

WESTBAY VENTURES INC.
(Formerly Afrasia Mineral Fields Inc.)

Financial Statements

May 31, 2017 and 2016

Expressed in Canadian Dollars

WESTBAY VENTURES INC.
(Formerly Afrasia Mineral Fields Inc.)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Westbay Ventures Inc. (formerly Afrasia Mineral Fields Inc.)

We have audited the accompanying financial statements of Westbay Ventures Inc. (formerly Afrasia Mineral Fields Inc.), which comprise the statements of financial position as at May 31, 2017 and 2016, and the statements of changes in equity (deficiency), 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 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 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 audit to obtain reasonable assurance about whether the 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Westbay Ventures Inc. (formerly Afrasia Mineral Fields Inc.) as at May 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Westbay Ventures Inc. (formerly Afrasia Mineral Fields Inc.)'s ability to continue as a going concern.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

September 22, 2017

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Statements of Financial Position

May 31, 2017 and 2016

(Expressed in Canadian Dollars)

	Note	May 31, 2017	May 31, 2016
Assets			
Current assets			
Cash		\$ 126,801	\$ 320
Receivables	3	9,218	7,235
Prepays		418	418
		136,437	7,973
Equipment	4	–	231
		\$ 136,437	\$ 8,204
Liabilities and Shareholders' Equity (Deficiency)			
Current liabilities			
Trade payables and accrued liabilities	5	\$ 20,958	\$ 107,069
Due to related parties	7	85	98,900
		21,043	205,969
Shareholders' Equity (Deficiency)			
Share capital	6	8,748,997	8,349,105
Reserves	6	204,669	204,669
Deficit		(8,838,272)	(8,751,539)
		115,394	(197,765)
		\$ 136,437	\$ 8,204

Nature and continuance of operations (Note 1)

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board of Directors on September 22, 2017:

"Praveen Varshney"

Praveen Varshney, Director

"Hari Varshney"

Hari Varshney, Director

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Statement of Changes in Equity (Deficiency)

(Expressed in Canadian Dollars)

	Share Capital				Total Equity (Deficiency)
	Number of Shares	Amount	Reserves	Deficit	
Balance, May 31, 2015	5,006,669	\$ 8,349,105	\$ 204,669	\$ (8,678,796)	\$ (125,022)
Net loss for the year	–	–	–	(72,743)	(72,743)
Balance, May 31, 2016	5,006,669	8,349,105	204,669	(8,751,539)	(197,765)
Private Placement	2,000,000	400,000	–	–	400,000
Share issuance costs	–	(108)	–	–	(108)
Net loss for the year	–	–	–	(86,733)	(86,733)
Balance, May 31, 2017	7,006,669	\$ 8,748,997	\$ 204,669	\$ (8,838,272)	\$ 115,394

The accompanying notes form an integral part of these financial statements.

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Statements of Comprehensive Loss
For the years ended May 31, 2017 and 2016
(Expressed in Canadian Dollars)

	Note	2017	2016
Expenses:			
Amortization	4	\$ 231	\$ 462
Gain on debt settlement		(3,459)	(10,334)
Office and administration	7	31,210	39,038
Professional fees		18,401	7,428
Regulatory and transfer agent fees		15,643	12,149
Rent		24,000	24,000
Travel and promotion		707	—
Net and comprehensive loss		\$ (86,733)	\$ (72,743)
Loss per common share			
- basic and diluted		\$ (0.016)	\$ (0.015)
Weighted average number of common shares outstanding -			
basic and diluted		5,455,984	5,006,669

The accompanying notes form an integral part of these financial statements.

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Statements of Cash Flows

For the years ended May 31, 2017 and 2016

(Expressed in Canadian Dollars)

	2017	2016
Cash provided by (used in):		
Operating:		
Net loss and comprehensive loss	\$ (86,733)	\$ (72,743)
Item not involving cash:		
Amortization	231	462
Gain on debt settlement	(3,459)	(10,334)
Changes in non-cash operating working capital items:		
Receivables	(1,983)	69,614
Trades payable and accrued liabilities	(82,652)	(25,886)
Due to related parties	(98,815)	37,800
	(273,411)	(1,087)
Financing:		
Common stock issued for cash	400,000	–
Share issuance costs- cash	(108)	–
	399,892	–
Change in cash	126,481	(1,087)
Cash, beginning	320	1,407
Cash, ending	\$ 126,801	\$ 320

Supplemental cash flow information:

There were no significant non-cash transactions for the years ended May 31, 2017 and 2016.

