

Aston Bay Holdings Ltd.

Condensed Interim Consolidated Financial Statements

Six Months ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed an audit or review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada.

Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at	September 30, 2017	March 31, 2017
ASSETS		
Current Assets		
Cash and cash equivalents (<i>note 3</i>)	\$ 1,091,499	\$ 836,505
Receivable from project	-	586,820
Sales tax recoverable	133,845	138,318
Accounts receivable	2,600	39,168
Prepaid expenses	70,839	18,413
Total current assets	1,298,783	1,619,224
Mineral properties and deferred exploration expenditures (<i>note 4</i>)	7,383,323	5,137,323
Total assets	\$ 8,682,106	\$ 6,756,547
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (<i>note 5</i>)	\$ 402,200	\$ 127,034
Total liabilities	402,200	127,034
Shareholders' equity		
Share capital (<i>note 7</i>)	11,053,879	9,752,340
Contributed surplus	1,868,924	1,477,413
Deficit	(4,642,897)	(4,600,240)
Total shareholders' equity	8,279,906	6,629,513
Total liabilities and shareholders' equity	\$ 8,682,106	\$ 6,756,547

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 six months ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus	Deficit	Total Shareholders' Equity
	Number of Shares	Amount			
Balance, March 31, 2016	54,772,589	\$ 7,781,380	\$ 1,080,091	\$ (3,092,040)	\$ 5,769,431
Issuance of common shares	4,000,000	1,800,000	-	-	1,800,000
Exercise of stock options	335,000	105,750	(38,750)	-	67,000
Exercise of warrants	190,000	62,768	(13,268)	-	49,500
Share issuance costs	-	(87,418)	-	-	(87,418)
Stock-based compensation	-	-	481,900	-	481,900
Loss and comprehensive loss for the year	-	-	-	(1,036,932)	(1,036,932)
Balance, September 30, 2016	59,297,589	\$ 9,662,480	\$ 1,509,973	\$ (4,128,972)	\$ 7,043,481
Exercise of stock options	225,000	89,860	(44,860)	-	45,000
Stock-based compensation	-	-	12,300	-	12,300
Loss and comprehensive loss for the period	-	-	-	(471,268)	(471,268)
Balance, March 31, 2017	59,522,589	\$ 9,752,340	\$ 1,477,413	\$ (4,600,240)	\$ 6,629,513
Issuance of non-flow-through shares	10,014,200	1,301,846	-	-	1,301,846
Issuance of flow-through shares	5,787,500	926,000	-	-	926,000
Premium on flow-through shares	-	(342,984)	-	-	(342,984)
Share issuance costs	-	(229,012)	-	-	(229,012)
Issuance of warrants	-	(354,311)	354,311	-	-
Stock-based compensation	-	-	37,200	-	37,200
Loss and comprehensive loss for the year	-	-	-	(42,657)	(42,657)
Balance, September 30, 2017	75,324,289	\$ 11,053,879	\$ 1,868,924	\$ (4,642,897)	\$ 8,279,906

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

Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Comprehensive Loss

For the three and six months ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

	Three Months		Six Months	
	2017	2016	2017	2016
Expenses				
Salaries (<i>note 5</i>)	\$ 71,467	\$ 5,242	\$ 147,600	\$ 16,542
Consulting fees (<i>note 5</i>)	34,192	86,844	66,476	183,819
Professional fees (<i>note 5</i>)	6,757	17,634	32,008	116,402
Marketing	15,838	10,599	25,412	36,294
Travel	6,279	8,475	30,345	35,212
Filing and agency fees	9,003	15,274	10,597	18,857
General and administrative expenses	14,969	17,584	38,603	35,406
Stock-based compensation (<i>note 7</i>)	18,600	-	37,200	481,900
Field equipment standby charge (<i>note 5</i>)	-	112,500	-	112,500
Loss before other items	(177,105)	(274,152)	(388,241)	(1,036,932)
Other items				
Interest income	(1,300)	-	(2,600)	-
Premium on flow-through shares (<i>note 6</i>)	(342,984)	-	(342,984)	-
	(344,284)	-	(345,584)	-
Profit (loss) and comprehensive profit (loss)	\$ 167,179	\$ (274,152)	\$ (42,657)	\$ (1,036,932)
Profit (loss) per share				
- basic and diluted	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.02)
Weighted average number of common shares outstanding	74,193,200	59,040,904	66,897,978	57,369,228
-basic and diluted				

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Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

For the six months ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

	2017	2016
Cash flow generated by (used in) operating activities		
Loss for the year	\$ (42,657)	\$ (1,036,932)
Items not affecting cash:		
Stock-based compensation	37,200	481,900
Premium on flow-through shares	(342,984)	-
	(348,441)	(555,032)
Non-cash working capital items (note 8)	850,601	(189,197)
	502,160	(744,229)
Cash flow used in investment activities		
Mineral properties and deferred exploration expenditures	(2,246,000)	(5,001,954)
	(2,246,000)	(5,001,954)
Cash flow from financing activities		
Proceeds from issuance of units	1,301,846	-
Proceeds from issuance flow-through shares	926,000	-
Proceeds from issuance of common stock	-	1,800,000
Proceeds from exercise of stock options	-	67,000
Proceeds from exercise of warrants	-	49,500
Share issuance costs	(229,012)	(87,418)
Project funding by BHP Billiton	-	4,904,342
Operator's fees	-	347,880
Payment received on signing of Option Agreement with BHP Billiton	-	325,000
	1,998,834	7,406,304
Increase in cash and cash equivalents	254,994	1,660,121
Cash and cash equivalents, beginning of year	836,505	302,937
Cash and cash equivalents, end of period	\$ 1,091,499	\$ 1,963,058

