

**Aston Bay Holdings Ltd.**  
**Condensed Interim Consolidated Financial Statements**  
**Six Months ended September 30, 2018 and 2017**  
**(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, 2018	March 31, 2018
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents ( <i>note 3</i> )	\$ 1,496,462	\$ 4,079,151
Share subscriptions receivable	-	409,850
Sales tax recoverable	159,136	38,257
Accounts receivable	6,000	-
Prepaid expenses	142,789	51,125
<b>Total current assets</b>	<b>1,804,387</b>	4,578,383
<b>Mineral properties and deferred exploration expenditures</b> ( <i>notes 4 and 5</i> )	<b>12,333,588</b>	7,605,904
<b>Equipment</b> ( <i>note 5</i> )	<b>250,000</b>	-
<b>Total assets</b>	<b>\$ 14,387,975</b>	\$ 12,184,287
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities ( <i>note 5</i> )	\$ 864,053	\$ 163,270
Deferred premium on flow-through shares ( <i>note 6</i> )	-	63,756
<b>Total liabilities</b>	<b>864,053</b>	227,026
<b>Shareholders' equity</b>		
Share capital ( <i>note 7</i> )	16,335,863	14,429,585
Contributed surplus	2,983,662	2,921,262
Deficit	(5,795,603)	(5,393,586)
<b>Total shareholders' equity</b>	<b>13,523,922</b>	11,957,261
<b>Total liabilities and shareholders' equity</b>	<b>\$ 14,387,975</b>	\$ 12,184,287

Going concern (*note 1*)

Flow-through commitment (*note 6*)

Subsequent events (*note 9*)

*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, 2018 and 2017

(Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus	Deficit	Total Shareholders' Equity
	Number of Shares	Amount			
<b>Balance, March 31, 2017</b>	<b>59,522,589</b>	<b>\$ 9,752,340</b>	<b>\$ 1,477,413</b>	<b>\$ (4,600,240)</b>	<b>\$ 6,629,513</b>
Issuance of units	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 period	-	-	-	(42,657)	(42,657)
<b>Balance, September 30, 2017</b>	<b>75,324,289</b>	<b>\$ 11,053,879</b>	<b>\$ 1,868,924</b>	<b>\$ (4,642,897)</b>	<b>\$ 8,279,906</b>
Issuance of units	22,554,072	3,383,111	-	-	3,383,111
Issuance of flow-through shares	6,774,250	1,083,880	-	-	1,083,880
Premium on flow-through shares	-	86,371	-	-	86,371
Share issuance costs	-	(220,878)	-	-	(220,878)
Issuance of warrants	-	(995,387)	995,387	-	-
Exercise of warrants	162,000	38,609	(9,449)	-	29,160
Stock-based compensation	-	-	66,400	-	66,400
Loss and comprehensive loss for the year	-	-	-	(750,689)	(750,689)
<b>Balance, March 31, 2018</b>	<b>104,814,611</b>	<b>\$ 14,429,585</b>	<b>\$ 2,921,262</b>	<b>\$ (5,393,586)</b>	<b>\$ 11,957,261</b>
Issuance of flow-through shares	12,756,250	2,041,000	-	-	2,041,000
Share issuance costs	-	(134,722)	-	-	(134,722)
Stock-based compensation	-	-	62,400	-	62,400
Loss and comprehensive loss for the period	-	-	-	(402,017)	(402,017)
<b>Balance, September 30, 2018</b>	<b>117,570,861</b>	<b>\$ 16,335,863</b>	<b>\$ 2,983,662</b>	<b>\$ (5,795,603)</b>	<b>\$ 13,523,922</b>

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

## Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Comprehensive Loss

For the six months ended September 30, 2018 and 2017

(Expressed in Canadian Dollars)

	Three Months		Six Months	
	2018	2017	2018	2017
<b>Expenses</b>				
Salaries ( <i>note 5</i> )	\$ 57,351	\$ 71,467	\$ 118,872	\$ 147,600
Consulting fees ( <i>note 5</i> )	48,210	34,192	65,710	66,476
Professional fees	7,500	6,757	13,559	32,008
Marketing	64,167	15,838	112,809	25,412
Travel	22,383	6,279	45,371	30,345
Filing and agency fees	21,943	9,003	30,394	10,597
General and administrative expenses	11,017	14,969	28,108	38,603
Stock-based compensation ( <i>note 7</i> )	31,200	18,600	62,400	37,200
<b>Loss before other items</b>	<b>(263,771)</b>	<b>(177,105)</b>	<b>(477,223)</b>	<b>(388,241)</b>
<b>Other items</b>				
Interest income	(5,442)	(1,300)	(11,450)	(2,600)
Premium on flow-through shares ( <i>note 6</i> )	-	(342,984)	(63,756)	(342,984)
	<b>(5,442)</b>	<b>(344,284)</b>	<b>(75,206)</b>	<b>(345,584)</b>
<b>Profit (loss) and comprehensive profit (loss)</b>	<b>\$ (258,329)</b>	<b>\$ 167,179</b>	<b>\$ (402,017)</b>	<b>\$ (42,657)</b>
<b>Profit (loss) per share</b>				
- basic and diluted	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ (0.00)
<b>Weighted average number of common shares outstanding</b>	<b>117,570,861</b>	<b>74,193,200</b>	<b>110,336,495</b>	<b>66,897,978</b>
- basic and diluted				