Interest paid	\$ –	\$ –
Income tax paid	\$ –	\$ –

The accompanying notes form an integral part of these financial statements.

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Notes to Financial Statements

May 31, 2017

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Westbay Ventures Inc. (the “Company” or “Westbay”, formerly Afrasia Mineral Fields Inc.) was incorporated on June 24, 1986 under the laws of British Columbia. The Company is listed on the NEX board of the TSX Venture Exchange (“TSX-V”) under the symbol WEST.H.

The Company’s head office, principal address and records office is Suite 2050-1055 West Georgia Street, PO Box 11121, Royal Centre, Vancouver, BC V6E 3P3. The registered office is Suite 400-725 Granville Street, Vancouver, BC V7Y 1G5.

On January 24, 2017, the Company changed its name from Afrasia Mineral Fields Inc. to Westbay Ventures Inc. and its stock symbol from AFS.H to WEST.H. The Company also consolidated its share capital on a ratio of one (1) new post-consolidated common share for every four (4) old pre-consolidated common shares. All shares and per share references in these financial statements have been retroactively restated accordingly unless noted otherwise.

On March 13, 2017, the Company completed its non-brokered private placement of 2,000,000 common shares at a price of \$0.20 per common share for total gross proceeds of \$400,000.

On February 26, 2015, the Company entered into an Amalgamation Agreement with WMode Inc. (“WMode”), a leading technology and service company in the connected device, mobile and app-ecosystem sector. During the quarter ended August 31, 2015, WMode terminated the Agreement.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. To date, the Company has not generated any revenues. The Company has an accumulated deficit of \$8,838,272 including a loss for the year ended May 31, 2017 of \$86,733 (2016 - \$72,743). These uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

These financial statements do not include any adjustments relating to the recoverability and classification of assets and liabilities which might be necessary should the Company be unable to continue in existence.

The Company has never paid dividends.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of presentation

The financial statements of the Company have been prepared on an accrual basis except for cash flow information, and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Notes to Financial Statements

May 31, 2017

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Significant accounting judgements, estimates and assumptions

The preparation of these 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 financial statements and the reported expenses during the period. Actual results could differ from these estimates.

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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, relate to, but are not limited to, the following:

- i) The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

Financial instruments

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments, and available-for-sale ("AFS"). The Company classifies its financial liabilities as either at FVTPL or loss and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at FVTPL when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. Transaction costs are expensed as incurred.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at the transaction value, including transaction costs and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Notes to Financial Statements

May 31, 2017

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Financial instruments (cont'd)

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. Held-to-maturity investments are recognized on a trade-date basis and initially measured at fair value, including transaction costs. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

AFS financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. AFS financial assets are measured initially at their fair value including transaction costs directly attributable to the acquisition. They are subsequently measured at fair value. Unrealized gains and losses are recognized in other comprehensive income (loss), except for impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. 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 asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding receivables, is directly reduced by the impairment loss. The carrying amount of receivables is reduced through the use of an allowance account. When a 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.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Notes to Financial Statements

May 31, 2017

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Financial instruments (cont'd)

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations expire, are discharged, or cancelled.

The Company's financial instruments at May 31, 2017 are as follows:

	<i>Loans & receivables</i>	<i>Fair Value through Profit or Loss</i>	<i>Other financial liabilities</i>
Financial assets			
Cash	\$ –	\$ 126,801	\$ –
Receivables	9,218	–	–
Financial liabilities			
Trade payables	–	–	20,958
Due to related parties	–	–	85
	\$ 9,218	\$ 126,801	\$ 21,043

Unless otherwise disclosed their carrying values approximate their fair values due to the short term nature of these instruments.

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Notes to Financial Statements

May 31, 2017

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Financial instruments (cont'd)

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Equipment

Equipment is recorded at cost less accumulated amortization and impairment losses. Where an item of equipment comprises significant components with different useful lives, the components are accounted for as separate items of equipment.

The cost of replacing part of an item within equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the group and the cost of the item can be measured reliably. The carrying amount of the part that has been replaced is expensed. All other costs are recognized as an expense as incurred.

