

Aston Bay Holdings Ltd.
Condensed Interim Consolidated Financial Statements
Six Months ended September 30, 2019 and 2018
(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 | September 30, 2019 | March 31, 2019 |
|--|-----------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 40,834 | \$ 345,259 |
| Accounts receivable | - | 109,154 |
| Sales tax recoverable | 11,870 | 15,055 |
| Prepaid expenses | 27,099 | 34,915 |
| Total current assets | 79,803 | 504,383 |
| Mineral properties and deferred exploration expenditures (note 3) | 12,826,062 | 12,488,405 |
| Equipment | 166,667 | 166,667 |
| Total assets | \$ 13,072,532 | \$ 13,159,455 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (note 4) | \$ 432,203 | \$ 178,464 |
| Shareholders' equity | | |
| Share capital (note 5) | 17,170,238 | 17,170,238 |
| Contributed surplus | 3,193,462 | 3,130,462 |
| Deficit | (7,723,371) | (7,319,709) |
| Total shareholders' equity | 12,640,329 | 12,980,991 |
| Total liabilities and shareholders' equity | \$ 13,072,532 | \$ 13,159,455 |

Going concern (note 1)

Commitments (note 3)

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.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Equity

For the six months ended September 30, 2019 and 2018

(Expressed in Canadian Dollars)

| | Share Capital | | Contributed Surplus | Deficit | Total Shareholders' Equity |
|--|---------------------|----------------------|------------------------|-----------------------|----------------------------------|
| | Number of Shares | Amount | | | |
| Balance, March 31, 2018 | 104,814,611 | \$ 14,429,585 | \$ 2,921,262 | \$ (5,393,586) | \$ 11,957,261 |
| Issuance of flow-through shares | 12,756,250 | 2,041,000 | - | - | 2,041,000 |
| Share issuance costs | - | (134,722) | - | - | (134,722) |
| Stock-based compensation | - | - | 62,400 | - | 62,400 |
| Loss and comprehensive loss for the period | - | - | - | (402,017) | (402,017) |
| Balance, September 30, 2018 | 117,570,861 | \$ 16,335,863 | \$ 2,983,662 | \$ (5,795,603) | \$ 13,523,922 |
| Balance, March 31, 2019 | 129,570,854 | \$ 17,170,238 | \$ 3,130,462 | \$ (7,319,709) | \$ 12,980,991 |
| Stock-based compensation | - | - | 63,000 | - | 63,000 |
| Loss and comprehensive loss for the period | - | - | - | (403,662) | (403,662) |
| Balance, September 30, 2019 | 129,570,854 | \$ 17,170,238 | \$ 3,193,462 | \$ (7,723,371) | \$ 12,640,329 |

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 six months ended September 30, 2019 and 2018

(Expressed in Canadian Dollars)

| | Three Months | | Six Months | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Expenses | | | | |
| Salaries (<i>note 4</i>) | \$ 60,194 | \$ 57,351 | \$ 106,271 | \$ 118,872 |
| Consulting fees (<i>note 4</i>) | 20,000 | 48,210 | 40,500 | 65,710 |
| Professional fees | 10,745 | 7,500 | 15,745 | 13,559 |
| Marketing | 34,861 | 64,167 | 99,620 | 112,809 |
| Travel | 6,541 | 22,383 | 21,422 | 45,371 |
| Filing and agency fees | 20,879 | 21,943 | 23,481 | 30,394 |
| General and administrative expenses | 19,989 | 10,647 | 33,591 | 27,656 |
| Foreign exchange | 2,798 | 370 | 49 | 452 |
| Stock-based compensation (<i>note 5</i>) | 31,500 | 31,200 | 63,000 | 62,400 |
| Loss before other items | (207,507) | (263,771) | (403,679) | (477,223) |
| Other items | | | | |
| Interest income | (2) | (5,442) | (17) | (11,450) |
| Premium on flow-through shares income | - | - | - | (63,756) |
| | (2) | (5,442) | (17) | (75,206) |
| Loss and comprehensive loss | \$ (207,505) | \$ (258,329) | \$ (403,662) | \$ (402,017) |
| Loss per share | | | | |
| - basic and diluted | \$ (0.00) | \$ (0.00) | \$ (0.00) | \$ (0.00) |
| Weighted average number of common shares outstanding | 129,570,854 | 117,570,861 | 129,570,854 | 110,336,495 |
| - basic and diluted | | | | |

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 Cash Flows

For the six months ended September 30, 2019 and 2018

(Expressed in Canadian Dollars)

| | 2019 | 2018 |
|--|------------------|---------------------|
| Cash flow generated by (used in) operating activities | | |
| Loss for the period | \$ (403,662) | \$ (402,017) |
| Items not affecting cash: | | |
| Deferred premium on flow through shares | - | (63,756) |
| Stock-based compensation | 63,000 | 62,400 |
| | (340,662) | (403,373) |
| Non-cash working capital items <i>(note 6)</i> | 373,894 | 482,240 |
| | 33,232 | 78,867 |
| Cash flow used in investment activities | | |
| Mineral properties and deferred exploration expenditures | (337,657) | (4,727,684) |
| Equipment acquisition | - | (250,000) |
| | (337,657) | (4,977,684) |
| Cash flow from financing activities | | |
| Proceeds from issuance of units | - | 390,250 |
| Proceeds from issuance of flow through shares | - | 2,060,600 |
| Share issuance costs | - | (134,722) |
| | - | 2,316,128 |
| Decrease in cash | (304,425) | (2,582,689) |
| Cash, beginning of year | 345,259 | 4,079,151 |
| Cash, end of period | \$ 40,834 | \$ 1,496,462 |

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

Six months ended September 30, 2019 and 2018

(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 six months ended September 30, 2019, the Company incurred a loss of \$403,662 and had an accumulated deficit of \$7,723,371 at September 30, 2019 and has yet to achieve revenue from operations. At September 30, 2019, the Company had a working capital deficit of \$352,400. 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 November 28, 2019.

