Aston Bay Holdings Ltd.

Audited Consolidated Financial Statements

For the years ended March 31, 2015 and 2014

(Expressed in Canadian Dollars)

Independent Auditors’ Report

To the Shareholders of Aston Bay Holdings Ltd.

We have audited the accompanying consolidated financial statements of Aston Bay Holdings Ltd., which comprise the consolidated statements of financial position as at March 31, 2015 and 2014, and the consolidated statements of changes in equity, statements of loss and comprehensive loss, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Aston Bay Holdings Ltd. as at March 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on Aston Bay Holdings Ltd.'s ability to continue as a going concern.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
July 29, 2015

Consolidated Statements of Financial Position
As at March 31, 2015 and 2014
(Expressed in Canadian Dollars)

		March 31, 2015		March 31, 2014
Assets				
Current assets				
Cash	**$**	**48,256**	$	7,746
Accounts receivable and tax recoverable		**5,905**		4,269
Prepaid expenses		**-**		11,115
		54,161		23,130
Mining properties and deferred exploration expenditures *(note 4)*		**2,507,945**		1,537,112
Total assets	**$**	**2,562,106**	$	1,560,242
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities *(note 6)*	**$**	**532,022**	$	239,076
Deferred premium on flow-through shares *(note 7)*		**-**		22,252
Total liabilities		**532,022**		261,328
Shareholders' equity				
Share capital *(note 8)*		**3,616,591**		2,558,938
Contributed surplus *(note 8)*		**717,093**		280,332
Deficit		**(2,303,600)**		(1,540,356)
		2,030,084		1,298,914
Total liabilities and shareholders' equity	**$**	**2,562,106**	$	1,560,242

Going concern *(note 1)*
Subsequent events *(note 12)*

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

Approved by the Board
Signed:

____*"Benjamin Cox"*____ ____*"Clifford Boychuk"*____

Director Director

Consolidated Statements of Changes in Equity
For the years ended March 31, 2015 and 2014
(Expressed in Canadian Dollars)

	Share Capital		Contributed		Total Shareholders'
	Number of Shares	Amount	Surplus	Deficit	Equity
Balance, March 31, 2013	**17,715,000**	**$ 1,183,706**	**$ -**	**$ (415,653)**	**$ 768,053**
Reverse Take-over of Escudo by Aston Bay					
Eliminate Aston Bay Ventures Ltd. common shares	(17,715,000)	-	-	-	-
Issuance of shares by Aston Bay Holdings Ltd.	17,715,000	-	-	-	-
Notionally Aston Bay Ventures Ltd. acquires Aston Bay Holdings Ltd.	3,035,000	607,000	20,400	-	627,400
Issuance of flow-through common shares	2,020,000	492,000	-	-	492,000
Issuance of non-flow-through common shares	2,470,000	435,500	-	-	435,500
Premium on flow-through shares	-	(101,000)	-	-	(101,000)
Share issuance costs	-	(8,460)	-	-	(8,460)
Issuance of warrants	-	(60,608)	60,608	-	-
Stock options exercised	45,000	10,800	(1,800)	-	9,000
Stock-based compensation	-	-	201,124	-	201,124
Net loss and comprehensive loss for the year	-	-	-	(1,124,703)	(1,124,703)
Balance, March 31, 2014	**25,285,000**	**$ 2,558,938**	**$ 280,332**	**$ (1,540,356)**	**$ 1,298,914**
Issuance of shares to Commander (*note 4)*	703,777	152,908	-	-	152,908
Issuance of flow-through common shares	1,120,221	255,400	-	-	255,400
Issuance of non-flow-through common shares	958,840	222,610	-	-	222,610
Premium on flow-through shares	-	(46,049)	-	-	(46,049)
Share issuance costs	-	(8,918)	-	-	(8,918)
Issuance of warrants	-	(208,797)	208,797	-	-
Issuance of shares for debt	1,640,336	410,084	-	-	410,084
Issuance of shares to Antofagasta *(note 4)*	761,594	266,558	-	-	266,558
Stock options exercised	50,000	13,857	(3,857)	-	10,000
Stock-based compensation	-	-	231,821	-	231,821
Net loss and comprehensive loss for the year	-	-	-	(763,244)	(763,244)
Balance, March 31, 2015	**30,519,768**	**$ 3,616,591**	**$ 717,093**	**$ (2,303,600)**	**$ 2,030,084**

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

Consolidated Statements of Loss and Comprehensive Loss
For the years ended March 31, 2015 and 2014
(Expressed in Canadian Dollars)

		2015		2014
Expenses				
Consulting fees *(note 6)*	**$**	**302,243**	$	225,326
Professional fees *(note 6)*		**168,890**		126,391
General and administrative expenses		**113,465**		102,318
Stock-based compensation		**231,821**		201,124
Filing and agency fees		**15,126**		27,624
Listing expense on RTO *(note 5)*		**-**		550,265
Premium on flow-through shares income *(note 7)*		**(68,301)**		(108,345)
Net loss and comprehensive loss	**$**	**(763,244)**	$	(1,124,703)
Basic and diluted net loss per share *(note 2)*	**$**	**(0.03)**	$	(0.05)
Weighted average number of common shares outstanding - basic and diluted *(note 2)*		**28,476,460**		23,839,548

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

Aston Bay Holdings Ltd.

Consolidated Statements of Cash Flows
For the years ended March 31, 2015 and 2014
(Expressed in Canadian Dollars)

	2015	2014
Cash flow from operating activities		
Net loss for the year	**$ (763,244)**	$ (1,124,703)
Items not affecting cash:		
Deferred premium on flow-through shares *(note 7)*	**(68,301)**	(108,345)
Listing expense on RTO *(note 5)*	**-**	550,265
Stock-based compensation	**231,821**	201,124
	(599,724)	(481,659)
Non-cash working capital items:		
Tax recoverable and prepaid expenses	**9,479**	1,653
Accounts payable and accrued liabilities	**292,946**	(134,019)
	(297,299)	(614,025)
Cash flow from investing activities		
Mining properties and deferred exploration expenditures	**(586,302)**	(388,641)
Deposit from Antofagasta (*note 4*)	**54,200**	-
Settlement payment from Antofagasta (*note 4*)	**124,261**	-
	(407,841)	(388,641)
Cash flow from financing activities		
Proceeds from issuance of common shares *(note 8)*	**222,610**	435,500
Proceeds from issuance of flow-through common shares *(note 8)*	**255,400**	492,000
Proceeds from exercised stock options *(note 8)*	**10,000**	9,000
Share issuance costs *(note 8)*	**(8,918)**	(8,460)
Cash acquired on RTO *(note 5)*	**-**	66,606
Proceeds from share issuance to Antofagasta (*note 8*)	**266,558**	-
	745,650	994,646
Increase (decrease) in cash	**40,510**	(8,020)
Cash, beginning of year	**7,746**	15,766
Cash, end of year	**$ 48,256**	$ 7,746
Non-cash investing and financing activity		
Issuance of common stock for mineral properties and exploration expenditures and for debt	**$ 562,992**	$ -

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

1. Nature of the Company and Going Concern

Aston Bay Holdings Ltd. (the "Company") is a Canadian copper and zinc exploration and development company advancing the Storm Copper and Seal Zinc projects on Somerset Island, Nunavut, Canada.