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

Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Six months ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

1. Nature of the Company and Going Concern

Aston Bay Holdings Ltd. ("Aston Bay" or the "Company") is a publicly listed company incorporated in British Columbia, Canada. The Company's registered address is #530, 355 Burrard Street, Vancouver, British Columbia, V6C 2G8 and the head office is located at Suite 303, 80 Richmond Street West, Toronto, Ontario, M5H 2A4. The Company is engaged in copper and zinc exploration and development and is currently focused on advancing its Storm Copper and Seal Zinc project on Somerset Island, Nunavut, Canada.

For the six months ended September 30, 2017, the Company incurred a loss of \$42,657 and had an accumulated deficit of \$4,642,897 at September 30, 2017, and has yet to achieve revenue from operations. These factors indicate the existence of material uncertainties that may cast significant doubt regarding the Company's ability to continue as a going concern. In order to meet future expenditures and cover administrative costs, the Company may need to raise additional financing. These consolidated financial statements have been prepared on the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

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

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 20, 2017.

2. Basis of Presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standard ("IFRS") IAS 34 Interim Financial Reporting. As such these statements do not contain all the explanatory notes, descriptions or accounting policies or other disclosures that can be found in the Company's 2017 audited annual consolidated financial statements and thus should be read in conjunction with the audited annual consolidated financial statements. The accounting policies used in the preparation of these condensed interim financial statements are consistent with the 2017 audited annual consolidated financial statements.

3. Cash and Cash Equivalents

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

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Notes to the Condensed Interim Consolidated Financial Statements

Six months ended September 30, 2017 and 2016

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4. Mineral Properties and Deferred Exploration Expenditures

Mineral properties and deferred exploration expenditures consist of:

Storm Copper and Seal Zinc Project

Balance, March 31, 2016	\$ 5,603,248
Exploration and evaluation expenditures	5,286,961
Project funding under Option Agreement with BHP Billiton	(5,053,802)
Operator's fees earned	(374,084)
Payment received from BHP Billiton on closing of Option Agreement	(325,000)
Balance, March 31, 2017	\$ 5,137,323
Exploration and evaluation expenses	2,246,000
Balance, September 30, 2017	\$ 7,383,323

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

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

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

5. Related-Party Transactions and Balances

The Company's related parties include the following:

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

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5. Related-Party Transactions and Balances - continued

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

- a) During the six months ended September 30, 2017, salaries in the amount of \$52,500 (2016 - \$nil) were paid to Benjamin Cox, the Company's Executive Chairman since November 28, 2016. The balance of accrued salaries earned to March 31, 2017 of \$35,000 was also paid in the period. In the prior six-month period ended September 30, 2016, Mr. Cox served as the Company's Chief Executive Officer and, pursuant to an executive services agreement with Benjamin Cox and Associates, the Company was charged \$62,550 for consulting services provided by Benjamin Cox.
- b) In the prior six-month period ended September 30, 2016, the Company was charged \$78,750 in fees for consulting services provided by Oren Inc., a company majority owned by Benjamin Cox. The agreement with Oren Inc. was terminated on October 31, 2017 and amounts payable at March 31, 2017 were \$nil.
- c) During the six months ended September 30, 2017, salaries in the amount of \$75,000 (2016 - \$55,833) were paid to Thomas Ullrich, the Company's Chief Executive Officer. The salaries were recorded as follows: \$22,236 - deferred exploration expenditures; \$52,764 - salaries expense.
- d) Fees in the amount of \$21,497 (2016 - \$322,056) were charged by APEX Geoscience Ltd., a mining and engineering firm controlled by Michael Dufresne. \$14,092 of these fees have been capitalized in mineral properties and deferred exploration expenditures and \$7,405 have been expensed. Amounts payable as at September 30, 2017 were \$1,777 (March 31, 2017 - \$430).
- e) Fees in the amount of \$25,000 (2016 - \$18,750) were charged by Target Financial Services Inc., a company controlled by Dwight Walker, for the services of Mr. Walker, who has acted as Chief Financial Officer of the Company since May 18, 2016. The fees are reflected in consulting fees. The amounts payable to Target Financial Services Inc. at September 30, 2017 were \$nil (March 31, 2017 - \$nil).
- f) During the six months ended September 30, 2017 salaries in the amount of \$32,500 (2016 - \$nil) were paid to Iris Cox, the Company's in-house legal counsel. In the prior six-month period ended September 30, 2016, Ms. Cox charged legal fees in the amount of \$35,776, which were reflected in professional fees.
- g) During the prior period, the Company finalized an agreement with and paid \$112,500 to Lone Peak Drilling (0820603 B.C. Ltd.), a company owned by Clifford Boychuk. The charge was in connection with Lone Peak's provision of drilling equipment on-site at the Storm Copper Project during the fifteen-month period following conclusion of the year prior's exploration program.

