Aston Bay Holdings Ltd.

Consolidated Financial Statements

Years ended March 31, 2020 and 2019

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Aston Bay Holdings Ltd.:

Opinion

We have audited the consolidated financial statements of Aston Bay Holdings Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2020 and March 31, 2019, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2020 and March 31, 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $925,768 during the year ended March 31, 2020 and, as of that date, the Company's accumulated deficit was $8,245,477. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Andrew Kevin Spidle.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

July 28, 2020 — Licensed Public Accountants

MNP

Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at		**March 31, 2020**		March 31, 2019
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**315,713**	$	345,259
Share subscriptions receivable *(note 7(ii))*		**20,000**		-
Accounts receivable		**-**		109,154
Sales tax recoverable		**12,435**		15,055
Prepaid expenses		**22,042**		34,915
Total current assets		**370,190**		504,383
Mineral properties and deferred exploration expenditures *(notes 4 and 6)*		**13,513,629**		12,488,405
Equipment *(note 5)*		**166,667**		166,667
Total assets	**$**	**14,050,486**	$	13,159,455
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities *(note 6)*	**$**	**345,131**	$	178,464
Shareholders' equity				
Share capital *(note 7)*		**18,396,538**		17,170,238
Contributed surplus		**3,508,462**		3,130,462
Accumulated other comprehensive income		**45,832**		-
Deficit		**(8,245,477)**		(7,319,709)
Total shareholders' equity		**13,705,355**		12,980,991
Total liabilities and shareholders' equity	**$**	**14,050,486**	$	13,159,455

Going concern *(note 1)*
Subsequent event (*note 13*)

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)
Consolidated Statements of Changes in Equity
Years ended March 31, 2020 and 2019
(Expressed in Canadian Dollars)

	Share Capital					
	Number of Shares	**Amount**	**Contributed Surplus**	**Accumulated Other Comprehensive Loss**	**Deficit**	**Total Shareholders Equity**
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
Issuance of shares in exchange for JFE shares	11,999,993	840,000	-	-	-	840,000
Share issuance costs	-	(140,347)	-	-	-	(140,347)
Stock-based compensation	-	-	209,200	-	-	209,200
Loss and comprehensive loss for the year	-	-	-	-	(1,926,123)	(1,926,123)
Balance, March 31, 2019	**129,570,854**	**$ 17,170,238**	**$ 3,130,462**	**$ -**	**$ (7,319,709)**	**$ 12,980,991**
Issuance of units	24,400,907	1,464,054	-	-	-	1,464,054
Share issuance costs	-	(40,854)	-	-	-	(40,854)
Issuance of warrants	-	(196,900)	196,900	-	-	-
Stock-based compensation	-	-	181,100	-	-	181,100
Loss for the year	-	-	-	-	(925,768)	(925,768)
Currency translation adjustment	-	-	-	45,832	-	45,832
Balance, March 31, 2020	**153,971,761**	**$ 18,396,538**	**$ 3,508,462**	**$ 45,832**	**$ (8,245,477)**	**$ 13,705,355**

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

Aston Bay Holdings Ltd.

(An Exploration Stage Company)
Consolidated Statements of Comprehensive Loss
For the years ended March 31, 2020 and 2019
(Expressed in Canadian Dollars)

	2020	2019
Expenses		
Salaries *(note 6)*	**$ 206,660**	$ 244,019
Consulting fees *(note 6)*	**80,500**	88,210
Professional fees	**57,327**	39,010
Marketing	**208,729**	299,849
Travel	**66,090**	96,909
Filing and agency fees	**46,662**	51,790
Foreign exchange	**2,866**	(2,027)
General and administrative expenses	**75,851**	56,702
Stock-based compensation *(notes 6 and 7)*	**181,100**	209,200
Exploration and evaluation costs	**-**	919,276
Loss before interest income and premium on flow-through shares income	**(925,785)**	(2,002,938)
Other items		
Interest income	**(17)**	(13,059)
Premium on flow-through shares income	**-**	(63,756)
	(17)	(76,815)
Net loss	**(925,768)**	(1,926,123)
Currency translation adjustment	**45,832**	-
Comprehensive Loss	**$ (879,936)**	$ (1,926,123)
Loss per share - basic and diluted	**$ (0.01)**	$ (0.02)
Weighted average number of common shares outstanding - basic and diluted	**133,054,750**	118,714,266

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

Aston Bay Holdings Ltd.

