

# Aston Bay Holdings Ltd.

Interim MD&A – Quarterly Highlights  
Nine Months Ended December 31, 2019

---

## Introduction

This Interim Management Discussion and Analysis – Quarterly Highlights (“MD&A”) has been prepared to provide material updates to the business operations and financial condition of Aston Bay Holdings Ltd. (“Aston Bay” or the “Company”) since its last annual management discussion and analysis, being the Management Discussion & Analysis (the “Annual MD&A”) for the fiscal year ended March 31, 2019. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, the audited annual consolidated financial statements of the Company for the years ended March 31, 2019 and 2018, and the unaudited condensed interim consolidated financial statements for the nine months ended December 31, 2019 and the related notes thereto. All reported amounts are stated in Canadian Dollars unless otherwise indicated. The information contained herein is presented as at February 28, 2019, unless otherwise indicated.

## Description of Business

Aston Bay is a mineral exploration and development company involved in the acquisition and exploration of mineral properties located in North America. Currently, the Company is focused on the Storm Copper and Seal Zinc Project located on Somerset Island, Nunavut, Canada (the “Nunavut Property”) and on its Blue Ridge Project in central Virginia, USA. The Company is exploring copper and zinc prospects on the Nunavut Property and gold prospects on its Buckingham Gold Property, a part of the Blue Ridge Project.

## Discussion of Operations

### Exploration Activities

In April 2019, the Company conducted a drilling program at its Buckingham Gold Property within the Blue Ridge Mining Project area located in central Virginia, USA. Six large diameter (HQ) diamond drill holes totaling 878 metres (“m”) were completed with the results presented in Table 1 below. Drill hole locations with significant gold intercepts are illustrated in Figure 1; a longitudinal cross section is presented in Figure 2.

All six drill holes intersected significant near-surface gold mineralization, either in quartz veins or in wider zones of sericite-quartz-pyrite alteration, both interpreted to represent a mineralized zone dipping steeply from the surface. This outcropping zone sits within a much larger gold-in-soil anomaly, suggesting the potential for a much larger system concealed under cover.

The drilling targeted an area in which visible gold had been identified and sampled, followed by limited but successful drilling completed by a previous owner. That previous program consisted of three holes on the Buckingham Property, all of which intersected significant gold, including 15.57 g/t Au over 4.1m and 11.69 g/t Au over 3.1m. In addition to gold-bearing quartz veining, the previous drilling intersected a zone of sericite-pyrite alteration yielding 0.4 g/t Au over 24m including 0.71 g/t Au over 13.72m (all historic intercepts are core intervals, i.e., not true width; see March 4, 2019 Aston Bay press release).

The Aston Bay drill program was designed to test along strike and down dip from the northwest-southeast trending area of boulders and sub-crop of quartz veining, as well as test for zones of gold-bearing alteration.