The Company was incorporated in British Columbia, Canada on February 28, 2011 as Escudo Capital Corporation. The Company was incorporated as a "Capital Pool Corporation" ("CPC"), as this term is defined in the policies of the TSX Venture Exchange (the "Exchange"). On May 2, 2013 the Company completed a Qualifying Transaction, as this term is defined in the policies of the Exchange, when it acquired 100% of the issued and outstanding shares of Aston Bay Ventures Ltd. under the terms of a reverse-takeover transaction (the "Transaction") and on May 6, 2013, the shares of the Company began trading on the Exchange under the symbol "BAY" (note 5). The Company changed its name on May 2, 2013 to Aston Bay Holdings Ltd. in connection with the Company's Transaction. The Company's registered address is 1800 – 1111 West Georgia Street, Vancouver, British Columbia, V6E 4M3 and the head office is located at 400 E Evergreen Blvd., Suite 222, Vancouver, Washington, U.S.A., 98660.

These financial statements are the consolidated financial statements of Aston Bay Holdings Ltd. and its wholly owned subsidiary, Aston Bay Ventures Ltd., incorporated in British Columbia, Canada on November 14, 2011.

The Company has incurred a current year loss of $763,244 and has an accumulated deficit of $2,303,600 at March 31, 2015. In addition, the Company had a working capital deficiency of $477,861 at March 31, 2015. These factors may cast significant doubt about 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 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 mining properties and deferred exploration expenditures is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in mining 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 29, 2015.

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 financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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.

Functional and presentation currency

The functional currency of the Company is Canadian dollars, and all amounts are presented in Canadian dollars unless otherwise stated.

Financial instruments

The Company's financial assets consist of cash and accounts receivable and tax recoverable. The Company's financial liabilities consist of accounts payable and accrued liabilities.

Financial instruments are measured at fair value on initial recognition of the instrument and classified into one of the following categories:

- Fair value through profit or loss ("FVTPL")
- Loans and receivables
- Held-to-maturity investments
- Available-for-sale
- Other financial liabilities

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. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired. The remaining categories of financial instruments are measured at amortized cost using the effective interest rate method.

2. Significant Accounting Policies - continued

Financial instruments - continued

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.

All financial assets have been classified as loans and receivables. The remaining financial instruments have been classified as other financial liabilities.

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.

The carrying values of all the Company's financial instruments approximate their fair values due to the short-term or demand nature of these balances.

Impairment of financial assets

Financial assets 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 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 accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, 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.

Mining properties and deferred exploration expenditures

Mining properties are carried at cost and include the acquisition costs related to the properties. These costs will be amortized on a unit-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 mining 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.

2. Significant Accounting Policies - continued

Mining properties and deferred exploration expenditures - continued

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, until those properties are determined to be economically viable for mineral production. After the determination of economic feasibility and at the commencement of pre-production activities these deferred exploration expenditures will be transferred to mining properties and amortized through charges against income derived from mining operations. Amortization charges will 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 is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in mining properties, the ability of the Company to secure continued financial support to develop its mineral properties, and the attainment of future profitable production.

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 loss and comprehensive loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred.

Income taxes

Income taxes on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or subsequently enacted at the end of the reporting period, adjusted for amendments to tax payable with regards to previous years.

The Company recognizes deferred tax on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computing taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the end of the reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

2. Significant Accounting Policies - continued

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 2,886,205 warrants and 2,645,000 stock options, which were anti-dilutive for the year ending March 31, 2015.

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 statements of financial position (notes 1 and 4).

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.

2. Significant Accounting Policies - continued

Asset retirement obligation - continued

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.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amount of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment. The Company has assessed all of its non-financial assets and has determined that there is no impairment.

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.

Foreign currency translation

The functional currency of the Company and its subsidiary is the Canadian 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 net loss and comprehensive loss for the period.

Changes in accounting policies

The IASB issued new standards and amendments effective for, and adopted in the current year. The adoption of the following accounting policies had no impact on the Company's consolidated financial statements:

IFRS 10, Consolidated Financial Statements ("IFRS 10"), establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27 “Consolidated and Separate Financial Statements” and SIC 12 “Consolidated – Special Purpose Entities”.

2. Significant Accounting Policies - continued

Changes in accounting policies - continued

IFRS 11, Joint Arrangements ("IFRS 11"), establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 supersedes the current IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non Monetary Contributions by Venturers".

IFRS 12, Disclosure of Interest in Other Entities ("IFRS 12"), applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.

IFRS 13, Fair Value Measurement, converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The measurement of the fair value of an asset or liability is based on assumptions that market participants would pay when pricing the asset or liability under market conditions.

IAS 28, Investments in Associates and Joint Ventures prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture).

3. Future Accounting Pronouncements

The Company has reviewed changes to accounting standards that become effective in future periods. Relevant standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below:

IFRS 9 - Financial Instruments

IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company currently intends to adopt the standard on its effective date and is evaluating the impact on its consolidated financial statements.

4. Mining Properties and Deferred Exploration Expenditures

Storm Copper and Seal Zinc Property

On December 30, 2011, the Company entered into an Option Agreement (the "Agreement") with Commander Resources Ltd. ("Commander") as amended. The Agreement provides the Company the right to earn up to a 70% interest in the Storm Copper and Seal Zinc projects subject to four prospecting permits held by Commander located in Nunavut, Canada.

In order to initiate the Agreement, during the period ended September 30, 2012, the Company was required to make cash payments of $150,000 and issue 2,000,000 common shares to Commander. Further, pursuant to the terms of the Agreement, the Company was required to raise no less than $1,000,000 by February 15, 2012. The Company fulfilled the financing obligation by raising in excess of $500,000 by way of equity and by obtaining a short-term loan of $500,000 from Caledonian Bank Limited. However, during the period ended September 30, 2012, the Company cancelled the short-term loan with the consent of Commander and both parties agreed the cancellation did not compromise the fulfillment of the financing obligations pursuant to their Agreement. Consequently, as at September 30, 2012, the Company had fulfilled all initial payments and financing obligations in accordance with the Agreement.

The First Option in the Agreement grants the Company the sole and exclusive right and option to acquire an undivided interest of up to 50.1% in the property by issuing 1,500,000 common shares in the capital stock of the Company; incurring a minimum total of $6,000,000 in exploration expenditures during the period commencing on the date on which the initial cash payment is made and ending no later than December 31, 2015 (amended on June 23, 2014, see below); and, achieving a public stock market listing by May 31, 2013 (completed on May 2, 2013 - see note 5).

Of the required total of $6,000,000 in exploration expenditures, a minimum of $1,000,000 in exploration expenditures were required to be made during each of the 2012 and 2013 calendar years, and a minimum of $2,000,000 must be made during each of the 2014 and 2015 calendar years as amended on June 23, 2014.