(An Exploration Stage Company)
Consolidated Statements of Cash Flows
Years ended March 31, 2020 and 2019
(Expressed in Canadian Dollars)

	2020	2019
Cash flow used in operating activities		
Net loss for the year	**$ (925,768)**	$ (1,926,123)
Items not affecting cash:		
Premium on flow-through shares	**-**	(63,756)
Stock-based compensation *(note 7(iii))*	**181,100**	209,200
Exploration and evaluation costs expensed	**-**	919,276
	(744,668)	(861,403)
Non-cash working capital items *(note 10)*	**291,314**	(54,548)
	(453,354)	(915,951)
Cash flow used in investing activities		
Mineral properties and deferred exploration expenditures *(note 4)*	**(961,799)**	(4,799,168)
Cash acquired in Acquisition	**-**	17,018
Acquisition costs	**-**	(96,294)
Equipment acquisition	**-**	(250,000)
	(961,799)	(5,128,444)
Cash flow from financing activities		
Proceeds from issuance of units *(note 7(ii))*	**1,444,054**	409,850
Proceeds from issuance of flow-through shares	**-**	2,041,000
Issuance costs *(note 7)*	**(40,854)**	(140,347)
	1,403,200	2,310,503
Effects of changes in foreign exchange	**(17,593)**	-
(Decrease) in cash and cash equivalents	**(29,546)**	(3,733,892)
Cash and cash equivalents, beginning of year	**345,259**	4,079,151
Cash and cash equivalents, end of year	**$ 315,713**	$ 345,259

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

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 consolidated financial statements of the Company as at and for the years ended March 31, 2020 and 2019 include the Company and its wholly owned subsidiaries, Blue Ridge Mining Inc., a company incorporated in Delaware, United States of America, Aston Bay Ventures Ltd., a company incorporated in British Columbia, Canada. The Company is engaged in exploration and development of gold and base metal deposits in Virginia, USA and Nunavut, Canada.

For the year ended March 31, 2020, the Company incurred a comprehensive loss of $879,936 and had an accumulated deficit of $8,245,477 at March 31, 2020 and has yet to achieve revenue from operations. At March 31, 2020, the Company had working capital of $25,059. 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 consolidated financial statements were authorized for issue by the Board of Directors on July 27, 2020.

2. Significant Accounting Policies

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments, which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. Significant Accounting Policies - continued

Consolidated financial statements

The consolidated financial statements comprise the financial statements of companies that are controlled by the Company (subsidiaries). Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its ability to direct the relevant activities of the subsidiary. The consolidation of the financial statements commences on the date on which control is obtained and ends when such control ceases.

The financial statements of the Company and of the subsidiaries are prepared as of the same dates and periods. The consolidated financial statements are prepared using uniform accounting policies by all companies. Significant intragroup balances and transactions and gains or losses resulting from intragroup transactions are eliminated in full in the consolidated financial statements.

Financial instruments

IFRS 9, Financial Instruments ("IFRS-9") includes finalized guidance on the classification, measurement and impairment of financial assets and hedge accounting. Under IFRS 9, financial instruments are classified and measured either at amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI") based on the business model in which they are held and the characteristics of their contractual cash flows.

Financial instruments are measured at fair value on initial recognition of the instrument and classified as either financial instruments at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial instruments at initial recognition. Subsequent measurement of financial instruments is based on their initial classification. Financial instruments classified as FVTPL are measured at fair value and changes in fair value are recognized in profit and loss. The remaining categories of financial instruments are measured at amortized cost using the effective interest rate method.

Transaction costs related to financial assets and liabilities at fair value through profit or loss are recognized in profit and loss; transaction costs related to all other financial instruments are added to their fair value on initial recognition.