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

**Aston Bay Holdings Ltd.**

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

For the six months ended September 30, 2018 and 2017

(Expressed in Canadian Dollars)

	2018	2017
<b>Cash flow generated by (used in) operating activities</b>		
Loss for the period	\$ (402,017)	\$ (42,657)
Items not affecting cash:		
Deferred premium on flow through shares	(63,756)	(342,984)
Stock-based compensation	62,400	37,200
	(403,373)	(348,441)
Non-cash working capital items (note 8)	482,240	850,601
	78,867	502,160
<b>Cash flow used in investment activities</b>		
Mineral properties and deferred exploration expenditures	(4,727,684)	(2,246,000)
Equipment acquisition	(250,000)	-
	(4,977,684)	(2,246,000)
<b>Cash flow from financing activities</b>		
Proceeds from issuance of units	390,250	1,301,846
Proceeds from issuance of flow through shares	2,060,600	926,000
Share issuance costs	(134,722)	(229,012)
	2,316,128	1,998,834
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(2,582,689)</b>	<b>254,994</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>4,079,151</b>	<b>836,505</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 1,496,462</b>	<b>\$ 1,091,499</b>

*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, 2018 and 2017

(Expressed in Canadian Dollars)

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## **1. Nature of the Company and Going Concern**

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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, 2018, the Company incurred a loss of \$402,017 and had an accumulated deficit of \$5,795,603 at September 30, 2018 and has yet to achieve revenue from operations. At September 30, 2018, the Company had working capital of \$940,334. These factors indicate the existence of material uncertainties that may cast significant doubt regarding the Company's ability to continue as a going concern. In order to meet future expenditures and cover administrative costs, the Company may need to raise additional financing. These consolidated financial statements have been prepared on the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

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

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 28, 2018.

## **2. Basis of Presentation**

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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 2018 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 2018 audited annual consolidated financial statements.

## **3. Cash and Cash Equivalents**

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The September 30, 2018 balance of cash and cash equivalents includes \$1,000,000 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 1.2% per annum, payable on redemption. The principal is redeemable upon request.

## Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Six months ended September 30, 2018 and 2017

(Expressed in Canadian Dollars)

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### 4. Mineral Properties and Deferred Exploration Expenditures

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Mineral properties and deferred exploration expenditures consist of:

#### Storm Copper and Seal Zinc Project

<b>Balance, March 31, 2017</b>	<b>\$ 5,137,323</b>
Exploration and evaluation expenditures	2,468,581
<b>Balance, March 31, 2018</b>	<b>\$ 7,605,904</b>
Exploration and evaluation expenses	<b>4,727,684</b>
<b>Balance, September 30, 2018</b>	<b>\$ 12,333,588</b>

The Storm Copper and Seal Zinc Project (the “Project”) consists of 134 contiguous mining claims and 12 prospecting permits covering an area of approximately 414,538 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.

The Company is actively advancing the Project. During the period, 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.

### 5. Related-Party Transactions and Balances

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The Company’s related parties include the following:

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

The Company entered into the following related party transactions during the six-month period ended September 30, 2018:

- a) Salaries in the amount of \$75,000 (2017 - \$75,000) were paid to Thomas Ullrich, the Company’s Chief Executive Officer. The salaries were recorded as follows: \$37,000 - deferred exploration expenditures; \$38,000 – salaries expense.
- b) Fees in the amount of \$225,788 (2017 – \$21,497) were charged by APEX Geoscience Ltd., a mining and engineering firm controlled by Michael Dufresne. The fees have been capitalized in mineral properties and deferred exploration expenditures. Amounts payable as at September 30, 2018 were \$11,215 (March 31, 2018 - \$1,502).

## Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Six months ended September 30, 2018 and 2017

(Expressed in Canadian Dollars)

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### 5. Related-Party Transactions and Balances - continued

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- c) Fees in the amount of \$25,000 (2017 - \$25,000) were charged by Target Financial Services Inc., a company controlled by Dwight Walker, for the services of Mr. Walker, who acts as Chief Financial Officer of the Company. The fees are reflected in consulting fees. The amounts payable to Target Financial Services Inc. at September 30, 2018 were \$4,708 (March 31, 2018 - \$nil).
- d) The Company finalized an agreement with and paid \$250,000 to Lone Peak Drilling (0820603 B.C. Ltd.), a company owned by Clifford Boychuk. The transaction was for the acquisition of a drill rig and related equipment.

