovery of share issuance costs	-	1,467
Shares issued from exercise of warrants	10,575	4,425
Cash used in financing activity	10,575	5,892
Increase (decrease) in cash	(20,212)	(41,893)
Cash, beginning	126,613	172,600
Cash, ending	\$ 106,401	\$ 130,707

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

HUFFINGTON CAPITAL CORP.

Notes to Condensed Interim Financial Statements

For the nine months ended May 31, 2018

(Expressed in Canadian dollars – Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Huffington Capital Corp. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on July 21, 2015 and its head office is located at 1177 West Hastings Street, Suite 1740, Vancouver, British Columbia, V6E 2K3.

The Company was formed for the primary purpose of completing an Initial Public Offering ("IPO") on the TSX Venture Exchange ("Exchange") as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the Exchange. As a CPC, the Company's principal business would be to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange ("Qualifying Transaction").

The proposed business of the Company and the completion of a Qualifying Transaction involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment within the requisite time period. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's August 31, 2017 annual financial statements and are presented in Canadian dollars, which is the Company's functional currency.

These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on August 1, 2018.

(b) Use of estimates and judgments

The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas requiring the use of estimates include the fair value of stock-based compensation, and the recognition of deferred income tax assets. Actual results may differ from these estimates. Significant areas requiring the use of judgment in applying the Company's accounting policies include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

HUFFINGTON CAPITAL CORP.

Notes to Condensed Interim Financial Statements

For the nine months ended May 31, 2018

(Expressed in Canadian dollars – Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Accounting standards issued but not yet effective

(i) New standard IFRS 9 “Financial Instruments”

This new standard is a partial replacement of International Accounting Standard (“IAS”) 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The proposed effective date of IFRS 9 is annual periods beginning on or after January 1, 2018.

The Company has not early adopted this revised standard and does not expect this will have a material effect on the Company’s future results and financial operations.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s condensed interim financial statements.

3. SHARE CAPITAL

Common shares

The Company has authorized an unlimited number of common shares without par value.

During the year-ended August 31, 2015, the Company issued 2,000,000 shares for proceeds of \$100,000.

On January 25, 2016, the directors of the Company approved the repurchase of 1,000,000 of the Company’s issued and outstanding common shares for no consideration from its shareholders on a pro rata basis. Consequently, the number of issued and outstanding common shares has been reduced to 1,000,000 common shares.

On April 19, 2016, the Company completed its IPO issued 1,000,000 common shares at \$0.20 per share for net proceeds of \$166,125 after issuance costs. The Company also issued to the agent an option to acquire 75,000 common shares of the Company at a price of \$0.20 per share, expiring April 18, 2018.

On January 11, 2017, 22,125 warrants were exercised at \$0.20 per warrant for proceeds of \$4,425.

On April 16, 2018, 52,875 warrants were exercised at \$0.20 per warrant for proceeds of \$10,575.

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Notes to Condensed Interim Financial Statements

For the nine months ended May 31, 2018

(Expressed in Canadian dollars – Unaudited)

3. SHARE CAPITAL (continued)

Stock Options

The Company has adopted a stock option plan, pursuant to which the board of directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares exercisable for a period of up to five years from the date the common shares are listed on the Exchange. The number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

On April 19, 2016, the Company issued 200,000 stock options at a price of \$0.20 per share, expiring April 18, 2026. The estimated fair value of the options was \$35,583 which was determined using the Black-Scholes option pricing model with the following assumptions: an annualized volatility of 100%; an expected life of 10 years; a dividend yield rate of 0%; and a risk-free interest rate of 0.61%.

The weighted average remaining life of options at May 31, 2018 was 7.88 years.

The following table summarizes information about stock options outstanding and exercisable at May 31, 2018:

Number of Shares	Exercise Price	Expiry Date	Exercisable
200,000	\$0.20	April 19, 2026	200,000