On June 23, 2014, an amendment was made to the Option Agreement with Commander as follows:

- The Company may exercise the Buy-Out Option at any time subsequent to exercise of the First Option and acquisition of an undivided 50.1% interest;
- The date by which the total minimum expenditures of $6,000,000 need to be made was amended from December 31, 2015 to December 31, 2016;
- Of the total minimum expenditures noted above, $2,000,000 must be made during each of the 2015 and 2016 calendar years, with no minimum now required for the 2014 calendar year;
- The “Area of Interest” between the Company and Commander, which was situated within five kilometres of the outermost boundary of the property, was reduced to two kilometres.
- In exchange, the Company agreed to expedite the issuance to Commander of the final 500,000 First Option period consideration shares, which occurred on July 22, 2014 (note 8).

During the period ended September 30, 2012, the Company issued 1,000,000 of the required 1,500,000 shares to be issued to Commander (note 8). The remaining 500,000 shares were issued on July 22, 2014 (note 8). As of March 31, 2015, the Company has issued a total of 3,703,777 common shares to Commander in connection with the Agreement as amended. As at March 31, 2015, the Company is in compliance with the Agreement as amended.

4. Mining Properties and Deferred Exploration Expenditures - continued

Storm Copper and Seal Zinc Property - continued

During the First Option period, should the Company fail to meet the requirement for the minimum expenditures in any calendar year, 25% of any shortfall from the minimum expenditures requirement is payable to Commander by March 31 of the following calendar year, to an aggregate maximum of $1,000,000 in shortfall payments. Any shortfall payments are payable in cash or shares at the option of the Company, with shares being valued at 80% of the volume-weighted average trading price for the last twenty (20) trading days from the earlier of the payment date and the date the payment is due. The shares must be valued at a minimum of $0.10 per share for the purpose of calculating the shortfall penalty. Any shortfall payments will not apply towards the exploration expenditures minimum in the period they are paid.

On April 30, 2014, the Company issued Commander 203,777 common shares in satisfaction of a shortfall penalty of $35,408 as a result of a shortfall of $141,631 in minimum exploration expenditures by the Company during the 2013 calendar year (note 8). The common shares were issued in connection with the Company's option to acquire a 70% right, title and interest in and to the Storm Copper Target Area and the Seal Target Area. The satisfaction of the shortfall penalty is to maintain the option in good standing.

The Second Option, which is subject to due exercise of the First Option, provides the Company the exclusive option to acquire an additional undivided 19.9% interest, for an aggregate 70% interest, in and to the property by incurring an additional $9,000,000 in exploration expenditures by December 31, 2021, and by defining a resource at least at the "indicated mineral resource" category on the property, in a form compliant with National Instrument 43-101 of the Canadian Securities Administrators.

If the Second Option is exercised, the Company may elect, by no later than January 1, 2023, to buy the remaining interest in the property and thereby acquire the entire 100% (the "Buy-out Option"), subject only to the Gross Overriding Royalty. The Buy-out Option can be exercised by paying Commander 200% of the total exploration expenditures incurred by Commander from the date a joint venture was formed and, at Commander's option, either $15,000,000 in cash or a sufficient number of common shares that, when issued, equal at least 20% of the Company's market capitalization.

If Commander's interest in the property falls below 10%, the Company or the operators shall pay Commander a gross overriding royalty in perpetuity from the sale by any party of all ores, minerals, metals or other products extracted, mined, utilized, removed or produced from the property at the rate of 0.875% of the gross proceeds (the "Gross Overriding Royalty").

The Company amended the royalty provision of its Agreement on February 14, 2014, with Commander. The amendment allows the Company to reduce the Gross Overriding Royalty from 0.875% to 0.4% by making a one-time payment to Commander under the following schedule:

- $2 million if payment is made in the 2014 calendar year; or
- $3 million if payment is made in the 2015 calendar year; or
- a payment of $3 million plus an additional $1 million for every calendar year following 2015 (for example: $6 million if payment is made in 2018).

As of March 31, 2015, Commander was considered a related party, as it holds 12.14% of the outstanding common shares of the Company.

4. Mining Properties and Deferred Exploration Expenditures - continued

Antofagasta

On June 18, 2014, the Company announced that it had signed a binding Memorandum of Understanding ("MOU") with a wholly-owned subsidiary of Antofagasta plc ("Antofagasta") to cooperatively advance the Storm Copper and Seal Zinc projects ("Storm"). The MOU gives Antofagasta the opportunity to earn up to a 70% total interest in Storm, as well as a path to an eventual proposed joint venture, while the Company has the option to maintain the remaining 30% interest in Storm. The MOU was amended on July 10, 2014 as described below.

On August 18, 2014, the Company satisfied the final conditions of the MOU with Antofagasta. On September 15, 2014, the Company completed a private placement with Antofagasta and issued 761,594 units at $0.35 per unit for gross proceeds of $266,558 (US$250,000) (note 8). Each unit consisted of one common share and one share purchase warrant entitling Antofagasta to acquire one common share, at an exercise price of $0.55 per share, until March 15, 2016. Following the placement, Antofagasta holds approximately 2.5% of the Company's total shares outstanding.

On January 18, 2015, the Company announced it had received preliminary notice from Antofagasta that it intends to formally terminate the Earn-In Agreement for the Storm Project, which was announced on December 1, 2014. As part of the termination, Antofagasta has paid the Company US$100,000. On February 5, 2015, the Company received settlement payment and signed a mutual settlement agreement and final release.

The terms of the MOU were as follows:

- In Phase I, Antofagasta may spend a minimum of US$10 million in expenditures (inclusive of a US$250,000 private placement) over a period of six years, beginning on the effective date of the MOU, to earn in a 50.1% interest in Storm. Phase I is subject to the successful completion of a private placement by the Company of a minimum of US$700,000 and maximum of US$2,000,000. Antofagasta was required to purchase such number of non-flow-through units that is equal to gross proceeds of US$250,000 (Shares issued on September 15, 2014, see below). Other than the US$250,000, no expenditures in Phases I, II or III are committed expenditures. There is no guarantee that any phase will be completed or that Antofagasta will exercise its right to proceed to the next phase.
- Phase II provides that Antofagasta may spend an additional US$6 million over three years and provide a technical report in compliance with National Instrument 43-101, demonstrating an indicated resource of at least 15 million tonnes of copper-bearing rock, at a 0.2% copper cut-off, to earn an additional 19.9% interest, for a total 70% interest in Storm.
- Phase III would immediately follow Phase II, and provides that Antofagasta will fund all expenditures including a minimum of US$1 million per year for the entire period ending two years following the completion of a possible feasibility study. If Antofagasta elects not to proceed during Phase III, Aston Bay can buy back Antofagasta's interest for 130% of expenditures that Antofagasta has funded to that point. Alternatively, Aston Bay can maintain its 30% interest and take control of the technical committee or board of the operating company by paying to Antofagasta US$1 million.
- Phase IV would commence two years after the delivery of a possible feasibility study, provides that both Aston Bay and Antofagasta would pay their *pro rata* shares of expenditures, according to their respective interests in the Storm project.