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 2019 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 2019 audited annual consolidated financial statements.

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(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Six months ended September 30, 2019 and 2018

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3. Mineral Properties and Deferred Exploration Expenditures

Mineral properties and deferred exploration expenditures consist of:

| | Storm Copper and Seal Zinc | Blue Ridge | Total |
|---|-------------------------------|-------------------|----------------------|
| Balance, March 31, 2019 | \$ 12,449,317 | \$ 39,088 | \$ 12,488,405 |
| Exploration and evaluation expenditures | 33,418 | 306,710 | 340,128 |
| Property maintenance | (36,797) | 34,326 | (2,471) |
| Balance, September 30, 2019 | \$ 12,445,938 | \$ 380,124 | \$ 12,826,062 |

On August 23, 2019, the Company entered into a definitive agreement with a North American timber company which grants Aston Bay an exclusive option to lease the mineral rights to 10,985 acres (4,445 hectares) of land located in Central Virginia, USA within its Blue Ridge project area. The agreement is for a three-year term. Pursuant to the terms and conditions of the agreement, the Company is required to pay minimum annual option payments and incur minimum annual expenditures totalling as follows:

| | US\$ |
|--|---------|
| Commitment (August 23, 2019 – August 22, 2020) | 200,000 |
| Commitment (August 23, 2020 – August 22, 2021) | 300,000 |
| Commitment (August 23, 2021 – August 22, 2022) | 450,000 |

4. Related-Party Transactions and Balances

The Company's related parties include the following:

| | |
|------------------|-------------------------|
| Thomas Ullrich | Director and Officer |
| Jan-Erik Back | Director |
| Clifford Boychuk | Director |
| Michael Dufresne | Director and Consultant |
| Ian McPherson | Director |
| Dwight Walker | Officer |

The Company entered into the following related party transactions during the six-month period ended September 30, 2019:

- Salaries in the amount of \$75,000 (2018 - \$75,000) were paid to Thomas Ullrich, the Company's Chief Executive Officer. The salaries were recorded as follows: \$16,100 - deferred exploration expenditures; \$58,900 – salaries expense.
- Fees in the amount of \$77,389 (2018 – \$225,788) were charged by APEX Geoscience Ltd., a mining and engineering firm controlled by Michael Dufresne. The fees have been capitalized in mineral properties and deferred exploration expenditures. Amounts payable as at September 30, 2019 were \$48,648 (March 31, 2019 - \$1,880).

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4. Related-Party Transactions and Balances - continued

- c) Fees in the amount of \$40,000 (2018 - \$25,000) 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 September 30, 2019 were \$37,667 (March 31, 2019 - \$7,533).

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.

5. Share Capital

Common Stock

Authorized - Unlimited number of common shares without par value.

Issued shares

There were no changes to issued and outstanding common shares during the period.

Stock Options

There was no change during the period in share purchase options outstanding.

As at September 30, 2019, 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 Price |
|--------------------|--|--------------------------------------|--------------------------------------|---|
| August 30, 2020 | 0.9 | 1,395,000 | 1,395,000 | \$ 0.20 |
| October 27, 2021 | 2.1 | 450,000 | 450,000 | 0.20 |
| February 1, 2023 | 3.3 | 915,000 | 915,000 | 0.20 |
| May 18, 2023 | 3.6 | 1,257,500 | 1,257,500 | 0.40 |
| January 27, 2024 | 4.3 | 500,000 | 500,000 | 0.20 |
| December 8, 2024 | 5.2 | 1,050,000 | 1,050,000 | 0.15 |
| January 22, 2026 | 6.3 | 4,025,000 | 1,800,000 | 0.10 |
| | 4.5 | 9,592,500 | 7,367,500 | |

The Company recognized \$63,000 (2018 - \$62,400) in stock-based compensation.

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5. Share Capital - continued

Warrants

There were no changes during the period to warrants.

As at September 30, 2019, the following warrants were outstanding and exercisable:

| Expiry Date | Number of Warrants | Exercise Price |
|--------------------|---------------------------|-----------------------|
| March 1, 2020 | 5,307,040 | 0.20 |
| March 29, 2020 | 6,938,156 | 0.20 |
| | 12,245,196 | |

6. Additional Cash Flow Information

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

| | September 30, 2019 | September 30, 2018 |
|--|-------------------------------|-----------------------|
| Accounts receivable | \$ 109,154 | \$ (6,000) |
| Sales tax recoverable | 3,185 | (120,879) |
| Prepaid expenses | 7,816 | (91,664) |
| Accounts payable and accrued liabilities | 253,739 | 700,783 |
| | \$ 373,894 | \$ 482,240 |