	Classification
Financial Assets	
Cash and cash equivalents	Amortized cost
Share subscriptions receivable	Amortized cost
Accounts receivable	Amortized cost
Financial liabilities	
Accounts payable and accruals	Amortized cost

The fair values of the financial instruments are based on the amount of future cash flows associated with each instrument discounted using an estimate of the Company's current borrowing rate for similar debt instruments of comparable maturity.

2. Significant Accounting Policies - continued

Impairment of financial assets

Financial assets, other than those as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It is becoming probable that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets, with the exception of financial assets measured at amortized cost, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, based on an expected credit loss approach, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Mineral properties and deferred exploration expenditures

Mineral properties are carried at cost and include the acquisition costs related to the properties. These costs will be amortized on a units-of-production basis over the estimated recoverable reserves if the properties are brought into commercial production, as determined by using proven and probable resources. If the properties are abandoned or the carrying value is determined to be in excess of possible recoverable amounts these costs will be written off.

The cost of mineral properties includes any cash consideration paid and the fair market value of shares issued, if any, on the acquisition of property interests. The recorded amounts of property acquisition costs and their related deferred exploration costs represent actual expenditures incurred and are not intended to reflect present or future values.

The Company considers exploration and evaluation costs to have the characteristics of property, plant and equipment and, as such, the Company capitalizes all exploration expenditures, field exploration and field supervisory costs relating to specific properties as incurred, unless and until those properties are determined to be economically viable for mineral production. When the Company does not have the legal title to explore properties, these exploration and evaluation costs are expensed as incurred. After the determination of economic feasibility and at the commencement of pre-production activities these deferred exploration expenditures would be transferred to mineral properties and amortized through charges against income derived from mining operations. Amortization charges would be calculated on a unit-of-production basis, using proven and probable reserves, or until the properties are abandoned, sold or considered to be impaired in value, at which time an appropriate charge will be made.

The recovery of capitalized costs for mineral properties and deferred exploration expenditures will be 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.

2. Significant Accounting Policies - continued

Equipment

Equipment, consisting of a drill rig and related equipment, is depreciated straight line over its expected useful life of three exploration seasons. The equipment was not in use during the current year.

Flow-through shares

Under Canadian income tax legislation, a company is permitted to issue flow-through shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. For accounting purposes, the proceeds from issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the existing shares and the amount the investor pays for the flow-through shares. A liability is recognized for this difference. The liability is reduced and the reduction of premium liability is recorded in the consolidated statement of comprehensive loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent they relate to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive loss depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Basic and diluted loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Potentially dilutive instruments include 24,723,927 warrants and 12,712,500 stock options, which were anti-dilutive for the year ending March 31, 2020.

2. Significant Accounting Policies - continued

Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the end of the reporting periods that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, include, but are not limited to, the following:

- The recoverability of the mineral properties and deferred exploration costs recorded in the consolidated statements of financial position (notes 1 and 5).

Share capital and share issue costs

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Asset retirement obligation

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment in the federal and regional jurisdictions in which it operates. The Company believes its operations are in compliance with all applicable laws and regulations. The Company expects to make, in the future, expenditures that comply with such laws and regulations but cannot predict the full amount or timing of such future expenditures. A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise.

The Company recognizes an estimate of the liability associated with an asset retirement obligation ("ARO") in the consolidated financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated non-discounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded. At present, the Company has determined that it has no material ARO's to record in these consolidated financial statements.

2. Significant Accounting Policies - continued

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its equipment and finite life intangible assets, including deferred evaluation and exploration expenditures, to determine whether any indication exists that any of those assets have suffered an impairment loss. If any such indication exists, it estimates the asset's recoverable amount to determine the extent of the impairment loss (if any). Where it is not possible to estimate an individual asset's recoverable amount, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where it can identify a reasonable and consistent basis of allocation, it also allocates corporate assets to individual cash generating units, or otherwise allocates them to the smallest group of cash-generating units for which it can identify a reasonable and consistent allocation basis.