(Expressed in Canadian Dollars)

4. Mining Properties and Deferred Exploration Expenditures - continued

Mining properties and deferred exploration expenditures consists of:

Storm Copper and Seal Zinc Property		
Acquisition costs for mining properties *(i)*	$	190,000
Acquisition under First Option *(ii)*		100,000
Evaluation expense – Geophysical survey *(iii)*		483,373
Balance, September 30, 2012	$	773,373
Project evaluation expense		61,210
License to acquire data from Teck Metals Ltd. *(iv)*		220,000
Balance, March 31, 2013	$	1,054,583
Evaluation expense - Geophysical survey		439,662
Field supervisory costs *(v)*		42,867
Balance, March 31, 2014	$	1,537,112
Project evaluation expenses		1,149,294
Funds received from Antofagasta (*vi*)		(54,200)
Settlement payment from Antofagasta *(vii)*		(124,261)
Balance, March 31, 2015	**$**	**2,507,945**

(i) The Company was required to pay $150,000 in cash and issue 2,000,000 common shares valued at $0.02 per share in order to initiate the Option Agreement. The Company paid $100,000 and the remaining $50,000 was advanced by a related party, who was then issued 2,500,000 common shares valued at $0.02 per share in settlement of the advance.

(ii) The Company issued 1,000,000 shares valued at $0.10 per share.

(iii) Included in the evaluation expenses are 150,000 shares valued at $0.10 per share for consideration of services performed.

(iv) For the purpose of compliance with the spending requirements of the First Option of the Agreement, the Company and Commander agreed to allocate a value of $800,000 to the acquisition of the license from Teck Metals Ltd. 2,200,000 common shares were issued at $0.10 per share.

(v) Balance includes supervisory, logistics and planning service in relation to exploration, sampling, drilling and other activities performed by related parties, Benjamin Cox & Associates and Oren Inc. (note 6).

(vi) In connection with the non-binding term sheet with Antofagasta, Antofagasta paid $54,200 (US$50,000) to the Company, related to an exclusivity period during which the parties would negotiate regarding a memorandum of understanding. During the year ended March 31, 2015, the Company fulfilled its requirements under the term sheet, making the deposit non-refundable.

(vii) On February 5, 2015, the Company received a settlement payment from Antofagasta of $124,261 (US$100,000) in consideration for the Company's execution of a mutual settlement agreement and release from the Earn-In Agreement by Antofagasta.

(Expressed in Canadian Dollars)

5. Reverse Take-over ("RTO") Transaction

RTO Transaction

On May 2, 2013, Escudo Capital Corporation ("Escudo") acquired 100% of the issued and outstanding shares of Aston Bay Ventures Ltd. ("Aston Bay"), a private company (the "Transaction"). The Transaction constituted a Qualifying Transaction of Escudo as such term is defined in Policy 2.4 of the Corporate Finance Manual of the TSXV.

To effect the Transaction, Escudo issued 17,715,000 common shares in exchange for the 17,715,000 common shares of Aston Bay, being 100% of the issued and outstanding capital of Aston Bay, resulting in the shareholders of Aston Bay becoming the controlling shareholders of Escudo. On May 6, 2013, the Exchange approved the Transaction, resulting in the shares of the Company beginning to trade on the Exchange under the symbol "BAY".

Concurrent Financing

Concurrent with the closing of the Transaction, the Company closed a financing ("Concurrent Financing") whereby 1,760,000 flow-through common shares were issued at a price of $0.25 per share and 1,300,000 non-flow-through common shares were issued at a price of $0.20 per share for gross proceeds of $700,000. The Company incurred transaction costs of $2,900 in share issue costs and issued 14,500 finder warrants valued at $925 (note 8).

Name Change

Concurrent with the Transaction, the directors of Escudo resolved to change the name of Escudo to "Aston Bay Holdings Ltd."

Accounting

Although the Transaction resulted in Aston Bay becoming a wholly-owned subsidiary of Escudo, the Transaction constituted a reverse takeover of Escudo and has been accounted for as a reverse takeover transaction in accordance with guidance provided in IFRS 2 Share-based Payment and IFRS 3 Business Combinations. As Escudo did not qualify as a business according to the definition in IFRS 3, this reverse take-over transaction does not constitute a business combination; rather, it is treated as an issuance of shares by Aston Bay for the net monetary assets of Escudo, followed by a recapitalization of Aston Bay.

The net assets of Escudo received were as follows:

Cash	$ 66,606
Tax recoverable	12,629
Prepaid expenses	3,900
Less: accounts payable and accrued liabilities	(6,000)
Total net assets acquired	**$ 77,135**
Notional price paid for Escudo shares	$ 607,000
Fair value of stock options (note 8)	17,100
Fair value of warrants (note 8)	3,300
Total purchase price	627,400
Listing expense on RTO	**$ 550,265**

5. Reverse Take-over ("RTO") Transaction - continued

Transaction costs incurred by the Company were expensed. The notional price paid for an Escudo share was determined based on the estimated fair value of common shares upon closing of the RTO Transaction and Concurrent Financing (note 8).

6. Related-Party Transactions

The Company entered into a management and administrative services agreement (the "Management Services Agreement") effective May 2, 2013 with Oren Inc., a company majority owned by the Company's CEO and director, Benjamin Cox. During the year ended March 31, 2015, the Company was charged $164,417 (2014 - $144,675), in fees for consulting services provided by Oren Inc. These fees have been allocated to consulting fees and deferred exploration expenditures of $Nil (2014 - $125,808). As at March 31, 2015, accounts payable and accrued liabilities included $26,923 (2014 - $30,398) owing to Oren Inc.

The Company has retained Iris Cox, the wife of CEO Benjamin Cox, as in-house legal counsel. For the year ended March 31, 2015, the Company was charged $23,991 (2014 - $22,894), which has been included in professional fees. As at March 31, 2015, there is $21,930 (2014 - $10,030) included in accounts payable and accrued liabilities related to these services.

The Company has entered into an executive services agreement with Benjamin Cox and Associates, a company controlled by Benjamin Cox. During the year ended March 31, 2015, the Company was charged $109,196 (2014 - $97,734), in fees for consulting services provided by the CEO, Benjamin Cox. These fees have been allocated to consulting fees and deferred exploration expenditures of $Nil (2014 - $73,734). As at March 31, 2015, accounts payable and accrued liabilities included $96,657 (2014 - $18,638) owing to Benjamin Cox and Associates.

During the year ended March 31, 2015, the Company was charged $26,798 (2014 - $25,784), in fees for consulting services provided by Moshe Cohen, the Company's Chief Financial Officer. As at March 31, 2015 accounts payable and accrued liabilities included $22,417 (2014 - $18,784) owing to Moshe Cohen.