# Aston Bay Holdings Ltd.

Interim MD&A – Quarterly Highlights  
 Nine Months Ended December 31, 2019

**Table 1. 2019 Buckingham Project Drilling Summary with Significant Gold Intercepts**

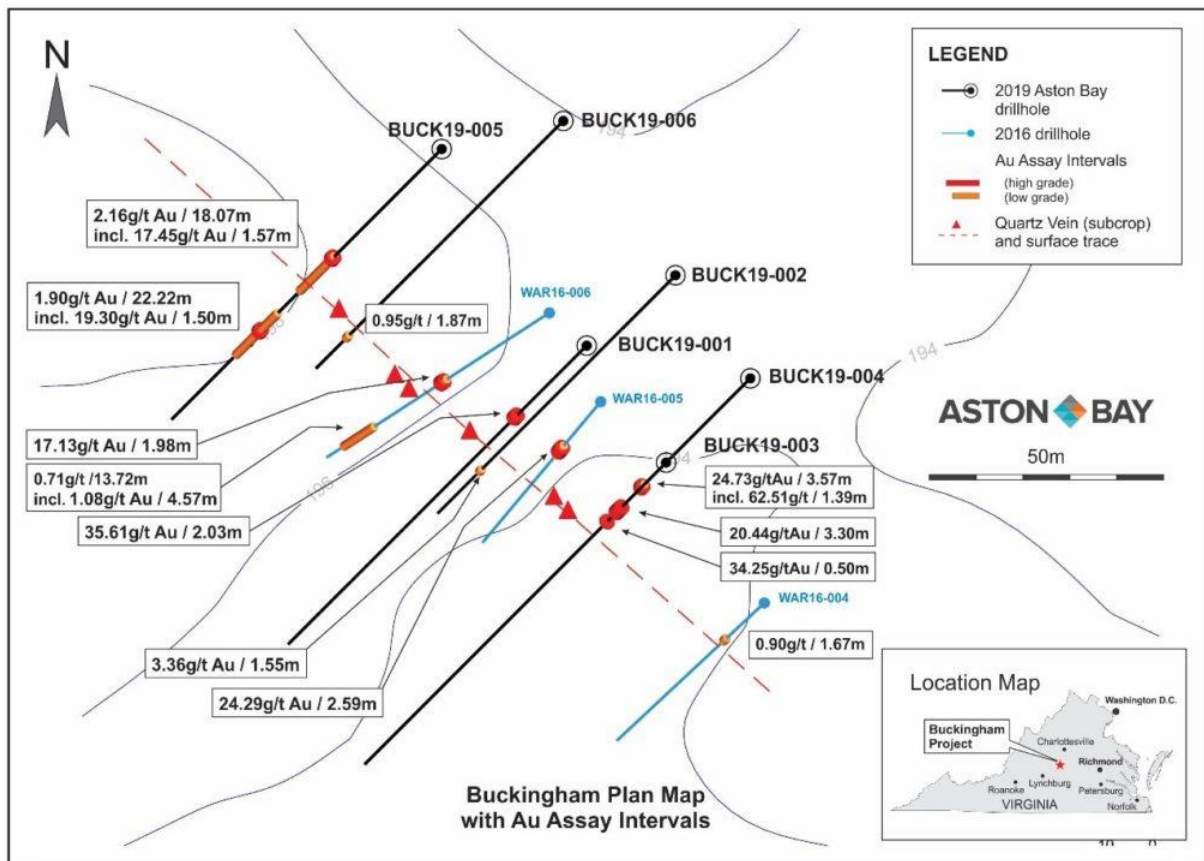
Drill Hole	From (m)	To (m)	Interval Length (m)	Estimated True Width (m)*	Au (g/t)
<b>BUCK19-001</b>	36.40	38.43	2.03	1.62	<b>35.61</b>
<b>BUCK19-002</b>	89.50	122.50	<b>33.00</b>	<b>26.35</b>	<b>0.36</b>
including	102.00	103.55	<b>1.55</b>	<b>1.24</b>	<b>3.36</b>
<b>BUCK19-003</b>	23.20	26.50	3.30	2.64	<b>20.44</b>
and	30.90	31.40	0.50	0.40	<b>34.25</b>
<b>BUCK19-004</b>	55.73	59.30	3.57	2.85	<b>24.73</b>
including	56.51	57.90	1.39	1.11	<b>62.51</b>
<b>BUCK19-005</b>	56.73	74.80	<b>18.07</b>	<b>14.43</b>	<b>2.16</b>
including	56.73	62.50	<b>5.77</b>	<b>4.61</b>	<b>5.46</b>
including	56.73	58.30	<b>1.57</b>	<b>1.25</b>	<b>17.45</b>
and	86.28	108.50	<b>22.22</b>	<b>17.75</b>	<b>1.90</b>
including	95.00	101.50	<b>6.50</b>	<b>5.19</b>	<b>5.19</b>
including	95.00	96.50	<b>1.50</b>	<b>1.20</b>	<b>19.30</b>
<b>BUCK19-006</b>	112.70	114.57	<b>1.87</b>	<b>1.49</b>	<b>0.95</b>

