

Aston Bay Holdings Ltd.
Condensed Interim Consolidated Financial Statements
Nine Months ended December 31, 2019 and 2018
(Expressed in Canadian Dollars)

Notice of No Auditor Review of Interim Financial Statements

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

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

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

Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at	December 31, 2019	March 31, 2019
ASSETS		
Current assets		
Cash	\$ 134,248	\$ 345,259
Accounts receivable	-	109,154
Sales tax recoverable	9,146	15,055
Prepaid expenses	26,271	34,915
Total current assets	169,665	504,383
Mineral properties and deferred exploration expenditures (note 3)	12,992,928	12,488,405
Equipment	166,667	166,667
Total assets	\$ 13,329,260	\$ 13,159,455
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 569,804	\$ 178,464
Shareholders' equity		
Share capital (note 5)	17,490,476	17,170,238
Contributed surplus	3,287,362	3,130,462
Deficit	(8,018,382)	(7,319,709)
Total shareholders' equity	12,759,456	12,980,991
Total liabilities and shareholders' equity	\$ 13,329,260	\$ 13,159,455

Going concern (note 1)**Commitments (note 3)****Subsequent event (note 7)***The accompanying notes are an integral part of these consolidated financial statements.*

Approved by the Board

Signed:

"Thomas Ullrich"

Director

"Jan-Erik Back"

Director

Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Equity

For the nine months ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus	Deficit	Total Shareholders' Equity
	Number of Shares	Amount			
Balance, March 31, 2018	104,814,611	\$ 14,429,585	\$ 2,921,262	\$ (5,393,586)	\$ 11,957,261
Issuance of flow-through shares	12,756,250	2,041,000	-	-	2,041,000
Issuance of shares in exchange for JFE shares	11,999,993	840,000	-	-	840,000
Share issuance costs	-	(134,722)	-	-	(134,722)
Stock-based compensation	-	-	83,200	-	83,200
Loss and comprehensive loss for the period	-	-	-	(1,625,396)	(1,625,396)
Balance, December 31, 2018	129,570,854	\$ 17,175,863	\$ 3,004,462	\$ (7,018,982)	\$ 13,161,343
Balance, March 31, 2019	129,570,854	\$ 17,170,238	\$ 3,130,462	\$ (7,319,709)	\$ 12,980,991
Issuance of units	6,689,640	401,378	-	-	401,378
Share issuance costs	-	(18,740)	-	-	(18,740)
Issuance of warrants	-	(62,400)	62,400	-	-
Stock-based compensation	-	-	94,500	-	94,500
Loss and comprehensive loss for the period	-	-	-	(698,673)	(698,673)
Balance, December 31, 2019	136,260,494	\$ 17,490,476	\$ 3,287,362	\$ (8,018,382)	\$ 12,759,456

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

Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Comprehensive Loss

For the nine months ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

	Three Months		Nine Months	
	2019	2018	2019	2018
Expenses				
Salaries (<i>note 4</i>)	\$ 59,375	\$ 71,790	\$ 165,646	\$ 190,662
Consulting fees (<i>note 4</i>)	20,000	1,500	60,500	67,210
Professional fees	30,468	11,686	46,213	25,245
Marketing	91,353	139,126	190,973	251,935
Travel	35,414	40,548	56,836	85,919
Filing and agency fees	9,710	6,266	33,191	36,660
General and administrative expenses	19,259	14,583	52,850	42,239
Foreign exchange	(2,068)	(979)	(2,019)	(527)
Stock-based compensation (<i>note 5</i>)	31,500	20,800	94,500	83,200
Blue Ridge Mining acquisition costs	-	919,276	-	919,276
Loss before other items	(295,011)	(1,224,596)	(698,690)	(1,701,819)
Other items				
Interest income	-	(1,217)	(17)	(12,667)
Premium on flow-through shares income	-	-	-	(63,756)
	-	(1,217)	(17)	(76,423)
Loss and comprehensive loss	\$ (295,011)	\$ (1,223,379)	\$ (698,673)	\$ (1,625,396)
Loss per share				
- basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	130,443,416	124,744,770	129,862,776	118,811,201
- 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 nine months ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

