

HUFFINGTON CAPITAL CORP.

MANAGEMENT DISCUSSION & ANALYSIS

For the Nine Months Ended May 31, 2019

Date

This Management Discussion and Analysis (“MD&A”) of Huffington Capital Corp. (“Huffington” or the “Company”) has been prepared by management as of July 30, 2019 and should be read together with the unaudited condensed interim financial statements and related notes for the period ended May 31, 2019 which are prepared in accordance with International Financial Reporting Standards (“IFRS”). Additional information regarding the Company can be found on SEDAR at www.sedar.com. All of the following amounts are expressed in Canadian dollars unless otherwise stated. The reader should also refer to the annual audited financial statements for the period ended August 31, 2018.

This MD&A may contain “forward-looking statements” which reflect the Company’s current expectations regarding the future results of operations, performance and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as “anticipate,” “believe,” “estimate,” “expect” and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

Overall Performance

The Company was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on July 21, 2015.

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”).

On April 19, 2016, the Company completed its IPO issued 1,000,000 common shares at \$0.20 per share for total proceeds of \$200,000. The Company paid to the agent a corporate finance fee of \$7,500 and a cash commission of \$15,000, being 7.5% of the gross proceeds. 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 August 8, 2018, the Company cancelled 500,000 common shares, leaving 500,000 shares in escrow.

The Company received notice from the Exchange notifying the Company that it had been suspended for failure to complete a Qualifying Transaction within 24 months of listing on the Exchange in accordance with Policy 2.4. On August 8, 2018, the Company’s shares were listed on the NEX Board of the Exchange under the symbol MXC.H.

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.

HUFFINGTON CAPITAL CORP.
MANAGEMENT DISCUSSION & ANALYSIS
For the Nine Months Ended May 31, 2019

Results of Operations

For the three months ended May 31, 2019 and 2018, the Company reported a net loss of \$28,218 and \$11,074 comprised of general and administrative fees of \$9,379 and \$5,356, professional fees of \$12,448 and \$1,000, transfer agent and filing fees of \$6,762 and \$5,092 and interest income of \$371 and \$374, respectively.

For the nine months ended May 31, 2019 and 2018, the Company reported a net loss of \$52,895 and \$28,921 comprised of general and administrative fees of \$20,662 and \$15,532, professional fees of \$20,356 and \$2,235, transfer agent and filing fees of \$12,783 and \$11,401 and interest income of \$906 and \$877, respectively.

Summary of Quarterly Results

	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Net Loss for the Period	\$ (28,218)	\$ (13,235)	\$ (11,442)	\$ (15,725)	\$ (11,074)	\$ (10,259)	\$ (6,958)	\$ (8,618)
Loss per Share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)

Liquidity and Capital Resources

The Company reported working capital of \$160,179 at May 31, 2019 and cash of \$180,008.

Current liabilities as at May 31, 2019 consisted of accounts payable of \$20,437.

Pursuant to subscription agreements, 2,000,000 common shares at \$0.05 per share were issued to directors of the Company for gross 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 August 8, 2018, the Company cancelled 500,000 common shares, leaving 500,000 shares in escrow. All 500,000 common shares are held in escrow and have been deposited with a trustee under an escrow agreement. Under the escrow agreement, 10% of the escrowed common shares will be released from escrow on the issuance of the final Exchange bulletin on the closing of a Qualifying Transaction and an additional 15% will be released every six months following the initial release over a period of thirty six months.

On April 19, 2016, the Company completed its IPO issued 1,000,000 common shares at \$0.20 per share for gross proceeds of \$200,000.

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.

On March 29, 2019, the Company issued 500,000 common shares at \$0.25 per share for proceeds of \$125,000.

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Transactions with Related Parties

None.

HUFFINGTON CAPITAL CORP.

MANAGEMENT DISCUSSION & ANALYSIS

For the Nine Months Ended May 31, 2019

Proposed Transactions

On September 12, 2018, the Company announced that it has entered into a letter of intent (the "LOI") dated September 7, 2018 for the arm's length acquisition of 100% of the common shares of Nano Graphene Inc. dba Grapheneca ("Grapheneca"), a company incorporated under the laws of the State of Florida. Pursuant to the terms of the LOI and subject to completion of certain conditions precedent, including, completion by Grapheneca of a private placement for approximately \$4.5 million, satisfactory due diligence, execution of a definitive agreement and receipt of all necessary regulatory and Exchange approvals, the proposed acquisition of Grapheneca will qualify as Huffington's "Qualifying Transaction" as defined by Exchange Policy 2.4.

Grapheneca is a privately owned, commercial scale graphene and graphene based materials producer and supply company headquartered in New York. Grapheneca has developed a production facility in New York and is now producing high quality, un-oxidized, ordered, pristine graphene flakes with different sizes (depending upon customers requirement. The technology underlying Grapheneca's products provides for graphene nano-sheets that are free from physical defects, chemically pure, non-oxidized and have a high length-to-width aspect ratio. Grapheneca has filed a provisional application for patent with the United States Patent and Trademark Office (USPTO) and has passed the preliminary examination with the China State Intellectual Property Office (SIPO).

Critical Accounting Estimates

Not applicable for Venture Issuers.

Recent Accounting Policies Not Yet Adopted

IFRS 16, Leases (effective January 1, 2019) introduced new requirements for the classification and measurement of leases. Under IFRS 16, a lessee no longer classifies leases as operating or financing and records all leases on the condensed consolidated statement of financial position, unless the lease term is 12 months or less or the underlying asset has a low value. The Company has applied a modified retrospective transition approach. The Company does not have any leases, and as a result, this standard had no impact on the Company's financial statements on adoption.

IFRIC 23, Uncertainty over Income Tax Treatments (effective January 1, 2019) provides guidance when there is uncertainty over income tax treatments including, but not limited to, whether uncertain tax treatments should be considered separately; assumptions made about the examination of tax treatments by tax authorities; the determination of taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates; and, the impact of changes in facts and circumstances. This interpretation did not have an impact on the Company's financial statements.

The Company has not early adopted this revised standard and is currently assessing the impact that this standard will have on its financial statements.

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 financial statements.

Financial Instruments and Other Instruments

The carrying amounts of cash and accounts payable approximate fair value because of the short-term maturity of these items.

HUFFINGTON CAPITAL CORP.
MANAGEMENT DISCUSSION & ANALYSIS
For the Nine Months Ended May 31, 2019

Other Requirements

Summary of Outstanding Securities as at July 30, 2019

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 2,075,000 Shares (including 500,000 Shares held in escrow)

Stock options: 200,000 @ \$0.20 per share.

Warrants: None

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.