\*\*

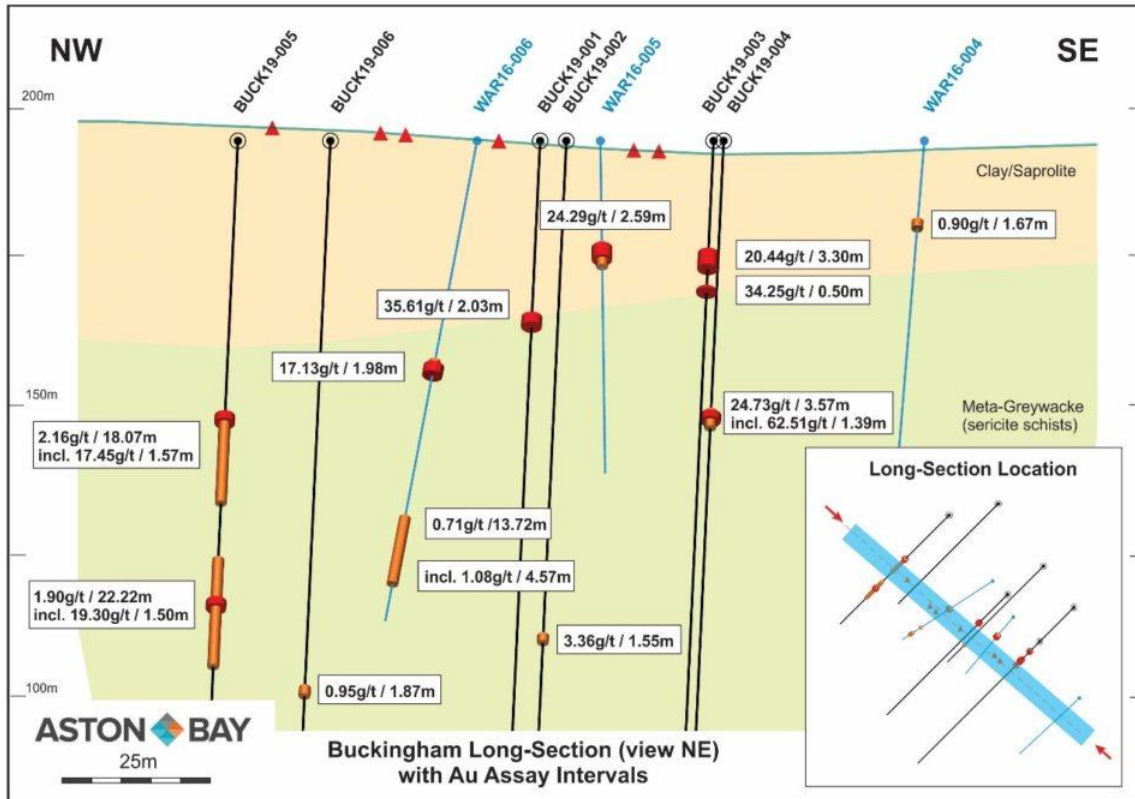
(\* assuming a 72° NE dip on the quartz vein, the true width is 80%)

(\*\* includes 2.18m of low-grade shoulder material averaging 0.83g/t Au)

**Figure 1:** Drill hole locations with significant gold intercepts, Buckingham Gold Project, Virginia.



**Figure 2:** Longitudinal cross section with significant gold intercepts, Buckingham Gold Project, Virginia. Red triangles represent subcropping surface quartz vein containing visible gold. View looking northeast.



## Aston Bay Holdings Ltd.

Interim MD&A – Quarterly Highlights  
Nine Months Ended December 31, 2019

---

Commencing in late August 2019 the Company conducted an initial soil sampling and prospecting program at the Buckingham Gold Property. This was the first soil sampling program conducted on the property, expanding from known sub-cropping quartz containing visible gold that has yielded up to 701 g/t Au (20.4 ounces Au per short ton) in surface grab samples.

The program comprised of orientation geochemical surveys over the area of outcropping gold-bearing quartz mineralization, including both soil and rock chip sampling. A total of 1,203 soil samples were collected at a sample spacing of 25m to 50m along lines separated by 100m to 500m. Approximately 31 linear kilometres of sample lines were sampled covering a total area of approximately 8.5km<sup>2</sup>. Locally, samples were collected on 12.5m spacing in the area of the known mineralized quartz vein.

Analytical results are expected in early March followed by further field work to extend the sampled area and to follow up on anomalies resulting from this initial phase of sampling.

Prospecting efforts in the course of soil sampling discovered a significant zone of float and outcropping quartz veins located approximately 3km ENE of the gold-bearing Buckingham vein drilled in this year's drilling program. These newly discovered quartz veins range from float blocks to outcrop. The veins commonly comprise white to grey crystalline quartz, are massive to strongly fractured, and contain trace to 1% sulfides (chalcopyrite and pyrite) as disseminations and stringers. Furthermore, moderately to strongly oxidized brown to red oxide coatings occur locally, characteristic of the main Buckingham quartz vein. The newly discovered quartz vein float and outcrops occur along a nearly 500m long trend.