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

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6. Deferred Premium on Flow-Through Shares

The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is subsequently reduced and recorded in the consolidated statements of comprehensive loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred when it is the Company's intention to file the appropriate renunciation forms with the Canadian taxation authorities.

Total premium liability of \$342,984 was recognized in respect of the July 7 and July 17, 2017 flow-through financings, and during the period ended September 30, 2017, \$342,984 of the deferred premium liability was recognized as income in the consolidated statements of comprehensive loss.

As of September 30, 2017, the remaining deferred premium is \$Nil.

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, 2017	59,522,589	\$ 9,752,340
Private placement – July 7, 2017 (i)	14,876,700	1,500,132
Private placement – July 17, 2017 (ii)	925,000	91,839
Share issuance costs (iii)	-	(290,432)
Balance, September 30, 2017	75,324,289	\$ 11,053,879

- (i) On July 7, 2017, the Company issued 9,464,200 non-flow-through units at a price of \$0.13 per unit and 5,412,500 flow-through shares at a price of \$0.16 per share for gross proceeds of \$2,096,346. The brokered and non-brokered private placement included the issuance of 4,732,100 warrants exercisable at \$0.18 per share valued at \$275,998 and exercisable until July 7, 2019. The premium on the flow-through shares was \$320,216.
- (ii) On July 17, 2017, the Company issued 550,000 non-flow-through units at a price of \$0.13 per unit and 375,000 flow-through shares at a price of \$0.16 per share for gross proceeds of \$131,500. The brokered and non-brokered private placement included the issuance of 275,000 warrants exercisable at \$0.18 per share valued at \$16,893 and exercisable until July 17, 2019. The premium on the flow-through shares was \$22,768.
- (iii) In connection with the July financings, the Company paid broker's and finders' fees totalling \$119,751, issued 845,352 brokers' and finder's warrants exercisable for 18 months at \$0.18 and valued at \$61,420, paid legal fees of \$90,729, and paid regulatory and other related costs of \$18,532.

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(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

7. Share Capital - continued

Stock Options

There were no changes during the period to stock options.

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

Expiry Date	Average Remaining Contractual Life (in years)	Number of Options Outstanding	Number of Options Exercisable	Exercise Price
August 30, 2020	2.9	1,420,000	1,420,000	\$ 0.20
October 20, 2020	3.1	125,000	125,000	0.15
October 27, 2021	4.1	475,000	475,000	0.20
February 1, 2023	5.3	1,040,000	1,040,000	0.20
May 18, 2023	5.6	1,400,000	1,400,000	0.40
January 27, 2024	6.3	500,000	-	0.20
	4.7	4,960,000	4,460,000	

The Company recognized \$37,200 (2016 - \$481,900) in stock-based compensation.

Warrants

The continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted average exercise price
Outstanding, March 31, 2017	2,507,500	\$ 0.15
Warrants issued - July 7, 2017 private placement (i)	4,732,100	0.18
Broker/finder warrants issued - July 7, 2017 private placement (i)	832,602	0.18
Warrants issued - July 17, 2017 private placement	275,000	0.18
Broker/finder warrants issued - July 17, 2017 private placement	12,750	0.18
Outstanding, September 30, 2017	8,359,952	\$ 0.17

- (i) On July 7, 2017, the Company issued warrants to acquire a total of 5,564,702 common shares of the Company at an exercise price of \$0.18 per common share, exercisable until January 7, 2019 in connection with the private placement. The fair value for these warrants of \$336,195 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of \$0.18, volatility of 150%; an expected life of 1.5 years, a dividend yield of 0%, and a risk-free interest rate of 1.18%.

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Notes to the Condensed Interim Consolidated Financial Statements

Six months ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

7. Share Capital - continued

- (ii) On July 17, 2017, the Company issued warrants to acquire a total of 287,750 common shares of the Company at an exercise price of \$0.18 per common share, exercisable until January 17, 2019 in connection with the private placement. The fair value for these warrants of \$18,116 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of \$0.18, volatility of 150%; an expected life of 1.5 years, a dividend yield of 0%, and a risk-free interest rate of 1.18%.

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

Expiry Date	Number of Warrants	Exercise Price
January 13, 2018	2,507,500	\$ 0.15
January 7, 2019	5,564,702	0.18
January 17, 2019	287,750	0.18
	8,359,952	

8. Additional Cash Flow Information

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

	September 30, 2017	September 30, 2016
Receivable from project	\$ 586,820	\$ (631,841)
Sales tax recoverable	4,473	(122,746)
Accounts receivable	36,568	(4,875)
Prepaid expenses	(52,426)	173,062
Accounts payable and accrued liabilities	275,166	397,203
	\$ 850,601	\$ (189,197)