The Company has entered into a consulting agreement with LithoQuest Capital Inc., a company controlled by Bruce Counts, effective May 10, 2013, for the provision of services related to advising the Board of the Company with respect to capital markets and provision of services as Chief Operating Officer of the Company. Bruce Counts was elected to be a new Member of the Board of Directors at the Company's annual shareholders' meeting, held November 18, 2013, in Vancouver, B.C. During the year ended March 31, 2015, the Company was charged $106,719 (2014 - $88,486) by LithoQuest Capital Inc. for the services of Bruce Counts. These fees have been allocated to deferred exploration expenditures. As at March 31, 2015, accounts payable and accrued liabilities included $108,331 (2014 - $41,562) owing to LithoQuest Capital Inc. for Bruce Counts.

During the year ended March 31, 2015, the Company was charged $410,084 (2014 - $Nil) in service fees with Lone Peak Drilling ("Lone Peak"). The payment of these service fees were satisfied through the issuance of common shares (Note 8). Clifford Boychuk, a director of the Company, is a 49% owner of Lone Peak and exercises control or direction over Lone Peak. These fees have been allocated to deferred exploration expenditures. As at March 31, 2015, there is $Nil (March 31, 2014 - $Nil) included in accounts payable and accrued liabilities related to these services.

6. Related-Party Transactions (continued)

During the year ended March 31, 2015, the Company was charged $320,151 (2014 – $282,064) in fees from APEX Geoscience Ltd., a mining and engineering firm in which Michael Dufresne, who currently owns over 10% of the Company's common shares, is a senior officer and indirectly owns 50% of its outstanding shares through 677081 Alberta Ltd., a company owned by Mr. Dufresne and his spouse. These fees have been capitalized in mining properties and deferred exploration expenditures. As at March 31, 2015, there is $130,477 (March 31, 2014 - $52,326) included in accounts payable and accrued liabilities related to these services.

7. 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 statement of loss and 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.

During the year ended March 31, 2015, total premium liability of $46,049 was recognized in respect of the Company's August 8, 2014 and December 31, 2014 flow-through financings.

During the year ended March 31, 2015, $68,301 (2014 - $108,345) of the deferred premium liability was recognized as income in the consolidated statements of loss and comprehensive loss. This included the entire deferred premium liability related to the 2014 financings of $46,049 and the remaining deferred premium liability of $22,252 related to the 2013 financings.

As of March 31, 2015, the remaining deferred premium is $Nil (2014 - $22,252).

(Expressed in Canadian Dollars)

8. Share Capital

Authorized - Unlimited number of common shares without par value.

Issued and outstanding common shares:

	Number of Shares	Amount
Original Escudo share capital		
Issuance of common shares, net (i)	1,500,000	$ 230,360
Issuance of common shares, net (ii)	1,535,000	153,500
Share issuance costs – Agent warrants (i)	-	(15,825)
Escudo share capital prior to RTO	3,035,000	368,035
Original Aston Bay share capital (iii)	17,715,000	1,183,706
RTO transaction		
Elimination of existing share capital (iii)	(17,715,000)	(368,035)
Value of notionally issuing 3,035,000 shares at the fair value, being the average price for the shares issued in the RTO transaction and fair value of warrants and options issued (iii)	-	607,000
Issue of shares by Escudo in exchange for 100% of shares of Aston Bay (iii)	17,715,000	-
Issuance of common shares - Concurrent financing, net (iv)	3,060,000	608,175
Private placement - November 8, 2013, net (v)	1,040,000	106,652
Private placement - November 28, 2013, net (vi)	390,000	42,605
Stock options exercised (vii)	45,000	10,800
Balance, March 31, 2014	25,285,000	$ 2,558,938
Issuance of common shares to Commander (viii)	203,777	35,408
Stock options exercised (ix)	50,000	13,857
Issuance of common shares to Commander (x)	500,000	117,500
Private placement – August 8, 2014, net (xi)	1,555,840	239,412
Issuance of common shares for debt (xii)	1,640,336	410,084
Issuance of common shares to Antofagasta, net (xiii)	761,594	186,964
Private placement – December 31, 2014, net (xiv)	523,221	54,428
Balance, March 31, 2015	**30,519,768**	**$ 3,616,591**

8. Share Capital – continued

(i) On May 30, 2011, the Company closed its Initial Public Offering ("IPO"). The offering consisted of 1,500,000 common shares at a price of $0.20 per share for gross proceeds of $300,000. The Company paid Canaccord Genuity Corp., which acted as agent for the offering, a cash commission of 10% of the gross proceeds of the offering and an administrative fee of $10,000 inclusive of applicable taxes, and granted the agent warrants to acquire up to 150,000 common shares of the Company at $0.20 per share exercisable for a period of 24 months, expiring May 30, 2013 (since expired). The fair value of agent's warrants, which was included in share issuance costs, was $15,825 as determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.20, expected life of 2 years, a dividend yield of 0%, risk free rate of 1.50% and volatility of 100%. The Company also reimbursed the agent for certain expenses in connection with the offering.

(ii) On March 10, 2011, the Company issued 1,535,000 common shares at a price of $0.10 per share for gross proceeds of $153,500.

(iii) On May 2, 2013, the Company issued 17,715,000 shares in exchange for all of the 17,715,000 shares of Aston Bay Ventures Ltd. (note 5). Upon completion of the RTO transaction, 7,922,500 common shares were placed into escrow and are to be released on a staged basis over a thirty-six month period beginning on the date of the final exchange bulletin. The notional price paid for the 3,035,000 common shares of Escudo was determined based on the estimated fair value of common shares upon closing of the RTO Transaction and Concurrent Financing of $0.20 per common shares for a fair value of $607,000.

(iv) On May 2, 2013, the Company completed a Concurrent Financing through the issuance of 1,760,000 flow-through common shares at $0.25 per share and 1,300,000 non-flow-through common shares at $0.20 per share, for gross proceeds of $700,000. The Company incurred share issuance costs of $2,900 and issued 14,500 finder warrants priced at $0.25 per unit and valued at $925. The premium on the flow-through shares was $88,000.

(v) On November 8, 2013, the Company completed a first tranche of a private placement through the issuance of 1,040,000 non-flow-through common shares priced at $0.15 per share, for gross proceeds of $156,000. In addition, 520,000 warrants priced at $0.30 per unit and valued at $49,348 and exercisable until November 8, 2015, were issued in connection with this private placement.

(vi) On November 28, 2013, the Company completed a second tranche of a private placement through the issuance of 260,000 flow-through common shares priced at $0.20 per share and 130,000 non-flow-through common shares priced at $0.15 per share, for gross proceeds of $71,500. In addition, 130,000 warrants priced at $0.30 per unit and valued at $10,335 and exercisable until November 28, 2015, were issued in connection with this private placement. The flow-through premium was $13,000. Share issue costs of $5,560 were incurred in connection with this private placement.

(vii) On September 9, 2013, 45,000 options were exercised for cash proceeds of $9,000. The fair value of $1,800 related to the options exercised was reclassified from contributed surplus to share capital.

8. Share Capital – continued

(viii) On April 30, 2014, the Company issued Commander 203,777 common shares in satisfaction of a shortfall penalty of $35,408 in connection with the Company's option to acquire a 70% right, title and interest in and to the Storm Copper Target Area and the Seal Target Area (note 4).