Recoverable amount is the higher of fair value less costs to dispose and value in use. In assessing value in use, the Company discounts estimated future cash flows to their present value using a pre-tax discount rate. This rate reflects current market assessments of the time value of money and also reflects the risks specific to the asset (unless these risks are reflected in the estimates of future cash flows). If the Company estimates an asset or cash-generating unit's recoverable amount to be less than its carrying amount, it reduces the carrying amount to the recoverable amount, recognizing an impairment loss immediately in profit or loss. Where an impairment loss subsequently reverses, the Company increases the asset or unit's carrying amount to the revised estimate of its recoverable amount, without exceeding the carrying amount that would have existed if no impairment loss had been recognized in prior years. It recognizes a reversal of an impairment loss immediately in profit or loss.

Share-based payment transactions

The Company uses the fair value method whereby the Company recognizes compensation costs for the granting of all stock options and direct awards of stock based on their fair value over the period of vesting using the Black-Scholes option pricing model. Any consideration paid by the option holders to purchase shares is credited to capital stock.

2. Significant Accounting Policies - continued

IFRS 16 – Leases ("IFRS 16")

IFRS 16 was issued in January 2016 and replaced IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application.

IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The adoption of IFRS 16 did not have any financial statement impact on the Company's statement of financial position at transition on April 1, 2019, as the Company does not have any leases in place exceeding 12 months.

Presentation and functional currency and foreign currency translation

The Company's presentation currency is Canadian Dollars and all amounts are presented in Canadian Dollars unless otherwise stated.

The functional currency of the Company and its subsidiaries is outlined below:

Entity	Functional Currency
Aston Bay Holdings Ltd.	Canadian dollar
Aston Bay Ventures Ltd.	Canadian dollar
Aston Bay South Ltd.	Canadian dollar
Blue Ridge Mining Inc.	United States dollar

Transactions in foreign currencies are translated to the functional currency at exchange rates in effect at the dates of the transactions. Monetary assets and liabilities denominated in a currency other than the Canadian Dollar are translated into Canadian Dollars at the exchange rate as at the end of the reporting period. Non-monetary assets and liabilities are translated at historical exchange rates at the transaction date. Depreciation is translated at historical exchange rates at the transaction date. The calculated exchange gains and losses are included in loss and comprehensive loss for the year. On consolidation, assets and liabilities are translated from the functional currency to the presentation currency based on the exchange rate as at the end of the reporting period.

(Expressed in Canadian Dollars)

3. Covid-19

On March 11, 2020, the World Health Organization declared COVID-19 (Coronavirus disease) as a global pandemic which continues to rapidly evolve. The Governments of Canada, Ontario, and local municipalities where the Company operates have accordingly required increasingly significant restrictions on public gatherings and non-essential travel along with encouragement of self-isolation to mitigate the spread of the disease. On March 24, 2020, the Company paused its drilling operations in Virginia to safeguard the Company's contractors and employees. Operations in Canada continued through work at home arrangements.

The extent to which the COVID-19 coronavirus may impact the Company will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, and social distancing in Canada and other countries, business closures or business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease.

4. 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, 2018	**$ 7,605,904**	**$ -**	**$ 7,605,904**
Exploration and evaluation expenditures	4,843,413	32,260	4,875,673
Property acquisition	-	6,828	6,828
Balance, March 31, 2019	**12,449,317**	**39,088**	**12,488,405**
Exploration and evaluation expenditures	15,732	861,644	877,376
Property acquisition	-	84,423	84,423
Foreign exchange translation	-	63,425	63,425
Balance, March 31, 2020	**$ 12,465,049**	**$ 1,048,580**	**$ 13,513,629**

(Expressed in Canadian Dollars)

4. Mineral properties and Deferred Exploration Expenditures - continued

Storm Copper and Seal Zinc Project

The Storm Copper and Seal Zinc Project (the "Project") consists of 118 contiguous mining claims and 12 prospecting permits covering an area of approximately 381,468 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 completed its 2018 drill program which targeted high-grade copper mineralization in the vicinity of Storm Copper and adjacent prospects, as well as targeted Polaris-type zinc mineralization at the Seal Zinc deposit and the Seal South prospect.