	2019	2018
Cash flow used in operating activities		
Loss for the period	\$ (698,673)	\$ (1,625,396)
Items not affecting cash:		
Premium on flow through shares	-	(63,756)
Stock-based compensation	94,500	83,200
Blue Ridge Mining acquisition costs	-	919,276
	(604,173)	(686,676)
Non-cash working capital items (note 6)	515,047	(175,840)
	(89,126)	(862,516)
Cash flow used in investment activities		
Mineral properties and deferred exploration expenditures	(504,523)	(4,784,613)
Cash acquired in acquisition	-	17,018
Acquisition costs	-	(96,294)
Equipment acquisition	-	(250,000)
	(504,523)	(5,113,889)
Cash flow from financing activities		
Proceeds from issuance of units	401,378	409,850
Proceeds from issuance of flow through shares	-	2,041,000
Share issuance costs	(18,740)	(134,722)
	382,638	2,316,128
Decrease in cash	(211,011)	(3,660,277)
Cash, beginning of year	345,259	4,079,151
Cash, end of period	\$ 134,248	\$ 418,874

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

Nine months ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

1. Nature of the Company and Going Concern

Aston Bay Holdings Ltd. ("Aston Bay" or the "Company") is a publicly listed company incorporated in British Columbia, Canada. The Company's registered address is #530, 355 Burrard Street, Vancouver, British Columbia, V6C 2G8 and the head office is located at Suite 303, 80 Richmond Street West, Toronto, Ontario, M5H 2A4. The Company is engaged in mineral exploration and development and is currently focused on advancing its Blue Ridge Properties in Virginia, USA.

For the nine months ended December 31, 2019, the Company incurred a loss of \$698,673 and had an accumulated deficit of \$8,018,382 at December 31, 2019 and has yet to achieve revenue from operations. At December 31, 2019, the Company had a working capital deficit of \$400,139. 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 will need to raise additional financing. These consolidated financial statements have been prepared on the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

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

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on February 28, 2020.

2. Basis of Presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standard ("IFRS") IAS 34 Interim Financial Reporting. As such these statements do not contain all the explanatory notes, descriptions or accounting policies or other disclosures that can be found in the Company's 2019 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 2019 audited annual consolidated financial statements.

Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

3. Mineral Properties and Deferred Exploration Expenditures

Mineral properties and deferred exploration expenditures consist of:

	Storm Copper and Seal Zinc	Blue Ridge	Total
Balance, March 31, 2019	\$ 12,449,317	\$ 39,088	\$ 12,488,405
Exploration and evaluation expenditures	39,543	419,690	459,233
Property maintenance	(28,011)	73,301	45,290
Balance, December 31, 2019	\$ 12,460,849	\$ 532,079	\$ 12,992,928

On August 23, 2019, the Company entered into a definitive agreement with a North American timber company which grants Aston Bay an exclusive option to lease the mineral rights to 10,985 acres (4,445 hectares) of land located in Central Virginia, USA within its Blue Ridge project area. The agreement is for a three-year term. Pursuant to the terms and conditions of the agreement, the Company is required to pay minimum annual option payments and incur minimum annual expenditures totalling as follows:

	US\$
Commitment (August 23, 2019 – August 22, 2020)	200,000
Commitment (August 23, 2020 – August 22, 2021)	300,000
Commitment (August 23, 2021 – August 22, 2022)	450,000

4. Related-Party Transactions and Balances

The Company's related parties include the following:

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

The Company entered into the following related party transactions during the nine-month period ended December 31, 2019:

- Salaries in the amount of \$112,500 (2018 - \$112,500) were paid to Thomas Ullrich, the Company's Chief Executive Officer. The salaries were recorded as follows: \$16,100 - deferred exploration expenditures; \$96,400 – salaries expense.
- Fees in the amount of \$79,701 (2018 – \$241,409) 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 December 31, 2019 were \$52,860 (March 31, 2019 - \$1,880).

Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

4. Related-Party Transactions and Balances - continued

- c) Fees in the amount of \$60,000 (2018 - \$37,500) were charged by Target Financial Services Inc., a company controlled by Dwight Walker, for the services of Mr. Walker, who acts as Chief Financial Officer of the Company. The fees are reflected in consulting fees. The amounts payable to Target Financial Services Inc. at December 31, 2019 were \$60,267 (March 31, 2019 - \$7,533).

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

5. Share Capital

Common Stock

Authorized - Unlimited number of common shares without par value.

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

	Number of Shares	Amount
Balance, March 31, 2019	129,570,854	\$ 17,170,238
Private placement	6,689,640	338,978
Issuance costs	-	(18,740)
Balance, December 31, 2019	136,260,494	\$ 17,490,476

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

In connection with financing, the Company paid aggregate cash finder's fees of \$5,641, issued 94,020 finders' warrants valued at \$900 and paid regulatory and other costs of \$13,099.

Stock Options

The continuity of share purchase options is as follows:

	Number of Options	Weighted average exercise price
Outstanding, March 31, 2019	9,592,500	\$ 0.18
Options forfeited	(205,000)	(0.30)
Outstanding, December 31, 2019	9,387,500	\$ 0.18

Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

5. Share Capital - continued

Stock Options - continued

As at December 31, 2019, the following options were outstanding and exercisable:

Expiry Date	Average Remaining Contractual Life (in years)	Number of Options Outstanding	Number of Options Exercisable	Outstanding or Exercisable Exercise Price
August 30, 2020	0.7	1,350,000	1,350,000	\$ 0.20
October 27, 2021	1.8	450,000	450,000	0.20
February 1, 2023	3.1	855,000	855,000	0.20
May 18, 2023	3.4	1,157,500	1,157,500	0.40
January 27, 2024	4.1	500,000	500,000	0.20
December 8, 2024	4.9	1,050,000	1,050,000	0.15
January 22, 2026	6.1	4,025,000	1,800,000	0.10
	4.3	9,387,500	7,162,500	

The Company recognized \$94,500 (2018 - \$83,200) in stock-based compensation.

Warrants

The continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted average exercise price
Outstanding, March 31, 2019	12,245,196	\$ 0.20
Warrants issued	6,689,640	0.12
Finder warrants issued	94,020	0.12
Outstanding, December 31, 2019	19,028,856	\$ 0.17

As at December 31, 2019, the following warrants were outstanding and exercisable:

Expiry Date	Number of Warrants	Exercise Price
March 1, 2020	5,307,040	\$ 0.20
March 29, 2020	6,938,156	0.20
December 20, 2021	6,783,660	0.12
	19,028,856	\$ 0.17

Aston Bay Holdings Ltd.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

5. Share Capital - continued

Warrants - continued

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

6. Additional Cash Flow Information

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

	December 31, 2019	December 31, 2018
Accounts receivable	\$ 109,154	\$ -
Sales tax recoverable	5,909	(155,714)
Prepaid expenses	8,644	12,762
Accounts payable and accrued liabilities	391,340	(32,888)
	\$ 515,047	\$ (175,840)

7. Subsequent Event

On February 28, 2020, the Company closed a first tranche of a non-brokered private placement, issuing 17,711,267 units at a price of \$0.06 per unit, for aggregate gross proceeds of \$1,062,676. The closing is subject to final acceptance of the TSX Venture Exchange.

Each unit consists of one common share of the Company and one full warrant entitling the holder to acquire an additional common share of the Company at an exercise price of \$0.12 per warrant until February 28, 2022. All shares acquired by the placees, and shares which may be acquired upon the exercise of the warrants, are subject to a hold period until June 29, 2020.