

Aston Bay Holdings Ltd.
Condensed Interim Consolidated Financial Statements
Nine months ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)

Notice of No Auditor Review of 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 consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated 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 an audit or review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada.

Aston Bay Holdings Ltd.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at	December 31, 2021	March 31, 2021
ASSETS		
Current assets		
Cash	\$ 291,223	\$ 19,185
Sales tax recoverable	14,487	9,749
Prepaid expenses	32,871	24,358
Total current assets	338,581	53,292
Equipment	166,667	166,667
Total assets	\$ 505,248	\$ 219,959
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 589,632	\$ 401,092
Loan payable (note 4)	504,620	304,482
Total current liabilities	1,094,252	705,574
Shareholders' equity		
Share capital (note 5)	19,527,635	18,860,958
Contributed surplus	4,125,362	3,790,962
Accumulated other comprehensive income	(55,368)	(4,964)
Deficit	(24,186,633)	(23,132,571)
Total shareholders' equity	(589,004)	(485,615)
Total liabilities and shareholders' equity	\$ 505,248	\$ 219,959

Going concern (note 1)

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

Approved by the Board

Signed:

"Thomas Ullrich"

Director

"Jan-Erik Back"

Director

Aston Bay Holdings Ltd.

Condensed Interim Consolidated Statements of Changes in Equity

For the nine months ended December 31, 2021 and 2020

(Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Equity
	Number of Shares	Amount				
Balance, March 31, 2020	153,971,761	\$ 18,396,538	\$ 3,508,462	\$ 45,832	\$ (8,245,477)	\$ 13,705,355
Issuance of units	10,003,333	600,200	-	-	-	600,200
Share issuance costs	-	(35,017)	-	-	-	(35,017)
Issuance of warrants	-	(101,900)	101,900	-	-	-
Stock-based compensation	-	-	82,500	-	-	82,500
Loss for the period	-	-	-	-	(576,517)	(576,517)
Currency translation adjustment	-	-	-	(122,394)	-	(122,394)
Balance, December 31, 2020	163,975,094	\$ 18,859,821	\$ 3,692,862	\$ (76,562)	\$ (8,821,994)	\$ 13,654,127
Balance, March 31, 2021	163,975,094	\$ 18,860,958	\$ 3,790,962	\$ (4,964)	\$ (23,132,571)	\$ (485,615)
Issuance of units	13,473,500	808,410	-	-	-	808,410
Share issuance costs	-	(37,033)	-	-	-	(37,033)
Issuance of warrants	-	(104,700)	104,700	-	-	-
Extension of warrants	-	-	158,000	-	-	158,000
Stock-based compensation	-	-	71,700	-	-	71,700
Loss for the period	-	-	-	-	(1,054,062)	(1,054,062)
Currency translation adjustment	-	-	-	(50,404)	-	(50,404)
Balance, December 31, 2021	177,448,594	\$ 19,527,635	\$ 4,125,362	\$ (55,368)	\$ (24,186,633)	\$ (589,004)

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

Aston Bay Holdings Ltd.

Condensed Interim Consolidated Statements of Comprehensive Loss

For the nine months ended December 31, 2021 and 2020

(Expressed in Canadian Dollars)

	Three months		Nine months	
	2021	2020	2021	2020
Expenses				
Salaries (<i>note 4</i>)	\$ 59,375	\$ 59,375	\$ 182,495	\$ 181,980
Consulting fees (<i>note 4</i>)	23,520	20,000	63,520	60,000
Professional fees	6,069	24,862	33,572	52,022
Marketing	26,518	24,255	65,406	138,633
Travel	-	-	8,950	228
Filing and agency fees	3,948	4,097	35,576	28,712
Office and administrative expenses	19,032	14,638	55,949	58,051
Foreign exchange	184	(80)	443	(409)
Stock-based compensation (<i>note 5</i>)	23,900	27,500	71,700	82,500
Extension of warrants (<i>note 5</i>)	158,000	-	158,000	-
Interest expense	11,272	12,420	28,705	13,750
	(331,818)	(187,067)	(704,316)	(615,467)
Exploration and evaluation expenses	642,713	20,461	349,746	470,773
Net Loss	(974,531)	(207,528)	(1,054,062)	(1,086,240)
Currency translation adjustment	52,051	-	50,404	-
Comprehensive loss	\$ (1,026,582)	\$ (207,528)	\$ (1,104,466)	\$ (1,086,240)
Loss per share				
- basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	165,293,154	163,975,094	164,416,045	161,647,046
- basic and diluted				

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Aston Bay Holdings Ltd.

Condensed Interim Consolidated Statements of Cash Flows

For the nine months ended December 31, 2021 and 2020

(Expressed in Canadian Dollars)

	2021	2020
Cash flow used in operating activities		
Loss for the period	\$ (1,054,062)	\$ (1,086,240)
Items not affecting cash:		
Stock-based compensation	71,700	82,500
Warrant extension	158,000	-
Loan interest	25,138	-
	(799,224)	(1,003,740)
Non-cash working capital items (<i>note 6</i>)	175,289	(68,344)
	(623,935)	(1,072,084)
Cash flow used in investment activities		
	-	-
Cash flow from financing activities		
Proceeds from issuance of units	808,410	620,200
Share issuance costs	(37,033)	(35,017)
Loan proceeds	175,000	200,000
	946,377	785,183
Effects of changes in foreign exchange	(50,404)	9,614
Increase (decrease) in cash	272,038	(277,287)
Cash, beginning of year	19,185	315,713
Cash, end of period	\$ 291,223	\$ 38,426

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

Aston Bay Holdings Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended December 31, 2021 and 2020

(Expressed in Canadian Dollars)

1. Nature of the Company and Going Concern

Aston Bay Holdings Ltd. ("Aston Bay" or the "Company") is a publicly listed company incorporated in British Columbia, Canada. The Company's registered address is #530, 355 Burrard Street, Vancouver, British Columbia, V6C 2G8 and the head office is located at Suite 204, 80 Richmond Street West, Toronto, Ontario, M5H 2A4. The Company is engaged in mineral exploration and development and is currently focused on advancing its Blue Ridge Project in central Virginia, USA which includes its Buckingham Gold Project and its Mountain Base Metals Project; and on its Storm Copper and Seal Zinc project on Somerset Island, Nunavut, Canada.

For the nine months ended December 31, 2021, the Company reflected a loss of \$1,104,466 and had an accumulated deficit of \$24,186,633 at December 31, 2021 and has yet to achieve revenue from operations. At December 31, 2021, the Company had a working capital deficit of \$755,671. These factors indicate the existence of material uncertainties that may cast significant doubt regarding the Company's ability to continue as a going concern. In order to meet future expenditures and cover administrative costs, the Company may need to raise additional financing. These consolidated financial statements have been prepared on the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The recoverability of the amounts shown for mineral properties and deferred exploration expenditures is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in mineral properties, the ability of the Company to secure continued financial support to develop its mineral properties, and the attainment of future profitable production.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on February 28, 2021.

2. Basis of Presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standard ("IFRS") IAS 34 Interim Financial Reporting. As such these statements do not contain all the explanatory notes, descriptions or accounting policies or other disclosures that can be found in the Company's 2021 audited annual consolidated financial statements and thus should be read in conjunction with the audited annual consolidated financial statements. The accounting policies used in the preparation of these condensed interim financial statements are consistent with the 2021 audited annual consolidated financial statements.

Aston Bay Holdings Ltd.

Notes to the Condensed Interim Consolidated Financial Statements
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3. Exploration and Evaluation Expenses

The following is a summary of accumulated exploration and evaluation expenditures:

	Storm Copper and Seal Zinc	Blue Ridge Projects		Total
		Buckingham	Mountain	
Balance, March 31, 2021	\$ 12,326,023	\$ 1,407,128	\$ -	\$ 13,733,151
Expenditures	-	119,617	730,129	849,746
American West payment	(500,000)	-	-	(500,000)
Balance, December 31, 2021	\$ 11,826,023	\$ 1,526,745	\$ 730,129	\$ 14,082,897

Storm Copper and Seal Zinc Project

On May 3, 2021, the Company closed its option agreement transaction with American West Metals Limited (“AWML”), a private Australian company, and Tornado Metals Ltd. (“American West”), a wholly owned subsidiary of AWML, pursuant to which American West has an option to earn an 80% interest in the Storm Copper and Seal Zinc Project. In connection with the closing of the transaction, the Company received a payment of \$500,000 from American West.

Mountain Base Metals Project

On May 17, 2021 the Company entered into a Letter Agreement with a private landowner for key parcels of land as part of the Company’s exploration for base metals deposits in Campbell and Pittsylvania Counties in Central Virginia, USA. The property consists of 1,982 acres of private land located within an underexplored base metals belt with direct access to highway and rail transportation.

4. Related-Party Transactions and Balances

The Company’s related parties include the following:

Thomas Ullrich	Director and Officer
Jan-Erik Back	Director
Michael Dufresne	Director and Consultant
Jessie Liu-Ernsting	Director
Ian McPherson	Director
Dwight Walker	Officer

The Company entered into the following related party transactions during the nine-month period ended December 31, 2021:

- Salaries in the amount of \$112,500 (2020 - \$112,500) were reflected for Thomas Ullrich, the Company’s Chief Executive Officer. The amount of salaries payable at December 31, 2021 were \$52,604 (March 31, 2021 - \$nil).

Aston Bay Holdings Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

4. Related-Party Transactions and Balances - continued

- b) As at December 31, 2021, Mr. Ullrich had advanced \$470,000 (March 31, 2021 - \$295,000) to the Company. The loan is unsecured and repayable on demand. Interest is payable quarterly at 9% per annum and \$34,620 (March 31, 2021 - \$9,482) of quarterly interest payable has been credited to the loan balance. A further \$3,484 of interest was accrued at December 31, 2021 (March 31, 2021 - \$1,686).
- c) Fees in the amount of \$209,066 (2020 – \$32,398) were charged by APEX Geoscience Ltd., a mining and engineering firm of which Michael Dufresne is a principal and part owner. The fees are reflected in exploration and evaluation expenses. Amounts payable as at December 31, 2021 were \$52,236 (March 31, 2021 - \$8,220).
- c) Fees in the amount of \$60,000 (2020 - \$60,000) were charged by Target Financial Services Inc., a company controlled by Dwight Walker, for the services of Mr. Walker, who acts as Chief Financial Officer of the Company. The fees are reflected in consulting fees. The amounts payable to Target Financial Services Inc. at December 31, 2021 were \$67,800 (March 31, 2021 - \$30,133).

These transactions were in the normal course of business and were measured at the exchange amount. Unless otherwise noted, amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

5. Share Capital

Common Stock

Authorized share capital

The company is authorized to issue an unlimited number of common shares without par value.

Issued - The continuity of issued and outstanding shares is as follows:

	Number of Shares	Amount
Balance, March 31, 2021	163,975,094	\$ 18,860,958
Private placement	13,473,500	707,310
Share issuance costs	-	(40,633)
Balance, December 31, 2021	177,448,594	\$ 19,527,635

On December 23, 2021, the Company issued 13,473,500 units (comprised of one common share and one purchase warrant) at a price of \$0.06 per unit for gross proceeds of \$808,410. The non-brokered private placement included the issuance of 13,473,500 warrants (the “Warrants”) exercisable at \$0.12 per share valued at \$101,100 and exercisable until December 23, 2023. In connection with the financing, the Company paid aggregate cash finder’s fees of \$28,926, issued 482,100 finders’ warrants valued at \$3,600 on the same terms as the Warrants, and paid legal and regulatory fees of \$8,107.

Aston Bay Holdings Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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5. Share Capital - continued

Stock Options

The continuity of share purchase options is as follows:

	Number of Options	Weighted average exercise price
Outstanding, March 31, 2021	14,912,500	\$ 0.12
Expired	(400,000)	(0.20)
Forfeited	(1,080,000)	(0.12)
Outstanding, December 31, 2021	13,432,500	\$ 0.11

As at December 31, 2021, the following options were outstanding and exercisable:

Expiry Date	Average Remaining Contractual Life (in years)	Number of Options Outstanding	Number of Options Exercisable	Outstanding or Exercisable Exercise Price
February 1, 2023	1.1	730,000	730,000	0.20
May 18, 2023	1.4	1,027,500	1,027,500	0.40
January 27, 2024	2.1	400,000	400,000	0.20
December 8, 2024	2.9	1,050,000	1,050,000	0.15
January 22, 2026	4.1	3,575,000	3,575,000	0.10
March 10, 2027	5.2	3,150,000	3,150,000	0.06
March 10, 2028	6.2	3,500,000	1,500,000	0.05
	4.4	13,432,500	11,432,500	

The Company recognized \$71,700 (2020 - \$82,500) in stock-based compensation.

Aston Bay Holdings Ltd.

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5. Share Capital - continued

Warrants

The continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted average exercise price
Outstanding, March 31, 2021	35,233,860	\$ 0.12
Warrants issued	13,473,500	0.12
Finder warrants issued	482,100	0.12
Expired	(94,020)	(0.12)
Outstanding, December 31, 2021	49,095,440	\$ 0.12

As at December 31, 2021, the following warrants were outstanding and exercisable:

Expiry Date	Number of Warrants	Exercise Price
February 28, 2022	229,000	\$ 0.12
June 4, 2022	10,509,933	0.12
June 20, 2022	24,400,907	0.12
December 23, 2023	13,955,600	0.12
	49,095,440	

On December 23, 2021, the Company issued warrants and finder warrants to acquire a total of 13,955,600 common shares of the Company at an exercise price of \$0.12 per common share, exercisable until December 23, 2023. The warrants are subject to acceleration provisions. The aggregate fair value for these warrants of \$101,100, which includes the effect of the acceleration, was determined using the Black Scholes pricing model with the following assumptions: volatility of 150%; an expected life of 2 years, a dividend yield of 0%, and a risk-free interest rate of 0.94%. The share price at the time of the issuance was \$0.06.

On December 3, 2021, the Company received TSX Venture Exchange approval and extended the expiry date on two series of outstanding warrants. The expiry dates for 6,689,640 warrants with an original expiry date of December 20, 2021 and 17,711,267 warrants with an original expiry date of February 28, 2022 were both extended to June 20, 2022. The warrant extension was valued at \$158,000 using the Black-Scholes option-pricing model with the following assumptions: expected life of 0.5 years and 0.31 years, risk-free rate of 0.44%, expected dividend yield of 0%, and expected volatility of 150%. The share price at the time of the extension was \$0.06.

Aston Bay Holdings Ltd.

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6. Additional Cash Flow Information

The net change in non-cash working capital consists of the following:

	December 31, 2021	December 31, 2020
Sales tax recoverable	\$ (4,738)	\$ 2,628
Prepaid expenses	(8,513)	3,260
Accounts payable and accrued liabilities	188,540	(74,232)
	\$ 175,289	\$ (68,344)