Blue Ridge Project

The Blue Ridge Project area is located in central Virginia, USA within a copper-lead-zinc-gold-silver (Cu-Pb-Zn-Au-Ag) mineralized sedimentary and volcanic belt prospective for sedimentary exhalative (SEDEX) or Broken Hill (BHT) type deposits. Correlative rock units in adjacent states of North Carolina and Tennessee host historic mineralized deposits including Ducktown, Ore Knob, Gossan Lead and Haile.

The Company operates under an Exploration and Option to Lease agreement in Buckingham County, Virginia, signed in the prior year.

On August 23, 2019, the Company entered into a definitive agreement with a North American timber company 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 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

5. Equipment

Equipment cost of $250,000 for a drill rig and related equipment and had a net book value of $166,667 at March 31, 2020. The equipment is being depreciated straight line over its expected useful life of three exploration seasons. The equipment was not in use during the current year.

(Expressed in Canadian Dollars)

6. 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 year:

a) Salaries in the amount of $150,000 (2019 - $150,000) were earned by Thomas Ullrich, the Company's Chief Executive Officer. The salaries were recorded as follows: $38,800 (2019 - $51,800)- deferred exploration expenditures; $111,200 (2019 - $98,200)– salaries expense. The amount of salaries payable at March 31, 2020 were $37,500 (March 31, 2019 - $nil).

b) Fees in the amount of $83,615 (2019 – $247,910) were charged by APEX Geoscience Ltd., a mining and engineering firm 50% owned by Michael Dufresne. These fees have been capitalized in mineral properties and deferred exploration expenditures. Amounts payable as at March 31, 2020 were $4,300 (March 31, 2019 - $1,880).

c) Fees in the amount of $80,000 (2019 - $57,500) 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 March 31, 2020 were $7,533 (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.

The key management personnel of the Company are the directors and officers of the Company.

The Company has no long-term or post-employment benefit programs. Compensation awarded to key management, included in (a) and (c) above, was as follows:

	2020	2019
Short-term benefits	**$ 230,000**	$ 207,500
Share-based payments	**122,490**	174,130
Total	**$ 352,490**	**$** 381,630

(Expressed in Canadian Dollars)

7. Share Capital

Authorized - 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, 2018	**104,814,611**	**$ 14,429,585**
Private placement – April 26, 2018 (a)	12,756,250	2,041,000
Share issuance costs (b)	-	(140,347)
Shares issued in Blue Ridge Mining acquisition *(note 12)*	11,999,993	840,000
Balance, March 31, 2019	**129,570,854**	**$ 17,170,238**
Private placement – December 20, 2019 (i)	6,689,640	339,878
Private placement – February 28, 2020 (ii)	17,711,267	929,876
Share issuance costs (iii)	-	(43,454)
Balance, March 31, 2020	**153,971,761**	**$ 18,396,538**

Year ended March 31, 2020

(i) On December 20, 2019, the Company issued 6,689,640 units at a price of $0.06 per unit for gross proceeds of $401,378. The non-brokered private placement included the issuance of 6,689,640 warrants exercisable at $0.12 per share valued at $61,500 and exercisable until December 20, 2021.

(ii) On February 28, 2020, the Company issued 17,711,267 units at a price of $0.06 per unit for gross proceeds of $1,062,676. The non-brokered private placement included the issuance of 17,711,267 warrants exercisable at $0.12 per share valued at $132,800 and exercisable until February 28, 2022. Total proceeds of $20,000 had not been collected by March 31, 2020 and was reflected as subscription proceeds receivable as at March 31, 2020.

(iii) In connection with the above financings, the Company paid aggregate cash finder's fees of $19,381, issued 323,020 finders' warrants valued at $2,600, and paid legal, regulatory and other costs of $21,473.