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.

### 6. Deferred Premium on Flow-Through Shares

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At March 31, 2018, the Company had a commitment to incur \$1,059,970 of qualifying exploration expenditures. In connection with the flow-through financing closed on April 26, 2018, the Company incurred an obligation to spend an additional \$2,041,000 on qualifying exploration expenditures. During the period, the Company fully met its obligation to incur qualifying exploration expenditures and as at September 30, 2018 had no remaining commitment.

The deferred premium on flow-through shares at March 31, 2018 was \$63,756. During the period, the premium liability was recognized as income in the consolidated statements of comprehensive loss. No deferred premium on flow-through shares was recognized in connection with the April 26, 2018 financing.

### 7. Share Capital

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#### Common Stock

**Authorized** - Unlimited number of common shares without par value.

**Issued** - The continuity of issued and outstanding shares is as follows:

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	Number of Shares	Amount
<b>Balance, March 31, 2018</b>	<b>104,814,611</b>	<b>\$ 14,429,585</b>
Private placement – April 26, 2018 (i)	12,756,250	2,041,000
Issuance costs (ii)	-	(134,722)
<b>Balance, September 30, 2018</b>	<b>117,570,861</b>	<b>\$ 16,335,863</b>

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## Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Six months ended September 30, 2018 and 2017

(Expressed in Canadian Dollars)

### 7. Share Capital - continued

- (i) 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.
- (ii) 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 \$13,762.

#### Stock Options

The continuity of share purchase options is as follows:

	Number of Options	Weighted average exercise price
<b>Outstanding, March 31, 2018</b>	<b>5,907,500</b>	<b>\$ 0.23</b>
Options forfeited	(340,000)	(0.21)
<b>Outstanding, September 30, 2018</b>	<b>5,567,500</b>	<b>\$ 0.24</b>

As at September 30, 2018, 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	1.9	1,395,000	1,395,000	\$ 0.20
October 27, 2021	3.1	450,000	450,000	0.20
February 1, 2023	4.3	915,000	915,000	0.20
May 18, 2023	4.6	1,257,500	1,257,500	0.40
January 27, 2024	5.3	500,000	500,000	0.20
December 8, 2024	6.2	1,050,000	-	0.15
	<b>4.1</b>	<b>5,567,500</b>	<b>4,517,500</b>	

The Company recognized \$62,400 (2017 - \$37,200) in stock-based compensation.

## Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Six months ended September 30, 2018 and 2017

(Expressed in Canadian Dollars)

### 7. Share Capital - continued

#### Warrants

There were no changes during the period to warrants.

As at September 30, 2018, the following warrants were outstanding and exercisable:

<b>Expiry Date</b>	<b>Number of Warrants</b>	<b>Exercise Price</b>
January 7, 2019	5,402,702	\$ 0.18
January 17, 2019	287,750	0.18
March 1, 2020	5,307,040	0.20
March 29, 2020	6,938,156	0.20
	<b>17,935,648</b>	<b>\$ 0.19</b>

### 8. Additional Cash Flow Information

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

	<b>September 30, 2018</b>	September 30, 2017
Receivable from project	\$ -	\$ 586,820
Sales tax recoverable	(120,879)	4,473
Accounts receivable	(6,000)	36,568
Prepaid expenses	(91,664)	(52,426)
Accounts payable and accrued liabilities	700,783	275,166
	<b>\$ 482,240</b>	<b>\$ 850,601</b>

### 9. Subsequent Event

On November 7, 2018, the Company completed the acquisition of Jack's Fork Exploration, Inc. ("JFE"), a private company incorporated under the laws of the State of Delaware (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.

## **Aston Bay Holdings Ltd.**

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Six months ended September 30, 2018 and 2017

(Expressed in Canadian Dollars)

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### **9. Subsequent Event - continued**

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Pursuant to the Acquisition, holders of JFE shares (“JFE Stockholders”) are entitled to receive 0.57396868 of a common share of Aston Bay in exchange for each JFE share of common stock held immediately prior to the effective time of the Acquisition, with an aggregate of 12,000,000 Aston Bay shares available to be issued to the JFE Stockholders. The new Aston Bay subsidiary will operate the existing business of JFE moving forward.

Through the JFE acquisition, Aston Bay owns exclusive rights to an integrated geophysical, geochemical and geological dataset over certain prospective private lands located in central Virginia, USA. These lands are located within a copper-lead-zinc-gold-silver mineralized sedimentary and volcanic belt prospective for sedimentary exhalative (SEDEX) or Broken Hill (BHT) type deposits.