

Aston Bay Holdings Ltd.
Condensed Interim Consolidated Financial Statements
Nine months ended December 31, 2020 and 2019
(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	December 31, 2020	March 31, 2020
ASSETS		
Current assets		
Cash	\$ 38,426	\$ 315,713
Share subscriptions receivable	-	20,000
Sales tax recoverable	9,807	12,435
Prepaid expenses	18,782	22,042
Total current assets	67,015	370,190
Mineral properties and deferred exploration expenditures (note 3)	13,891,344	13,513,629
Equipment	166,667	166,667
Total assets	\$ 14,125,026	\$ 14,050,486
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 270,899	\$ 345,131
Loan payable (note 4)	200,000	-
Total current liabilities	470,899	345,131
Shareholders' equity		
Share capital (note 5)	18,859,821	18,396,538
Contributed surplus	3,692,862	3,508,462
Accumulated other comprehensive income	(76,562)	45,832
Deficit	(8,821,994)	(8,245,477)
Total shareholders' equity	13,654,127	13,705,355
Total liabilities and shareholders' equity	\$ 14,125,026	\$ 14,050,486

Going concern (note 1)

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

Approved by the Board

Signed:

“Thomas Ullrich”

Director

“Jan-Erik Back”

Director

Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Equity

For the nine months ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Equity
	Number of Shares	Amount				
Balance, March 31, 2019	129,570,854	\$ 17,170,238	\$ 3,130,462	\$ -	\$ (7,319,709)	\$ 12,980,991
Issuance of units	6,689,640	401,378	-	-	-	401,378
Share issuance costs	-	(18,740)	-	-	-	(18,740)
Issuance of warrants	-	(62,400)	62,400	-	-	-
Stock-based compensation	-	-	94,500	-	-	94,500
Loss and comprehensive loss for the period	-	-	-	-	(698,673)	(698,673)
Balance, December 31, 2019	136,260,494	\$ 17,490,476	\$ 3,287,362	\$ -	\$ (8,018,382)	\$ 12,759,456
Balance, March 31, 2020	153,971,761	\$ 18,396,538	\$ 3,508,462	\$ 45,832	\$ (8,245,477)	\$ 13,705,355
Issuance of units	10,003,333	600,200	-	-	-	600,200
Share issuance costs	-	(35,017)	-	-	-	(35,017)
Issuance of warrants	-	(101,900)	101,900	-	-	-
Stock-based compensation	-	-	82,500	-	-	82,500
Loss for the period	-	-	-	-	(576,517)	(576,517)
Currency translation adjustment	-	-	-	(122,394)	-	(122,394)
Balance, December 31, 2020	163,975,094	\$ 18,859,821	\$ 3,692,862	\$ (76,562)	\$ (8,821,994)	\$ 13,654,127

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 nine months ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

	Three Months		Nine months	
	2020	2019	2020	2019
Expenses				
Salaries (<i>note 4</i>)	\$ 48,275	\$ 59,375	\$ 143,030	\$ 165,646
Consulting fees (<i>note 4</i>)	20,000	20,000	60,000	60,500
Professional fees	24,862	30,468	52,022	46,213
Marketing	24,255	91,353	138,633	190,973
Travel	-	35,414	228	56,836
Filing and agency fees	4,097	9,710	28,712	33,191
General and administrative expenses	27,058	19,259	71,801	52,833
Foreign exchange	(80)	(2,068)	(409)	(2,019)
Stock-based compensation (<i>note 5</i>)	27,500	31,500	82,500	94,500
Net loss	(175,967)	(295,011)	(576,517)	(698,673)
Currency translation adjustment	(60,438)	-	(122,394)	-
Comprehensive loss	\$ (236,405)	\$ (295,011)	\$ (698,911)	\$ (698,673)
Loss per share				
- basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding	163,975,094	130,443,416	161,647,046	129,862,776
- basic and diluted				

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Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

For the nine months ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

	2020	2019
Cash flow used in operating activities		
Loss for the period	\$ (576,517)	\$ (698,673)
Items not affecting cash:		
Stock-based compensation	82,500	94,500
	(494,017)	(604,173)
Non-cash working capital items <i>(note 6)</i>	(68,344)	515,047
	(562,361)	(89,126)
Cash flow used in investment activities		
Mineral properties and deferred exploration expenditures	(509,725)	(504,523)
	(509,725)	(504,523)
Cash flow from financing activities		
Proceeds from issuance of units	620,200	401,378
Share issuance costs	(35,017)	(18,740)
Loan proceeds	200,000	-
	785,183	382,638
Effects of changes in foreign exchange	9,616	-
Decrease in cash	(277,287)	(211,011)
Cash, beginning of year	315,713	345,259
Cash, end of period	\$ 38,426	\$ 134,248

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Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

1. Nature of the Company and Going Concern

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

For the nine months ended December 31, 2020, the Company incurred a loss of \$576,517 and had an accumulated deficit of \$8,821,994 at December 31, 2020 and has yet to achieve revenue from operations. At December 31, 2020, the Company had a working capital deficit of \$403,884. These factors indicate the existence of material uncertainties that may cast significant doubt regarding the Company's ability to continue as a going concern. In order to meet future expenditures and cover administrative costs, the Company may need to raise additional financing. These consolidated financial statements have been prepared on the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

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

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on February 26, 2021.