Year ended March 31, 2019

a) On April 26, 2018, the Company closed a non-brokered private placement offering for total gross proceeds of $2,041,000. The Company issued 12,756,250 flow-through shares at a price of $0.16 per flow-through share.

b) In connection with the April financing, the Company paid aggregate cash finder's fees of $120,960 to four arms' length parties, representing 6% of the proceeds raised from subscriptions by certain places introduced by the finders, and paid regulatory and other costs of $19,387.

(Expressed in Canadian Dollars)

7. Share Capital - continued

Stock Options

The stock option plan (the "Plan") is administered by the Board of Directors of the Company, which established the exercise prices, vesting conditions and expiry date of the options. The number of common shares reserved under the Plan is 10% of the issued and outstanding number of common shares.

The continuity of share purchase options is as follows:

	Number of Options	Weighted average exercise price
Outstanding, March 31, 2018	**5,907,500**	**$ 0.23**
Options granted (ii)	4,025,000	0.10
Options forfeited	(340,000)	(0.21)
Outstanding, March 31, 2019	**9,592,500**	**$ 0.18**
Options granted (i)	3,500,000	0.06
Options forfeited	(380,000)	(0.28)
Outstanding, March 31, 2020	**12,712,500**	**$ 0.14**

Year ended March 31, 2020

(i) On March 10, 2020, the Company granted 3,500,000 options exercisable until March 10, 2027 at an exercise price of $0.06 per share to Directors, Officers, Advisors, Consultants and Employees of the Company. The stock options were valued at $183,000 using the Black-Scholes option-pricing model with the following assumptions: expected life of seven years, risk-free rate of 0.62%, expected dividend yield of 0%, and expected volatility of 150%. The share price at the time of the grant was $0.055. 1,400,000 of the options vested immediately and the fair value amount of $73,200 was included in stock-based compensation for the year. The remaining 2,100,000 options vest on March 10, 2021 and the fair value amount of $109,800 will be recognized over the twelve-month period to the vesting date. $6,100 was included in stock-based compensation for the year.

Year ended March 31, 2019

(ii) On January 22, 2019, the Company granted 4,025,000 options exercisable until January 22, 2026 at an exercise price of $0.10 per share to Directors, Officers, Advisors, Consultants and Employees of the Company. The stock options were valued at $227,800 using the Black-Scholes option-pricing model with the following assumptions: expected life of seven years, risk-free rate of 1.93%, expected dividend yield of 0%, and expected volatility of 150%. The share price at the time of the grant was $0.06. 1,800,000 of the options vested immediately and the fair value amount of $101,900 was included in stock-based compensation for the year. The remaining 2,225,000 options vest on January 22, 2020 and the fair value amount of $125,900 will be recognized over the twelve-month period to the vesting date. $24,100 was included in stock-based compensation for the year.

(Expressed in Canadian Dollars)

7. Share Capital - continued

As at March 31, 2020, 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
August 30, 2020	0.4	1,300,000	1,300,000	$ 0.20
October 27, 2021	1.6	400,000	400,000	0.20
February 1, 2023	2.8	830,000	830,000	0.20
May 18, 2023	3.1	1,107,500	1,107,500	0.40
January 27, 2024	3.8	500,000	500,000	0.20
December 8, 2024	4.7	1,050,000	1,050,000	0.15
January 22, 2026	5.8	4,025,000	4,025,000	0.10
March 10, 2027	6.9	3,500,000	1,800,000	0.06
	4.8	**12,712,500**	**11,012,500**	

The Company recognized $181,100 (2019 - $209,200) in stock-based compensation.

Warrants

The continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted average exercise price
Outstanding, March 31, 2018	**17,935,648**	**$ 0.19**
Warrants expired	(5,690,452)	(0.18)
Outstanding, March 31, 2019	**12,245,196**	**$ 0.20**
Warrants issued - December 20, 2019 private placement		
December 20, 2019 private placement (i)	6,689,640	0.12
February 28, 2020 private placement (ii)	17,711,267	0.12
Broker/finder warrants issued		
December 20, 2019 private placement (i)	94,020	0.12
February 28, 2020 private placement (ii)	229,000	0.12
Warrants expired	(12,245,196)	(0.20)
Outstanding, March 31, 2020	**24,723,927**	**$ 0.12**