Visible particulate (placer) gold grains were also recovered from adjacent streams in hand-panned alluvial gravels. These are the first rock, stream and soil samples collected in this new area.

As part of ongoing work, a mapping and structural analysis was conducted across the property in December by Mr. John C. Spurney, a highly experienced field-oriented exploration geologist. This work will be integrated with results of soil sampling and planned induced polarization geophysics for the purposes of drill hole targeting for a proposed early 2020 drill program.

### Property Expansion

In September 2019 the Company signed a definitive agreement with a North American timber company ("the Lessor") which granted Aston Bay an exclusive option to lease the mineral rights to 10,985 acres (4,445 hectares) of land located in Central Virginia, USA. The agreement formalized the Letter of Intent signed between both parties in January 2019. Aston Bay believes these lands are highly prospective for gold and base metals mineralization.

Approximately 4,873 acres (1,972 hectares) of the lands included in the agreement surround the Buckingham Gold Property. The Buckingham Property and the 4,873 acres of newly acquired land lie within a significant regional gold-in-stream anomaly that is approximately 9.5 miles (15 kilometres) in length defined by placer gold in pan concentrates from 75 stream samples. Only a portion of this trend has received any known modern exploration. Where a third of the anomaly (2.8 miles or 4.5 kilometres in strike length) has been covered with 13 recent soil geochemistry lines, each line yielded one or multiple Au anomalies.

Under the terms of the agreement, Aston Bay will make annual lease payments and commit to minimum annual expenditures for exploring the lands over the three-year term of the agreement. The agreement also contains provisions outlining the terms for Aston Bay to enter into mineral lease agreements on lands it intends to develop.

To date two exploration agreements have been signed with timber and land companies which grants the company the option to lease the mineral rights to a total of 11,065 acres (4,478 hectares) of land in Virginia. These parcels of land have been selected by Don Taylor, Advisor to Aston Bay, in conjunction

## Aston Bay Holdings Ltd.

Interim MD&A – Quarterly Highlights  
Nine Months Ended December 31, 2019

---

with the Company's technical team to focus on three styles of mineralization in three geographic areas of Virginia:

- Buckingham Gold Property: 4,953 acres surrounding the recent discovery of gold in quartz veins and disseminated gold mineralization associated with sericite-quartz-pyrite alteration, where recent drilling by Aston Bay has intersected significant gold mineralization, including 35.61 g/t Au over 2.03m and 24.73 g/t Au over 3.57m including 62.51 g/t Au over 1.39m core length;
- Virginia Gold Belt Properties: 4,399 acres surrounding historic gold production in the Virginia Gold-Pyrite Belt representing significant along strike and down-dip brownfields gold exploration potential; and,
- Polymetallic Au-Cu-Zn Properties: 1,713 acres surrounding a recently discovered trend of polymetallic VMS and/or SEDEX-BHT-style mineralization.

Locations of the three proposed work areas are presented in Figure 3.

**Figure 3:** Location of proposed work areas in Virginia, USA.



### Outlook

#### *Storm Copper and Seal Zinc Project*

The Company is encouraged by the discovery, during its 2018 drill program, of zinc mineralisation coincident with Polaris-type pseudobreccia that is spatially associated with a gravity anomaly at Seal South. Multiple anomalies remain untested here, in the vicinity of the Seal deposit and to the north.

The Company believes that the results demonstrate that we now better recognize the signatures of both copper and zinc mineralization in our data; results at Storm will provide impetus for continued improvement of geophysical modeling, and refinement of drill targets for the next program. In particular, the Company is investigating the potential that some of the large gravity anomalies delineated by the initial CGG geophysical processing may in fact be within a depth that can be reached economically with

## **Aston Bay Holdings Ltd.**

Interim MD&A – Quarterly Highlights  
Nine Months Ended December 31, 2019

---

the drill. These anomalies correspond well to both the known geology and the conceptual geologic model, making them large, compelling targets for potential follow-up drilling.

Preparations for a follow-up exploration drill program have been made: both diamond drill rigs used in the program are stored at site, tents and structures at the exploration camp remain in place and drilling salt has been delivered by sea lift to Resolute Bay.