2. Basis of Presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standard ("IFRS") IAS 34 Interim Financial Reporting. As such these statements do not contain all the explanatory notes, descriptions or accounting policies or other disclosures that can be found in the Company's 2020 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 2020 audited annual consolidated financial statements.

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Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

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, 2020	\$ 12,465,049	\$ 1,048,580	\$ 13,513,629
Exploration and evaluation expenditures	31,110	478,615	509,725
Foreign exchange translation	-	(132,010)	(132,010)
Balance, December 31, 2020	\$ 12,496,159	\$ 1,395,185	\$ 13,891,344

4. Related-Party Transactions and Balances

The Company's related parties include the following:

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

The Company entered into the following related party transactions during the nine-month period ended December 31, 2020:

- Salaries in the amount of \$112,500 (2019 - \$112,500) were paid to Thomas Ullrich, the Company's Chief Executive Officer. The salaries were recorded as follows: \$38,950 - deferred exploration expenditures; \$73,550 - salaries expense. During the period, Mr. Ullrich advanced \$200,000 to the Company. The loan is unsecured and repayable on demand. Interest is payable at 9% per annum and \$5,898 of interest was accrued during the period.
- Fees in the amount of \$32,398 (2019 - \$79,701) were charged by APEX Geoscience Ltd., a mining and engineering firm of which Michael Dufresne is a principal and part owner. The fees have been capitalized in mineral properties and deferred exploration expenditures. Amounts payable as at December 31, 2020 were \$6,232 (March 31, 2020 - \$4,300).

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4. Related-Party Transactions and Balances - continued

- c) Fees in the amount of \$60,000 (2019 - \$60,000) were charged by Target Financial Services Inc., a company controlled by Dwight Walker, for the services of Mr. Walker, who acts as Chief Financial Officer of the Company. The fees are reflected in consulting fees. The amounts payable to Target Financial Services Inc. at December 31, 2020 were \$32,533 (March 31, 2020 - \$7,533).

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

5. Share Capital

Common Stock

Authorized - 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, 2020	153,971,761	\$ 18,396,538
Private placement – June 4, 2020 (i)	10,003,333	503,200
Share issuance costs (i)	-	(39,917)
Balance, December 31, 2020	163,975,094	\$ 18,859,821

- (i) 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 valued at \$97,000 and exercisable until June 4, 2022. In connection with the financing, the Company paid aggregate cash finder’s fees of \$30,396, issued 506,600 finders’ warrants valued at \$4,900 on the same terms as the Warrants, and paid regulatory fees of \$4,621.
- (ii) During the period, the company collected the unit financing proceeds of \$20,000 that were reflected as share subscriptions receivable at March 31, 2020.

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5. Share Capital - continued

Stock Options

The continuity of share purchase options is as follows:

	Number of Options	Weighted average exercise price
Outstanding, March 31, 2020	12,712,500	\$ 0.14
Options expired	(1,300,000)	(0.20)
Outstanding, December 31, 2020	11,412,500	\$ 0.14

As at December 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
October 27, 2021	0.8	400,000	400,000	\$ 0.20
February 1, 2023	2.1	830,000	830,000	0.20
May 18, 2023	2.4	1,107,500	1,107,500	0.40
January 27, 2024	3.1	500,000	500,000	0.20
December 8, 2024	3.9	1,050,000	1,050,000	0.15
January 22, 2026	5.1	4,025,000	4,025,000	0.10
March 10, 2027	6.2	3,500,000	1,400,000	0.06
	4.6	11,412,500	9,312,500	

The Company recognized \$82,500 (2019 - \$94,500) in stock-based compensation.

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5. Share Capital - continued

Warrants

The continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted average exercise price
Outstanding, March 31, 2020	24,723,927	\$ 0.12
Warrants issued		
June 4, 2020 private placement (i)	10,003,333	0.12
Broker/finder warrants issued		
June 4, 2020 private placement (i)	506,600	0.12
Outstanding, December 31, 2020	35,233,860	\$ 0.12

As at December 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
June 4, 2022	10,509,933	0.12
	35,233,860	

- (i) On June 4, 2020, the Company issued warrants and finders' warrants to acquire a total of 10,509,933 common shares of the Company at an exercise price of \$0.12 per common share, exercisable until June 4, 2022. The warrants are subject to acceleration provisions. The aggregate fair value for these warrants of \$101,900, which includes the effect of the acceleration, was determined using the Black Scholes pricing model with the following assumptions: volatility of 150%; an expected life of 2 years, a dividend yield of 0%, and a risk-free interest rate of 0.25%. The share price at the time of the issuance was \$0.08.

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6. Additional Cash Flow Information

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

	December 31, 2020	December 31, 2019
Sales tax recoverable	\$ 2,628	\$ 5,909
Accounts receivable	-	109,154
Prepaid expenses	3,260	8,644
Accounts payable and accrued liabilities	(74,232)	391,340
	\$ (68,344)	\$ 515,047