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period.

Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Equipment are recorded at cost. Amortization is recorded using the following rates and methods:

Computer	–	55%	declining balance method
Leasehold improvements	–	5 years	straight line method

Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to discounted future net cash flows expected to be generated by the asset. When the carrying value exceeds such cash flows, an impairment charge is recognized for the excess.

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Notes to Financial Statements

May 31, 2017

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Share Capital

The proceeds from the issue of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event, and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Income taxes

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

Deferred tax expense or recovery is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. 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 substantively enacted at the statement of financial position date.

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. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not provide for the excess.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

WESTBAY VENTURES INC.

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Notes to Financial Statements

May 31, 2017

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Loss per share

Loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. Shares subject to escrow restrictions are excluded from the weighted average number of common shares unless their release is subject only to the passage of time.

Adoption of new accounting standards

The following standards were effective for the Company on June 1, 2016. There was no material impact on the Company's financial statements arising from the implementation of these standards.

Amendments to IAS 1 Presentation of Financial Statements: The amendments clarify guidance on materiality and aggregation, use of subtotals, aggregation and disaggregation of financial statement line items, the order of the notes to the financial statements and disclosure of significant accounting policies.

Amendments to IFRS 7 Financial Instrument: Disclosures: The amendments clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required and the applicability of the amendments to IFRS 7 on offsetting disclosures to condensed interim financial statements.

Amendments to IAS 34 Interim Financial Reporting: The amendments clarify the requirement relating to information required by IAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements.

Amendments to IFRS 10 Consolidated Financial Statements; IFRS 12 Disclosure of Interest in Other Entities; IAS 28 Investments in Associates and Joint Ventures: The amendments address issues in applying the consolidation exception for investment entities.

IFRS 11, Joint Arrangements: The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business.

Amendments to IAS 27 Equity Method in Separate Financial Statements: The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

New standard not yet adopted

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective. The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on its financial statements.

IFRS 9: New standard that replaces IAS 39 for classification and measurement of financial assets, effective for annual periods beginning on or after January 1, 2018.

WESTBAY VENTURES INC.

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Notes to Financial Statements

May 31, 2017

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

New standard not yet adopted (cont'd)

IFRS 15: New standard that replaces existing revenue requirements IAS 11, IAS 18, IFRIC 13, IFRIC 18 and SIC 31 for measurement, recognition, and disclosure of revenues; effective for annual periods beginning on or after January 1, 2018.

IFRS 16 –New standard contains a single lessee accounting model, eliminating the distinction between operating and financing leases from the perspective of the lessee. The accounting requirements from the perspective of the lessor remains largely in line with previous IAS 17 requirements, effective for annual reporting periods beginning on or after January 1, 2019 for public entities with early adoption permitted.

3. RECEIVABLES

	May 31, 2017		May 31, 2016	
Government sales tax credits	\$	9,011	\$	6,908
Due from related parties (Note 7(c))		207		327
	\$	9,218	\$	7,235

4. EQUIPMENT

	Computer	Leasehold improvements	Total
Cost:			
At May 31, 2016 and 2017	\$ 2,350	\$ 2,308	\$ 4,658
Amortization:			
At May 31, 2015	\$ 2,350	\$ 1,615	\$ 3,965
Amortization	–	462	462
At May 31, 2016	2,350	2,077	4,427
Amortization	–	231	231
At May 31, 2017	\$ 2,350	\$ 2,308	\$ 4,658
Net book value:			
At May 31, 2016	\$ –	\$ 231	\$ 231
At May 31, 2017	\$ –	\$ –	\$ –

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Notes to Financial Statements

May 31, 2017

(Expressed in Canadian Dollars)

5. TRADE PAYABLES AND ACCRUED LIABILITIES

	May 31, 2017	May 31, 2016
Trade payables	\$ 11,035	\$ 97,146
Accrued liabilities	9,923	9,923
	\$ 20,958	\$ 107,069

6. SHARE CAPITAL AND RESERVES

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued – common shares

During the year ended May 31 2017, the Company:

- i) Consolidated its share capital on a ratio of one (1) new post-consolidated common share for every four (4) old pre-consolidated common shares.
- ii) Completed its non-brokered private placement of 2,000,000 common shares at a price of \$0.20 per common share for total gross proceeds of \$400,000.