(ix) On April 28, 2014, 50,000 options were exercised at $0.20 per common share for cash proceeds of $10,000. The fair value of $3,857 related to the options exercised was reclassified from contributed surplus to share capital.

(x) On July 22, 2014, the Company issued to Commander 500,000 common shares at $0.235 per share under the First Option of the Option Agreement for the Storm Copper and Seal Zinc Property. The issuance was made in connection to the June 23, 2014 amendment to the Option Agreement (note 4).

(xi) On August 8, 2014, the Company closed the first tranche of its non-brokered private placement issuing 787,840 non-flow-through units at a price of $0.25 per unit and 768,000 flow-through units at a price of $0.25 per unit for gross proceeds of $388,960. Each flow-through unit consists of one common share and one-half of one share purchase warrant and each non-flow-through unit consist of one share and one full share purchase warrant. 1,171,840 warrants priced at $0.40 per unit and valued at $106,324 and exercisable until February 8, 2016, were issued in connection with this private placement. Issuance costs of $5,390 were incurred in connection with this private placement. The Company also issued finder's warrants entitling the purchase of an aggregate of 21,560 common shares priced at $0.25 per share and valued at $2,352 and exercisable until February 8, 2016. The premium on the flow-through shares was $35,482.

(xii) On August 8, 2014, the Company issued common shares to Lone Peak Drilling to satisfy payment of services fees in the amount of $410,084 pursuant to shares for a debt transaction (Note 6). An aggregate of 1,640,336 common shares of the Company were issued at a deemed per share price of $0.25.

(xiii) On September 15, 2014, the Company issued 761,594 common shares at $0.35 per share to Antofagasta for gross proceeds of $266,558 (US$250,000) (note 4). In addition, 761,594 warrants priced at $0.55 per unit and valued at $79,594 and exercisable until March 15, 2016, were issued in connection with this raise.

(xiv) On December 31, 2014, the Company issued 171,000 non-flow-through units at a price of $0.15 per unit and 352,221 flow-through units at a price of $0.18 per unit for gross proceeds of $89,050. In addition, 261,611 warrants priced at $0.30 per unit and valued at $19,331 and exercisable until December 31, 2016, were issued in connection with this private placement. Issuance costs of $3,528 were incurred in connection with this private placement. The Company also issued finder's warrants entitling the purchase of an aggregate of 19,600 common shares priced at $0.30 per share and valued at $1,196 and exercisable until December 31, 2016. The premium on the flow-through shares was $10,567.

(Expressed in Canadian Dollars)

8. Share Capital - continued

Stock Options

The stock option plan (the “Plan”) is administered by the Board of Directors of the Company that 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.

		2015		2014
Opening balance	**$**	**216,424**		
Fair value of stock options - RTO *(note 5)*				17,100
Stock-based compensation		**231,821**		201,124
Stock options exercised		**(3,857)**		(1,800)
Stock options	**$**	**444,388**	$	216,424

	Number		Weighted average exercise price
Outstanding, March 31, 2013	**-**	**$**	**-**
Options issued to Escudo directors (i) (ii)	265,000		0.20
Options exercised (i)	(45,000)		0.20
Options expired (i)	(45,000)		0.20
Options issued to directors, officers and consultants (iii)	2,065,000		0.20
Outstanding, March 31, 2014	**2,240,000**	**$**	**0.20**
Options exercised (ii)	(50,000)		0.20
Options expired (ii)	(125,000)		0.20
Options forfeited (iii)	(200,000)		0.20
Options issued to directors, officers, and consultants (iv)	780,000		0.20
Outstanding, March 31, 2015	**2,645,000**	**$**	**0.20**

(Expressed in Canadian Dollars)

8. Share Capital - continued

Stock Options - continued

As at March 31, 2015, the following options were outstanding and exercisable:

	Number of Options	Exercise Price	Expiry Date
Directors, officers and consultants (iii)	1,865,000	$ 0.20	August 30, 2020
Directors, officers and consultants (iv)	780,000	$ 0.20	October 27, 2021

(i) On May 2, 2013, the Company granted 90,000 options exercisable until August 4, 2013 at an exercise price of $0.20 per share to directors and officers. The stock options were valued at $3,600 using the Black-Scholes option-pricing model with the following assumptions: expected life of 90 days, risk free rate of 1.00%, expected dividend yield of 0%, and expected volatility of 100%. As of March 31, 2014, 45,000 of these options expired and 45,000 were exercised at $0.20 per common share. The fair value of $3,600 was included in the consideration paid in the RTO transaction (note 5).

(ii) On May 2, 2013, the Company granted 175,000 options exercisable until May 2, 2014, at an exercise price of $0.20 per share to directors and officers. The stock options were valued at $13,500 using the Black-Scholes option-pricing model with the following assumptions: expected life of one year, risk free rate of 1.00%, expected dividend yield of 0%, and expected volatility of 100%. The fair value of $13,500 was included in the consideration paid in the RTO transaction (note 5). 125,000 of these options expired on May 2, 2014 and 50,000 of these options were exercised on April 28, 2014. The share price at the date of exercise was $0.21.

(iii) On August 30, 2013, the Company granted 2,065,000 options exercisable until August 30, 2020, at an exercise price of $0.20 per share to consultants. The stock options were valued at $344,649 using the Black-Scholes option-pricing model with the following assumptions: expected life of seven years, risk free rate of 2.32%, expected dividend yield of 0%, and expected volatility of 150%. The stock options have a vesting period of 12 months from the grant date. 200,000 options were forfeited due to the resignation of a director during the year ended March 31, 2015.

(iv) On October 28, 2014, the Company granted 780,000 options exercisable until October 27, 2021, at an exercise price of $0.20 per share to directors, officers and consultants. The stock options were valued at $88,296 using the Black-Scholes option-pricing model with the following assumptions: expected life of seven years, risk-free rate of 1.80%, expected dividend yield of 0%, and expected volatility of 150%. The stock options are fully vested on the date of grant.

For the year ended March 31, 2015, the Company recognized $231,821 (2014 - $201,124) in stock-based compensation. As of March 31, 2015, all options issued under the Plan were fully vested.

(Expressed in Canadian Dollars)

8. Share Capital - continued

Warrants

		2015		2014
Warrants	**$**	**272,705**	$	63,908

	Number	**Weighted average exercise price**
Outstanding, March 31, 2013	**-**	**$ -**
Warrants issued for Escudo IPO (i)	150,000	0.20
Broker warrants - Concurrent financing (ii)	14,500	0.25
Warrants issued - November 8, 2013 private placement (iii)	520,000	0.30
Warrants issued - November 28, 2013 private placement (iv)	130,000	0.30
Expiry of warrants (i)	(150,000)	(0.20)
Outstanding, March 31, 2014	**664,500**	**$ 0.30**
Expiry of warrants (ii)	(14,500)	(0.25)
Warrants issued - August 8, 2014 private placement (v)	1,171,840	0.40
Broker warrants - August 8, 2014 private placement (vi)	21,560	0.25
Warrants issued - Antofagasta (vii)	761,594	0.55
Warrants issued – December 31, 2014 private placement (viii)	261,611	0.30
Broker warrants – December 31, 2014 private placement (ix)	19,600	0.30
Outstanding, March 31, 2015	**2,886,205**	**$ 0.41**

(i) On May 2, 2013, in conjunction with the RTO transaction, the Company issued 150,000 warrants with an exercise price of $0.20, exercisable until May 30, 2013. The fair value of the warrants, which was included in the RTO transaction (note 5) of $3,300, was determined using the Black-Scholes option-pricing model with the following assumptions: expected life of one month, risk free rate of 1.00%, expected dividend yield of 0%, and expected volatility of 100%. These options expired during the year ended March 31, 2014.