### *Blue Ridge Project*

The Buckingham Gold Property hosts sub-cropping quartz veins containing visible gold that have yielded up to 701 g/t Au (20.4 ounces Au per short ton) in surface grab samples. Recent drilling by Aston Bay intersected significant gold mineralization in quartz veins. Broad zones of gold mineralization associated with sericite-quartz-pyrite alteration were intersected as well:

The gold-bearing system is hosted within a package of interpreted Cambrian-age sediments, including greywackes with minor quartz-arenites (phyllite, schist and quartzites), within the Appalachian orogenic belt. This region is the site of the historically prolific Pyrite Belt which hosted a reported 250 gold mines that were in production prior to the California gold rush of 1849 but has seen little recent mineral exploration. Small scale and significant gold production has occurred historically throughout North and South Carolina as well as Virginia. A notable example of a rejuvenated historic producer in the region is Oceana Gold's Haile Mine located in South Carolina where commercial production began in 2017 and is scheduled to produce up to 150,000 ounces of gold per year.

A 2000m diamond drill core program is planned for the Buckingham Gold Property. Drills were anticipated to mobilize to site on February 28, 2020 to begin drilling.

The Company also plans to expand on the current results with ongoing detailed soil sampling program and IP geophysics designed to inform targeting for subsequent drill programs.

### **Liquidity and Capital Resources**

The Company generates cash primarily through financing activities. During the nine-month period ended December 31, 2019, the Company raised gross proceeds of \$401,378 in a non-brokered unit financing. At December 31, 2019, the Company had cash of \$134,248 and a working deficit of \$400,139.

Subsequent to the period end, the Company closed a first tranche of a non-brokered private placement, issuing 17,711,267 units at a price of \$0.06 per unit, for aggregate gross proceeds of \$1,062,676. The closing is subject to final acceptance of the TSX Venture Exchange. Each unit consists of one common share of the Company and one full warrant entitling the holder to acquire an additional common share of the Company at an exercise price of \$0.12 per warrant until February 28, 2022.

As at the date of this MD&A, the Company does not have any material outstanding commitments beyond the those outlined in the interim consolidated financial statements for the nine months ended December 31, 2019.

The Company has initiated a financing that, if completed, will enable it to conduct a follow-up drill program at its Buckingham Gold Property. The Company is involved in early stage exploration and data analysis. It has no current sources of revenue and does not anticipate receiving revenue in the foreseeable future. It is highly likely that it will continue to depend on equity financings in the future. The availability of future funding will depend on factors that include market conditions and the Company's exploration results.

# **Aston Bay Holdings Ltd.**

Interim MD&A – Quarterly Highlights

Nine Months Ended December 31, 2019

---

## **Related-Party Transactions**

Related-party transactions are detailed in Note 4 to the unaudited condensed interim consolidated financial statements for the nine months ended December 31, 2019. These transactions are for the provision of services to the Company by officers and directors of the Company, or parties related to those individuals through which services were provided. The transactions were in the normal course of business and were measured at the exchange value.

## **Risks and Uncertainties**

The Company's principal activity is mineral exploration. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, discovery, environmental, metal prices, political and economic.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant source of operating cash flow and no revenues from operations. None of the Company's mineral properties currently have reserves. The Company has limited financial resources. Substantial expenditures will be required to be made by the Company in order to establish ore reserves, which is not a guaranteed outcome.

The property interests owned by the Company are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. Exploration of the Company's mineral exploration may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company may be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

The Company currently has a working capital deficit and incurs significant expenses on an on-going basis by virtue of being a public company, and this represents a significant risk factor. The Company will therefore require additional financing to carry on its business, and such financing may not be available when it is needed.

## **Forward-Looking Statements & Cautionary Factors that may Affect Future Results**

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements. 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. Historical results of operations and trends that



## **Aston Bay Holdings Ltd.**

Interim MD&A – Quarterly Highlights  
Nine Months Ended December 31, 2019

---

may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

### **Qualified Person**

The content of the section of this MD&A entitled “Discussion of Operations” has been approved by Michael Dufresne, M.Sc., P.Ge., who is a Qualified Person as defined by NI 43-101 and a Director of and Consultant to Aston Bay.

### **Additional Information**

Additional information relating to the Company is available on the SEDAR website, [www.sedar.com](http://www.sedar.com).