(c) Share options

The Company maintains a 10% rolling share option plan (the “Plan”) that enables management to grant options to directors, officers, employees and other service providers. The Company follows the Exchange policies where the number of common shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares of the Company from time to time at the date of granting of options and have a maximum of 10 years. Each option agreement with the grantee sets forth, among other things, the number of options granted, the exercise price and the vesting conditions of the options as determined by the Board of Directors.

There were no options granted or outstanding as at, or for the years ended May 31, 2017 and 2016.

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Notes to Financial Statements

May 31, 2017

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

- (a) On June 1, 2015, the Company entered into an administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by two common directors, whereby the Company agreed to pay administrative services fees of \$3,000 per month. Effective April 1, 2017, the Company terminated its administrative agreement with VCC.

During the year ended May 31, 2017, the Company incurred \$30,000 (2016- \$36,000) for administrative fees to VCC.

- (b) As at May 31, 2017, \$nil (May 31, 2016 - \$98,900) was due to VCC, which consisted of \$nil (May 31, 2016 - \$37,800) in administrative fees and \$nil (May 31, 2016 - \$61,100) in operating loans.
- (c) As at May 31, 2017, \$85 (May 31, 2016-\$nil) was due to a director for reimbursement of a business expense.
- (d) As at May 31, 2017, \$207 (May 31, 2016 - \$327) in cost recoveries was due from companies with directors and officers in common. The amount was included in the receivables and collected in full subsequent to May 31, 2017.

8. INCOME TAXES

The reconciliation of income taxes at statutory rates with reported taxes is as follows:

Years ended May 31,	2017	2016
Accounting loss before income taxes	\$ (86,733)	\$ (72,743)
Income tax recovery at statutory tax rates	\$ (22,551)	\$ (18,913)
Non-deductible expenditures	92	-
Expiry of non-capital losses and other	-	(81,762)
Changes in unrecognized deductible temporary differences	22,459	100,675
Total	\$ -	\$ -

Significant components of deductible temporary differences, unused tax losses and unused tax credits that have not been included on the statements of financial position are as follows:

	As of May 31,			
	2017	Expiry dates	2016	Expiry dates
Allowable capital losses	\$ 258,000	No expiry date	\$ 258,000	No expiry date
Non-Capital losses	\$ 995,000	2029 to 2037	\$ 909,000	2029 to 2036
Capital assets	\$ 24,000	Not applicable	\$ 24,000	Not applicable
Mineral properties	\$ 834,000	Not applicable	\$ 834,000	Not applicable

Tax attributes are subject to review, and potential adjustment, by tax authorities.

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Notes to Financial Statements

May 31, 2017

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

At May 31, 2017 and 2016, the Company's financial instruments consisted of cash, receivables, trade payables and accrued liabilities and due to related parties. There were no transfers between levels during the year ended May 31, 2017.

Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of receivables and trade payables and accrued liabilities, and due to related parties approximate their fair value because of the short-term nature of these instruments or their ability of prompt liquidation.

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. As a majority of the Company's cash is held by a Canadian bank, there is a concentration of credit risk with one bank in Canada. While there is concentration of risk holding all funds with one institution, this risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As at May 31, 2017, the Company had cash on hand of \$126,801.

The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consist of refundable government sales taxes of \$9,011 and dues from related parties of \$207 included within receivables. The amounts due from related parties were collected in full subsequent to May 31, 2017.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates only in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account earns interest income at variable rates and is subject to the movement in interest rates. Management considers the interest rate to be minimal.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. As at May 31, 2017, the Company had a working capital of \$115,394 (May 31, 2016 – working capital deficiency \$197,996). The Company has been successful in re-negotiating its indebtedness however there is no assurance the success of these effort will continue.

On March 13, 2017, the Company completed its non-brokered private placement of 2,000,000 common shares at a price of \$0.20 per common share for total gross proceeds of \$400,000. Proceeds of the private placement will be used to pay outstanding debts and for general working capital.

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Notes to Financial Statements

May 31, 2017

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

Liquidity risk (cont'd)

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. While the Company has been successful in raising capital in the past, there is no guarantee it will be able to do so in the future.

10. CAPITAL DISCLOSURE

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements.