

Aston Bay Holdings Ltd.

Condensed Interim Consolidated Financial Statements

Three Months ended June 30, 2017 and 2016

(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.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at	June 30, 2017	March 31, 2017
ASSETS		
Current Assets		
Cash and cash equivalents (<i>note 3</i>)	\$ 1,255,489	\$ 836,505
Receivable from project	-	586,820
Supplier advances	85,000	-
Sales tax recoverable	8,696	138,318
Accounts receivable	1,300	39,168
Prepaid expenses	45,482	18,413
Total current assets	1,395,967	1,619,224
Mineral properties and deferred exploration expenditures (<i>note 4</i>)	5,153,782	5,137,323
Total assets	\$ 6,549,749	\$ 6,756,547

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Accounts payable and accrued liabilities (<i>note 5</i>)	\$ 111,470	\$ 127,034
Total liabilities	111,470	127,034

Shareholders' equity

Share capital (<i>note 6</i>)	9,752,340	9,752,340
Contributed surplus	1,496,013	1,477,413
Deficit	(4,810,074)	(4,600,240)
Total shareholders' equity	6,438,279	6,629,513
Total liabilities and shareholders' equity	\$ 6,549,749	\$ 6,756,547

Going concern (*note 1*)

Subsequent events (*note 8*)

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

Approved by the Board

Signed:

"Benjamin Cox"

Director

"Jan-Eric Back"

Director

Aston Bay Holdings Ltd.

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Condensed Interim Consolidated Statements of Changes in Equity

For the three months ended June 30, 2017 and 2016

(Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus	Deficit	Total Shareholders' Equity
	Number of Shares	Amount			
Balance, March 31, 2016	54,772,589	\$ 7,781,380	\$ 1,080,091	\$ (3,092,040)	\$ 5,769,431
Exercise of warrants	50,000	10,423	(2,923)	-	7,500
Share issuance costs	-	(945)	-	-	(945)
Stock-based compensation	-	-	481,900	-	481,900
Loss and comprehensive loss for the period	-	-	-	(762,779)	(762,779)
Balance, June 30, 2016	54,822,589	\$ 7,790,858	\$ 1,559,068	\$ (3,854,819)	\$ 5,495,107
Issuance of common shares	4,000,000	1,800,000	-	-	1,800,000
Exercise of stock options	560,000	195,610	(83,610)	-	112,000
Exercise of warrants	140,000	52,345	(10,345)	-	42,000
Share issuance costs	-	(86,473)	-	-	(86,473)
Stock-based compensation	-	-	12,300	-	12,300
Loss and comprehensive loss for the period	-	-	-	(745,421)	(745,421)
Balance, March 31, 2017	59,522,589	\$ 9,752,340	\$ 1,477,413	\$ (4,600,240)	\$ 6,629,513
Stock-based compensation	-	-	18,600	-	18,600
Loss and comprehensive loss for the period	-	-	-	(209,834)	(209,834)
Balance, June 30, 2017	59,522,589	\$ 9,752,340	\$ 1,496,013	\$ (4,810,074)	\$ 6,438,279

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

Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Comprehensive Loss

For the three months ended June 30, 2017 and 2016

(Expressed in Canadian Dollars)

	2017	2016
Expenses		
Salaries (<i>note 5</i>)	\$ 76,133	\$ 11,300
Consulting fees (<i>note 5</i>)	32,284	96,975
Professional fees (<i>note 5</i>)	25,251	98,768
Marketing	9,574	25,695
Travel	24,066	26,736
Filing and agency fees	1,594	3,583
General and administrative expenses	22,332	17,822
Stock-based compensation (<i>note 6</i>)	18,600	481,900
	209,834	762,779
Loss and comprehensive loss	\$ (209,834)	\$ (762,779)
Loss per share - basic and diluted	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	59,522,589	54,800,062

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Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

For the three months ended June 30, 2017 and 2016

(Expressed in Canadian Dollars)

	2017	2016
Cash flow generated by (used in) operating activities		
Loss for the period	\$ (209,834)	\$ (762,779)
Items not affecting cash:		
Stock-based compensation	18,600	481,900
	(191,234)	(280,879)
Non-cash working capital items (<i>note 7</i>)	626,677	348,067
	435,443	67,188
Cash flow used in investment activities		
Mineral properties and deferred exploration expenditures	(16,459)	(1,246,693)
	(16,459)	(1,246,693)
Cash flow from financing activities		
Proceeds from project	-	3,562,902
Operator's fees received	-	33,940
Proceeds from the exercise of warrants	-	7,500
Share issuance costs	-	(945)
	-	3,603,397
Increase in cash and cash equivalents	418,984	2,423,892
Cash and cash equivalents, beginning of year	836,505	302,937
Cash and cash equivalents, end of period	\$ 1,255,489	\$ 2,726,829

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

Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended June 30, 2017 and 2016

(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 303, 80 Richmond Street West, Toronto, Ontario, M5H 2A4. The Company is engaged in copper and zinc exploration and development and is currently focused on advancing its Storm Copper and Seal Zinc project on Somerset Island, Nunavut, Canada.

For the three months ended June 30, 2017, the Company incurred a loss of \$209,834 and had an accumulated deficit of \$4,810,074 at June 30, 2017, and has yet to achieve revenue from operations. 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 August 23, 2017.

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 2017 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 2017 audited annual consolidated financial statements.

3. Cash and Cash Equivalents

The June 30, 2017 balance of cash and cash equivalents includes \$650,000 invested in a redeemable short-term investment certificate with a Canadian subsidiary of a major Canadian bank. The principal is guaranteed by the major Canadian bank and earns interest at 0.8% per annum, payable on redemption. The principal is redeemable upon request.

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Notes to the Condensed Interim Consolidated Financial Statements

Three months ended June 30, 2017 and 2016

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4. Mineral Properties and Deferred Exploration Expenditures

Mineral properties and deferred exploration expenditures consist of:

Storm Copper and Seal Zinc Project

Balance, March 31, 2016	\$ 5,603,248
Exploration and evaluation expenditures	5,286,961
Project funding under Option Agreement with BHP Billiton	(5,053,802)
Operator's fees earned	(374,084)
Payment received from BHP Billiton on closing of Option Agreement	(325,000)
Balance, March 31, 2017	\$ 5,137,323
Exploration and evaluation expenses	16,459
Balance, June 30, 2017	\$ 5,153,782

The Storm Copper and Seal Zinc Project (the "Project") consists of 133 contiguous mining claims and 12 prospecting permits covering an area of approximately 374,000 hectares on Somerset Island, Nunavut, Canada. The Company has a 100% ownership interest in the property, subject to a 0.875% Gross Overriding Royalty held by Commander Resources Ltd. on a portion of the property.

During the prior year, the Company advanced the Project in conjunction with a Canadian subsidiary of BHP Billiton ("BHP Billiton") under the terms of an option agreement (the "Option Agreement") signed on May 27, 2016. The Option Agreement was terminated on January 19, 2017.

The Company continues to actively advance the Project. The 2017 summer exploration program, which began in July 2017 subsequent to the period end, is planned to include a two-week field exploration program and a property-wide geophysical program comprised of a property-wide Falcon Plus Airborne Gravity Gradiometry survey conducted by CGG Multi-Physics.

5. Related-Party Transactions and Balances

The Company's related parties include the following:

Benjamin Cox	Director and Officer
Thomas Ullrich	Director and Officer
Jan-Erik Back	Director
Clifford Boychuk	Director
Michael Dufresne	Director and Consultant
Ian McPherson	Director
John Hayes	Advisory Board Member
Joel Schneyer	Advisory Board Member
Dwight Walker	Officer
Iris Cox	Employee and spouse of Benjamin Cox

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5. Related-Party Transactions and Balances - continued

The Company entered into the following related-party transactions during the period:

- a) During the three months ended June 30, 2017, salaries in the amount of \$26,250 (2016 - \$nil) were paid to Benjamin Cox, the Company's Executive Chairman since November 28, 2016. The balance of accrued salaries earned to March 31, 2017 of \$35,000 was also paid in the period. In the prior three-month period ended June 30, 2016, Mr. Cox served as the Company's Chief Executive Officer and, pursuant to an executive services agreement with Benjamin Cox and Associates, the Company was charged \$30,926 for consulting services provided by Benjamin Cox.
- b) In the prior three-month period ended June 30, 2016, the Company was charged \$46,496 in fees for consulting services provided by Oren Inc., a company majority owned by Benjamin Cox. The agreement with Oren Inc. was terminated on October 31, 2017 and amounts payable at March 31, 2017 were \$nil.
- c) During the three months ended June 30, 2017, salaries in the amount of \$37,500 (2016 - \$27,500) were paid to Thomas Ullrich, the Company's Chief Executive Officer. The salaries were recorded as follows: \$9,023 - deferred exploration expenditures; \$28,477 - salaries expense.
- d) Fees in the amount of \$5,897 (2016 - \$48,326) were charged by APEX Geoscience Ltd., a mining and engineering firm controlled by Michael Dufresne. \$186 of these fees have been capitalized in mineral properties and deferred exploration expenditures and \$5,711 have been expensed. Amounts payable as at June 30, 2017 were \$5,117 (March 31, 2017 - \$430).
- e) Fees in the amount of \$12,500 (2016 - \$6,250) were charged by Target Financial Services Inc., a company controlled by Dwight Walker, for the services of Mr. Walker, who has acted as Chief Financial Officer of the Company since May 18, 2016. The fees are reflected in consulting fees. The amounts payable to Target Financial Services Inc. at June 30, 2017 were \$nil (March 31, 2017 - \$nil).
- f) During the three months ended June 30, 2017 salaries in the amount of \$16,250 (2016 - \$nil) were paid to Iris Cox, the Company's in-house legal counsel. In the prior three-month period ended June 30, 2016, Ms. Cox charged legal fees in the amount of \$24,624, which were reflected in professional fees.

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

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6. Share Capital

Common Stock

There were no changes during the period to common stock.

Stock Options

There were no changes during the period to stock options.

As at June 30, 2017, the following options were outstanding and exercisable:

Expiry Date	Average Remaining Contractual Life (in years)	Number of Options Outstanding	Number of Options Exercisable	Exercise Price
August 30, 2020	3.2	1,420,000	1,420,000	\$ 0.20
October 20, 2020	3.3	125,000	125,000	0.15
October 27, 2021	4.3	475,000	475,000	0.20
February 1, 2023	5.6	1,040,000	1,040,000	0.20
May 18, 2023	5.9	1,400,000	1,400,000	0.40
January 27, 2024	6.6	500,000	-	0.20
	4.9	4,960,000	4,460,000	

The Company recognized \$18,600 (2016 - \$481,900) in stock-based compensation.

Warrants

There were no changes during the period to warrants.

As at June 30, 2017, the following warrants were outstanding and exercisable:

Expiry Date	Number of Warrants	Exercise Price
January 13, 2018	2,507,500	\$ 0.15

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7. Additional Cash Flow Information

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

	June 30, 2017	June 30, 2016
Receivable from project	\$ 586,820	\$ (143,188)
Supplier advances	(85,000)	(227,000)
Sales tax recoverable	129,622	19,876
Accounts receivable	37,868	16,628
Prepaid expenses	(27,069)	202,821
Accounts payable and accrued liabilities	(15,564)	362,508
Tax payable	-	116,422
	\$ 626,677	\$ 348,067

8. Subsequent Events

Financing Activities

On July 7 and 17, 2017, the Company closed the first and second tranches of a brokered and non-brokered private placement offering (the "Offering") for total gross proceeds of \$2,227,846. The Company issued 10,014,200 Units at a price of \$0.13 per Unit and 5,787,500 flow-through shares at a price of \$0.16 per flow-through share. Each Unit comprises one common share and one-half of one common share purchase warrant, with each whole warrant being exercisable at \$0.18 for a period of 18 months after the date of issuance.

Aggregate cash broker's fees and finder's fees of \$120,351 were paid by Aston Bay to various arms' length parties, in addition to an aggregate of 849,102 broker's warrants and finder's warrants issued (having the same attributes as the warrants underlying the Units), under agreements with the arms' length parties in connection with certain subscriptions under the Offering.

The proceeds of the Offering are being utilised to conduct the 2017 summer exploration program and for general corporate purposes.