(ii) On May 2, 2013, the Company granted finder's warrants to acquire 14,500 common shares of the Company at an exercise price of $0.25 per common share, exercisable until May 2, 2014. The fair value for the agent's warrants, which was included in share issuance costs, of $925, was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.25, volatility of 100%; an expected life of 1 year, a dividend yield of 0%, and a risk-free interest rate of 1.09%. These warrants expired during the year ended March 31, 2015.

8. Share Capital - continued

Warrants - continued

(iii) On November 8, 2013, the Company granted warrants to acquire 520,000 common shares of the Company at an exercise price of $0.30 per common share, exercisable until November 8, 2015, in connection with a first tranche of a private placement (see above). The fair value for the warrants, which was included in share issuance costs of $49,348, was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.30, volatility of 150%; an expected life of 2 years, a dividend yield of 0%, and a risk-free interest rate of 1.070%.

(iv) On November 28, 2013, the Company granted warrants to acquire 130,000 common shares of the Company at an exercise price of $0.30 per common share, exercisable until November 28, 2015, in connection with a second tranche of a private placement (see above). The fair value for the warrants, which was included in share issuance costs of $10,335, was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.30, volatility of 150%; an expected life of 2 years, a dividend yield of 0%, and a risk-free interest rate of 1.070%.

(v) On August 8, 2014, the Company granted warrants to acquire 1,171,840 common shares of the Company at an exercise price of $0.40 per common share, exercisable until February 8, 2016, in connection with the private placement. The fair value for the warrants of $106,324 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.40, volatility of 150%; an expected life of 1.5 years, a dividend yield of 0%, and a risk-free interest rate of 1.05%.

(vi) On August 8, 2014, the Company granted finder's warrants to acquire 21,560 common shares of the Company at an exercise price of $0.25 per common share, exercisable until February, 8, 2016 in connection with the private placement. The fair value for these warrants, which was included in share issuance costs of $2,352, was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.25, volatility of 150%; an expected life of 1.5 years, a dividend yield of 0%, and a risk-free interest rate of 1.05%.

(vii) On September 15, 2014, the Company granted warrants to acquire 761,594 common shares of the Company at an exercise price of $0.55 per common share, exercisable until March 15, 2016, in connection with the private placement with Antofagasta. The fair value for the warrants of $79,594 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.55, volatility of 150%; an expected life of 1.5 years, a dividend yield of 0%, and a risk-free interest rate of 1.14%.

(viii) On December 31, 2014, the Company granted warrants to acquire 261,611 common shares of the Company at an exercise price of $0.30 per common share, exercisable until December 31, 2016, in connection with the private placement. The fair value for the warrants of $19,331 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.30, volatility of 150%; an expected life of 2 years, a dividend yield of 0%, and a risk-free interest rate of 1.00%.

(Expressed in Canadian Dollars)

8. Share Capital - continued

Warrants - continued

(ix) On December 31, 2014, the Company granted finder's warrants to acquire 19,600 common shares of the Company at an exercise price of $0.30 per common share, exercisable until December 31, 2016 in connection with the private placement. The fair value for these warrants, which was included in share issuance costs of $1,196, was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.30, volatility of 150%; an expected life of 2 years, a dividend yield of 0%, and a risk-free interest rate of 1.00%.

As at March 31, 2015, the following warrants were outstanding and exercisable:

	Number of Warrants	Exercise Price	Expiry Date
Warrants	520,000	$0.30	November 8, 2015
Warrants	130,000	$0.30	November 28, 2015
Warrants	1,171,840	$0.40	February 8, 2016
Warrants	21,560	$0.25	February 8, 2016
Warrants	761,594	$0.55	March 15, 2016
Warrants	281,211	$0.30	December 31, 2016

Escrow Shares

As at March 31, 2015, 714,375 (2014 – 1,190,625) common shares that were issued by Escudo prior to the Transaction were subject to an escrow agreement to be released in accordance with the CPC policy guidelines. Under the escrow agreement, 10% of the shares were released on the issuance of the Final Exchange Bulletin (the Exchange's acceptance of the Transaction, note 5), and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release.

Further and in connection with completion of the Transaction:

1. An aggregate 3,190,000 of the common shares issued to certain of the shareholders of Aston Bay Ventures Inc. became subject to a surplus security escrow agreement pursuant to the policies of the TSX Venture Exchange, releasable as to 5% on completion of the Transaction, 5% 6 months from the date of completion of the Transaction, 10% 12 months and 18 months from the date of completion of the Transaction, 15% 24 months and 30 months from the date of completion of the Transaction, and 40% (all remaining escrowed shares) 36 months from the date of completion of the Transaction. As at March 31, 2015, an aggregate 2,233,000 common shares (2014 – 2,871,000) were subject to the surplus security escrow agreement.

(Expressed in Canadian Dollars)

8. Share Capital - continued

Escrow Shares - continued

2. An aggregate 3,145,000 common shares issued to certain of the shareholders of Aston Bay Ventures Inc. became subject to a value security escrow agreement pursuant to the policies of the TSX Venture Exchange, releasable as to 10% on completion of the Transaction, and 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release. As at March 31, 2015, an aggregate 1,415,250 common shares (2014 - 2,358,750) were subject to the value security escrow agreement.
3. An aggregate 10,400,000 of the common shares issued in connection with the Transaction (certain of which are also subject to either the surplus security escrow agreement or the value security escrow agreement) are subject to a voluntary pooling agreement pursuant to which the parties have agreed not to sell, assign, hypothecate, alienate or transfer or otherwise deal with the shares for a period of two years from the date of completion of the Transaction, which is May 2, 2015. As at March 31, 2015, an aggregate 10,400,000 common shares (2014 – 10,400,000) were subject to the voluntary pooling agreement.

Schedule of Release of Shares from Escrow:

	Notes (above)			
	(CPC)	**(1)**	**(2)**	**Total**
May 3, 2015	238,125	478,500	471,750	1,188,375
November 3, 2015	238,125	478,500	471,750	1,188,375
May 3, 2016	238,125	1,276,000	471,750	1,985,875
Total	**714,375**	**2,233,000**	**1,415,250**	**4,362,625**

9. 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 precious metals 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 reduce the working capital deficiency, 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, 2015. The Company is not subject to externally imposed capital requirements.

10. 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 is held with large financial institutions in Canada, and management believes that exposure to credit risk is not significant.

