

HUFFINGTON CAPITAL CORP.

MANAGEMENT DISCUSSION & ANALYSIS

For the Nine Months Ended May 31, 2020

This Management Discussion and Analysis (“MD&A”) of Huffington Capital Corp. (“Huffington” or the “Company”) has been prepared by management as of July 30, 2020 and should be read together with the unaudited condensed interim financial statements and related notes for the period ended May 31, 2020 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, 2019.

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 HU.H.

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

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.

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Results of Operations

For the three months ended May 31, 2020 and 2019, the Company reported a net loss of \$17,178 and \$28,218 comprised of general and administrative fees of \$2,442 and \$9,379, professional fees of \$10,314 and \$12,448, transfer agent and filing fees of \$4,422 and \$6,762 and interest income of \$Nil and \$371, respectively. Expenditures have remained relatively consistent from period to period.

For the nine months ended May 31, 2020 and 2019, the Company reported a net loss of \$44,675 and \$52,895 comprised of general and administrative fees of \$12,780 and \$20,662, professional fees of \$21,071 and \$20,356, transfer agent and filing fees of \$11,377 and \$12,783 and interest income of \$553 and \$906, respectively. Expenditures have remained relatively consistent from period to period.

Summary of Quarterly Results

	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Net Loss for the Period	\$ (17,178)	\$ (18,480)	\$ (9,017)	\$ (8,129)	\$ (28,218)	\$ (13,235)	\$ (11,442)	\$ (15,725)
Loss per Share	\$ (0.02)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)

Liquidity and Capital Resources

The Company reported working capital of \$989,963 at May 31, 2020 and cash of \$105,407.

Current liabilities as at May 31, 2020 consisted of accounts payable of \$6,444.

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.

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Proposed Transactions

On June 10, 2020, the Company announced that it had entered into a non-binding Letter of Intent effective June 9, 2020 with ML Nevada Corp. ("M3 Metals Nevada"), a wholly owned Nevada incorporated subsidiary of M3 Metals Corp. ("M3 Metals"), a TSX Venture Exchange listed company.

Under the terms of the Letter of Intent, M3 Metals would, through M3 Metals Nevada, grant to the Company an option (the "Option") under the terms of a mineral property option agreement (the "Definitive Option Agreement") to acquire up to a 90% interest in a mineral project which is the subject of a mineral property option and purchase agreement (the "Underlying Agreement") under which M3 Metals has the right and option (the "Underlying Option") to acquire up to a 100% interest in certain mineral properties (the "Mohave Project") in Mohave County, Arizona.

On June 10, 2020, the Company also announced it was engaging in a private placement (the "Private Placement") for gross proceeds of \$800,000 and that three persons (the "New Principals") would join the Company as directors and officers upon, and conditional upon, closing of the Definitive Option Agreement and the Private Placement. The private placement is to be comprised of 10,000,000 units at a price of \$0.08 per unit with each unit comprised of one common share and one share purchase warrant exercisable for a period of one (1) year at \$0.12 per share.

The Private Placement, the Definitive Option Agreement and the addition of the New Principals to the Company would collectively constitute the Company's qualifying transaction (the "Qualifying Transaction"). Closing (the "Closing") of the Qualifying Transaction, and all transactions constituting it, is subject to TSX Venture Exchange approval.

On June 16, 2020, the Company incorporated a wholly owned Nevada subsidiary, Mohave USA Gold Corp.

Effective July 4, 2020, the Definitive Option Agreement was executed by the Company, M3 Metals, M3 Metals Nevada and the Company's subsidiary, Mohave USA Gold Corp.

Under the Definitive Option Agreement, to exercise the Option as to a ninety (90%) percent interest in and to the Mohave Project, the Company (directly or through Mohave USA Gold Corp.) must:

- (a) Pay to M3 Metals Nevada the sum of CDN\$300,000 upon Closing of the Qualifying Transaction;
- (b) Pay to M3 Metals Nevada the sum of CDN\$400,000 on the fifteen month anniversary of the Definitive Option Agreement;
- (c) Pay to M3 Metals Nevada the sum of CDN\$400,000 on the second anniversary of the Definitive Option Agreement;
- (d) On or before the third anniversary of the Definitive Option Agreement pay to M3 Metals or to M3 Metals Nevada (at M3 Metals' option) CDN\$2million which payment may, at the Company's option, be made up to fifty (50%) percent in common shares of the Company (the "Shares") based on those Shares' market price on the date of their issuance;
- (e) On or before the third anniversary of the Definitive Option Agreement, make CDN\$1million in aggregate exploration expenditures on the Mohave Project;
- (f) On or before the fourth anniversary of the Definitive Option Agreement pay to M3 Metals or to M3 Metals Nevada (at M3 Metals' option) CDN\$3million which payment may, at the Company's option, be made up to fifty (50%) percent in Shares based on those Shares' market price on the date of their issuance; and
- (g) On or before the fourth anniversary of the Definitive Option Agreement, make an additional CDN\$2million in exploration expenditures (for a total of at least CDN\$3million) on the Mohave Project.

Upon having made the payments and the exploration expenditures in (a)-(g) above the Company will have exercised the Option as to a ninety (90%) percent interest in the Mohave Project.

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It is a condition of the Definitive Option Agreement that the Company assume the obligations of M3 Metals under the Underlying Agreement. To meet these obligations, the Company must:

- (a) On or before that day which is ten (10) days after the Payment Commencement Date, pay the sum of USD\$75,000 to the vendors and finder (the "Vendors") under the Underlying Agreement;
- (b) On or before that day which is ten (10) days after the first anniversary of the Payment Commencement Date, pay the sum of USD\$100,000 to the Vendors;
- (c) On or before that day which is ten (10) days after the second anniversary date of the Payment Commencement Date, pay the sum of USD\$150,000 to the Vendors;
- (d) On or before that day which is ten (10) days after the third anniversary date of the Payment Commencement Date, pay the sum of USD\$200,000 to the Vendors; and
- (e) On or before that day which is ten (10) days after the fourth anniversary date of the Payment Commencement Date, pay the sum of USD\$3,000,000 to the Vendors.

"Payment Commencement Date" above means the earlier of: (i) the receipt of BLM (US Federal Bureau of Land Management) approval of further permits to conduct work on the Mohave Project; and (ii) March 21, 2021. The Payment Commencement Date cannot be before September 21, 2020. The Company expects receipt of these permits in early 2021.

The Underlying Agreement also contains requirements for exploration expenditures on the Mohave Project which expenditures are expected to be met (and exceeded) by the Company making the expenditures detailed above.

On July 14, 2020, the Company announced that it would be changing its name to "Black Mountain Gold USA Corp." concurrently with Closing of the Qualifying Transaction. The proposed name change is subject to the approval of the TSX Venture Exchange.

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.

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Other Requirements

Summary of Outstanding Securities as at July 30, 2020

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: 100,000 @ \$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.