(Expressed in Canadian Dollars)

7. Share Capital - continued

As at March 31, 2020, the following warrants were outstanding and exercisable:

Expiry Date	Number of Warrants	Exercise Price
December 20, 2021	6,783,660	$ 0.12
February 28, 2022	17,940,267	0.12
	24,723,927	

Year ended March 31, 2020

(i) On December 20, 2019, the Company issued warrants and finders' warrants to acquire a total of 6,783,660 common shares of the Company at an exercise price of $0.12 per common share, exercisable until December 20, 2021. The warrants are subject to acceleration provisions. The aggregate fair value for these warrants of $62,400, which includes the effect of the acceleration, was determined using the Black Scholes pricing model with the following assumptions: share price at issuance of $0.075, volatility of 150%; an expected life of 2 years, a dividend yield of 0%, and a risk-free interest rate of 1.67%.

(ii) On February 28, 2020, the Company issued warrants and finders' warrants to acquire a total of 17,940,267 common shares of the Company at an exercise price of $0.12 per common share, exercisable until February 28, 2022. The warrants are subject to acceleration provisions. The aggregate fair value for these warrants of $134,500, which includes the effect of the acceleration, was determined using the Black Scholes pricing model with the following assumptions: share price at issuance of $0.06, volatility of 150%; an expected life of 2 years, a dividend yield of 0%, and a risk-free interest rate of 1.19%.

Escrow Shares

As at March 31, 2020, the Company has no remaining shares held in escrow, the remaining 2,750,000 having been released during the year.

8. Management of Capital

The Company considers its capital structure to consist of shareholders' equity. The Company's objective in managing capital is to maintain adequate levels of funding to support organizational functions and obtain sufficient funding to further the identification and development of mineral deposits. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; and as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration, pay for administrative costs and fund working capital, the Company will need to raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic and economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended March 31, 2020. The Company is not subject to externally imposed capital requirements.

9. Financial Risk Factors

The Company's risk exposures and the impact on its financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk at the end of the reporting period is the carrying value of its financial assets. Cash and cash equivalents are held with large financial institutions in Canada, and management believes that exposure to credit risk is not significant. At March 31, 2020 the Company's had $20,000 of share subscriptions receivable which was received subsequent to the year end.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. As of March 31, 2020, the Company had working capital of $25,059 (March 31, 2019 – $325,919). The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operational requirements as well as the growth and development of its mineral property interests. The Company coordinates this planning and budgeting process with its financing activities through the capital management process in normal circumstances.

The Company is currently in the exploration stage and has not commenced commercial operations. As at March 31, 2020, the Company has an accumulated deficit of $8,245,477 and is not yet generating operating cash flows (see note 1).

(Expressed in Canadian Dollars)

9. Financial Risk Factors - continued

Market risk

- Interest rate risk

The Company has no significant exposure to interest rate risk through its financial instruments.

- Price risk

The Company is indirectly exposed to price risk with respect to the price of base metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken. Price risk is remote since the Company is not a producing entity.

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken.

Fair value

The fair values of the Company's cash, share subscriptions receivable, accounts receivable, and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments.

10. Additional Cash Flow Information

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

	March 31, 2020	March 31, 2019
Accounts receivable	**$ 109,154**	$ (109,154)
Sales tax recoverable	**2,620**	23,202
Prepaid expenses	**12,873**	16,210
Accounts payable	**166,667**	15,194
	$ 291,314	$ (54,548)

(Expressed in Canadian Dollars)

11. Income Taxes

(a) Provision for income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% (2019 – 26.5%) to the effective tax rate is as follows:

		2020		2019
Loss before recovery of income taxes	**$**	**(925,768)**	$	(1,926,123)
Expected income tax expense (recovery)	**$**	**(249,960)**	$	(510,420)
Tax rate changes and other adjustments		**(28,700)**		(287,580)
Share issue costs booked directly to equity		**(11,730)**		(37,190)
Renunciation of flow-through expenditures		**-**		821,760
Stock-based compensation and non-deductible expenses		**50,620**		284,610
Change in tax benefits not recognized		**239,770**		(271,180)
Income tax expense (recovery)	**$**	**-**	$	-