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, 2015, the Company has a working capital deficiency of $477,861 (2014 - $238,198). 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 mining property interests. The Company coordinates this planning and budgeting process with its financing activities through the capital management process in normal circumstances. Due to the lack of liquidity and anticipated working capital requirements within the next twelve months, management has increased its focus on liquidity risk given the impact of the current economic climate on the availability of financing (note 1). The Company has a spending requirement on mining properties and deferred exploration expenditures with Commander Resources (note 4).

The Company is currently in the exploration stage and has not commenced commercial operations. As at March 31, 2015, the Company has an accumulated deficit of $2,303,600 and is not yet generating operating cash flows.

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, tax recoverable and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments.

(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 26% (2014 – 26%) to the effective tax rate is as follows:

		2015		2014
Net loss before recovery of income taxes	**$**	**(763,240)**	$	(1,124,703)
Expected income tax (recovery)	**$**	**(198,442)**	$	(292,420)
Non-deductible expenses and other		**1,282**		(5,070)
Renunciation of flow-through expenditures		**66,400**		102,370
Stock-based compensation		**60,270**		52,290
Adjustment for RTO transaction		**-**		143,070
Change in tax benefits not recognized		**70,490**		(240)
Income tax expense	**$**	**-**	$	-

(b) Deferred income tax

The following table summarizes the components of deferred tax:

		2015		2014
Deferred tax assets:				
Non-capital losses carried forward	**$**	**209,280**	$	142,880
Deferred tax liabilities:				
Mining properties and deferred exploration expenditures		**(209,280)**		(142,880)
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.

(Expressed in Canadian Dollars)

11. Income Taxes - continued

(c) Unrecognized deferred tax assets

Deferred 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 tax assets have not been recognized in respect of the following deductible temporary differences:

	2015	2014
Non-capital losses carried forward	**$ 1,023,750**	$ 652,320
Share issuance costs	**42,590**	64,660
Mining tax credit	**48,340**	48,340
Other temporary differences	**-**	26,450
	$ 1,114,680	$ 791,770

The Canadian non-capital losses carried forwards expire as noted in the able below. Share issue and financing costs will be fully amortized in 2019. The mining tax credits expire in 2032. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

The Company's Canadian non-capital income tax losses expire as follows:

2031	$ 10,590
2032	281,410
2033	440,080
2034	469,280
2035	627,310
	$ 1,828,670

12. Subsequent Events

On April 27, 2015, the Company announced that it had amended the terms of its option agreement with Commander Resources Ltd. to extend the initial earn-in period on the Storm Project by two years.

Under the terms of the revised option agreement, Aston Bay can now earn its initial 51% interest in the Storm Property by incurring a maximum of $3.5m in additional exploration expenditures, as follows:

- $750,000 during each of the 2015 and 2016 calendar years; and
- $1,000,000 during each of the 2017 and 2018 calendar years, or until the minimum is met.

In addition, Aston Bay retains the right to earn an additional 19% interest in Storm (for an aggregate 70% interest), as well as its buyout option, which would allow Aston Bay to gain an undivided 100% interest in the Project.

Aston Bay also announced that it has engaged Red Cloud Mining Capital Inc. (“Red Cloud”) as a non-exclusive independent contractor to provide strategic advisory services to the Company. Red Cloud is known for its strong institutional relationships as well as its ability to recognize companies and projects with significant value potential.

On May 26, 2015, the Company announced that it will conduct a non-brokered private placement (the “Offering”), subject to the approval of the Exchange, for aggregate gross proceeds of up to $1,500,000. The Offering will consist of non-flow-through units (the “NFT Units”) at a price of $0.10 per NFT Unit, and flow-through units (the “FT Units”) at a price of $0.125 per FT Unit. Each NFT Unit will consist of one common share of the Company and one-half of one warrant (each whole warrant being referred to as a “Warrant”). Each FT Unit will consist of one flow-through common share and one-half of one Warrant. Each full Warrant will entitle the holder thereof to acquire an additional non-flow-through common share (the “Warrant Share”) of the Company at an exercise price of $0.15 per Warrant for a period of 30 months from the date of issuance. The Warrants’ expiration date will be subject to an acceleration clause that will require that Warrants be exercised within 30 calendar days of notice from the Company in the event that the daily volume weighted average trading price of common shares in the Company is equal to or exceeds $0.30 over a period of 10 consecutive trading days between the date that is four months following the closing of the Offering. Such notice is to be given within five trading days of any such 10-day period.

On July 13, 2015, the Company announced it had closed the Offering, issuing 4,485,000 NFT Units at a price of $0.10 per NFT Unit, and 1,530,000 FT Units at a price of $0.125 per FT Unit, for aggregate gross proceeds of $639,750.

12. Subsequent Events - continued

Each NFT Unit consists of one common share of the Company and one-half of one non-transferable share purchase warrant (each whole warrant being referred to as a "Warrant"). Each FT Unit consists of one common share issued on a flow-through basis pursuant to the Canada *Income Tax Act* and one-half of one Warrant. Each Warrant entitles the holder to acquire an additional non-flow-through common share of the Company at a per share exercise price of $0.15 until January 13, 2018, subject to accelerated expiry in certain circumstances.

No finder's fees were paid in connection with the Offering.

Proceeds of this Offering will be used for advancing the Storm Copper and Seal Zinc Projects and for general corporate purposes.

Certain insiders of the Company participated in the Offering. In particular, Eric Norton, the Chief Executive Officer of Commander Resources Ltd., an insider of the Company by virtue of its percentage shareholdings in the Company prior to closing of the Offering, participated in the Offering resulting in related party considerations pursuant to TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 – *Protection of* Minority *Security Holders in Special Transactions* ("MI 61-101"). The Company relied on Section 5.5(a) of MI 61-101 for an exemption from the formal valuation requirement and Section 5.7(1)(a) of MI 61-101 for an exemption from the minority shareholder approval requirement of MI 61-101 as the fair market value of the transaction insofar as the transaction involved interested parties did not exceed 25% of the Company's market capitalization.

Further, as previously announced on May 26, 2015, and with the intent of preserving its cash for exploration activities and operations, the Company issued to certain of its officers and consultants an aggregate 1,626,000 common shares at a deemed price of $0.10 per share to settle outstanding debt in the aggregate amount of $162,600.

Benjamin Cox, a director and the Chief Executive Officer of the Company, and Moshe Cohen, the Company's Chief Financial Officer, as well as certain consultants who are non-arm's length parties to the Company participated in the shares for debt transaction resulting in related party considerations pursuant to Exchange Policy 5.9 and MI 61-101. The Company relied on Section 5.5(a) of MI 61-101 for an exemption from the formal valuation requirement and Section 5.7(1)(a) of MI 61-101 for an exemption from the requirement of minority approval since the transaction did not exceed 25% of the Company's market capitalization.

All shares issued under the Offering and pursuant to the debt settlement transactions, as well as shares which may be acquired upon the exercise of the Warrants, are subject to a hold period until November 14, 2015, in accordance with applicable Canadian securities legislation.