(b) Deferred income tax

The following table summarizes the components of deferred income tax:

		2020		2019
Deferred income tax assets:				
Operating losses carried forward – Canada (i)	**$**	**1,201,350**	$	1,179,100
Deferred income tax liabilities:				
Mineral properties and deferred exploration expenditures		**(1,201,350)**		(1,179,100)
Deferred tax liabilities - net	**$**	-	$	-

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

(i) The Company’s Canadian operating losses for which deferred tax asses have been recognized will expire between 2031 and 2038. The Company’s US operating losses for which deferred tax asses have been recognized will expire between 2039 and 2040.

(c) Unrecognized deferred tax assets

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred income taxes have not been recognized in respect of the following deductible temporary differences:

(Expressed in Canadian Dollars)

11. Income Taxes - continued

		2020		2019
Operating losses carried forward - Canada	**$**	**1,598,840**	$	707,370
Operating losses carried forward - US		**333,250**		303,500
Equipment		**87,350**		87,530
Share issuance costs		**390,520**		531,770
Mining tax credit		**48,340**		48,340

The unrecognized operating losses carried forward expire as noted in the table below. Share issue and financing costs will be fully amortized in 2024. The remaining deductible temporary differences may be carried forward indefinitely.

(d) Tax loss expiry

The Company's unrecognized operating losses expire as follows:

		Canada		USA
2037		-		69,480
2038		-		171,980
2039		675,850		-
2040		922,990		-
Indefinite		-		91,790
	$	**1,598,840**	**$**	**333,250**

12. Acquisition

On November 7, 2018, the Company closed a transaction with Jack's Fork Exploration, Inc. ("JFE"), a private company incorporated under the laws of the State of Delaware, whereby the Company acquired all of the issued and outstanding common shares of JFE (the "Acquisition"). The Acquisition was completed by way of a reverse triangular merger of Blue Ridge Mining Inc., a wholly owned subsidiary of the Company, into JFE, resulting in JFE being renamed "Blue Ridge Mining Inc." and becoming a direct and wholly owned subsidiary of Aston Bay.

Pursuant to the Acquisition, holders of JFE shares ("JFE Shareholders") received 0.57396868 of a common share of Aston Bay (each whole share, an "Aston Bay Share") in exchange for each JFE share held immediately prior to the effective time of the Acquisition. The Company issued 11,999,993 Aston Bay shares to the JFE Shareholders. All required shareholder and regulatory approvals, including the approval of the TSX Venture Exchange, were obtained in connection with the closing of the Acquisition.

(Expressed in Canadian Dollars)

12. Acquisition - continued

In accordance with IFRS 3, Business Combinations, JFE did not meet the definition of a business and the transaction has been accounted for as an asset acquisition with Aston Bay being identified as the acquirer and the transaction being measured at the fair value of the equity consideration issued to JFE Shareholders. The market value of the shares at the time of the Acquisition was $0.07 per Aston Bay Share. Accordingly, the value of the 11,999,993 common shares issued was valued at $840,000.

The allocation of the purchase price is as follows:

Purchase price		
11,999,993 common shares given to former shareholders of JFE	$	840,000
Acquisition costs		96,294
	$	**936,294**

Assets acquired		
Cash	$	17,018
Exploration data (i)		919,276
	$	**936,294**

(i) Since the Company did not have legal title to explore properties within the project area at the time of the acquisition, the value assigned to the exploration data acquired was expensed as exploration and evaluation costs in accordance with the Company's exploration accounting policy.

13. Subsequent Event

On June 4, 2020, the Company issued 10,003,333 units at a price of $0.06 per unit for gross proceeds of $600,200. The non-brokered private placement included the issuance of 10,003,333 warrants (the "Warrants") exercisable at $0.12 per share until June 4, 2022. In connection with the financing, the Company paid aggregate cash finder's fees of $30,396 and issued 506,600 finders' warrants on the same terms as the Warrants.