

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

Condensed Interim Financial Statements

Three months ended August 31, 2017 and 2016

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

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

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WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

NOTICE TO READER

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

October 30, 2017

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars - Unaudited)

	Note	August 31, 2017 (unaudited)	May 31, 2017 (audited)
Assets			
Current assets			
Cash		\$ 117,703	\$ 126,801
Receivables	3	10,314	9,218
Prepays		417	418
		\$ 128,434	\$ 136,437
Liabilities and Shareholders' Equity			
Current liabilities			
Trade payables and accrued liabilities	4	\$ 21,883	\$ 20,958
Due to related parties	6	11,025	85
		32,908	21,043
Shareholders' Equity			
Share capital	5	8,748,997	8,748,997
Reserves	5	204,669	204,669
Deficit		(8,858,140)	(8,838,272)
		95,526	115,394
		\$ 128,434	\$ 136,437

Nature and continuance of operations (Note 1)

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

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, 2016	5,006,669	\$ 8,349,105	\$ 204,669	\$ (8,751,539)	\$ (197,765)
Net loss for the period	–	–	–	(13,665)	(13,665)
Balance, August 31, 2016	5,006,669	8,349,105	204,669	(8,765,204)	(211,430)
Private Placement	2,000,000	400,000	–	–	400,000
Share issuance costs	–	(108)	–	–	(108)
Net loss for the period	–	–	–	(73,068)	(73,068)
Balance, May 31, 2017	7,006,669	8,748,997	204,669	(8,838,272)	115,394
Net loss for the period	–	–	–	(19,868)	(19,868)
Balance, August 31, 2017	7,006,669	\$ 8,748,997	\$ 204,669	\$ (8,858,140)	\$ 95,526

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

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Statements of Comprehensive Loss

(Expressed in Canadian Dollars - Unaudited)

		Three months ended August 31,	
	Note	2017	2016
Expenses:			
Amortization		\$ -	\$ 116
Gain on debt settlement		-	(3,459)
Office and administration	6	11,126	9,251
Professional fees		885	(15)
Regulatory and transfer agent fees		1,857	1,772
Rent		6,000	6,000
Net and comprehensive loss		\$ (19,868)	\$ (13,665)
Loss per common share			
- basic and diluted		\$ (0.003)	\$ (0.003)
Weighted average number of common shares outstanding			
- basic and diluted		7,006,669	5,006,669

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

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars - Unaudited)

	For the three months ended August 31,	
	2017	2016
Cash provided by (used in):		
Operating:		
Net loss and comprehensive loss	\$ (19,868)	\$ (13,665)
Item not involving cash:		
Amortization	-	116
Gain on debt settlement	-	(3,459)
Changes in non-cash operating working capital items:		
Receivables	(1,096)	(521)
Prepays	1	1
Trades payable and accrued liabilities	925	(3,022)
Due to related parties	10,940	20,450
	(9,098)	(100)
Change in cash	(9,098)	(100)
Cash, beginning	126,801	320
Cash, ending	\$ 117,703	\$ 220

Supplemental cash flow information:

There were no significant non-cash transactions for the three months ended August 31, 2017 and 2016.

Interest paid	\$ -	\$ -
Income tax paid	\$ -	\$ -

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

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Notes to Condensed Interim Financial Statements

August 31, 2017

(Expressed in Canadian Dollars - Unaudited)

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.

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 \$8,858,140 including a loss for the three months ended August 31, 2017 of \$19,868 (2016 - \$13,665). 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

The interim financial statements were authorized for issue on October 30, 2017 by the directors of the Company.

Statement of compliance and conversion to International Financial Reporting Standards (“IFRS”)

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and International Financial Reporting Interpretations Committee (“IFRIC”). Therefore, these interim financial statements comply with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting”.

Basis of presentation

The condensed interim 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 condensed interim financial statements are presented in Canadian dollars unless otherwise noted.

WESTBAY VENTURES INC.

(Formerly Afrasia Mineral Fields Inc.)

Notes to Condensed Interim Financial Statements

August 31, 2017

(Expressed in Canadian Dollars - Unaudited)

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

Summary of significant accounting policies

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited financial statements for the year ended May 31, 2017.

These condensed interim financial statements does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the Company's audited annual financial statements for the year ended May 31, 2017.

Significant accounting judgements, estimates and assumptions

The preparation of these condensed interim 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 condensed interim 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.

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.

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.

WESTBAY VENTURES INC.

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Notes to Condensed Interim Financial Statements

August 31, 2017

(Expressed in Canadian Dollars - Unaudited)

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

New standard not yet adopted (cont'd)

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

	August 31, 2017		May 31, 2017	
Government sales tax credits	\$	9,994	\$	9,011
Due from related parties (Note 6(c))		320		207
	\$	10,314	\$	9,218

4. TRADE PAYABLES AND ACCRUED LIABILITIES

	August 31, 2017		May 31, 2017	
Trade payables	\$	20,938	\$	11,035
Accrued liabilities		945		9,923
	\$	21,883	\$	20,958

5. SHARE CAPITAL AND RESERVES

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued – common shares

There were no share issuances during the three months ended August 31, 2017.

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.

WESTBAY VENTURES INC.

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Notes to Condensed Interim Financial Statements

August 31, 2017

(Expressed in Canadian Dollars - Unaudited)

5. SHARE CAPITAL AND RESERVES (cont'd)

(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 three months ended August 31, 2017 and for the year ended May 31, 2017.

6. 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.

On June 1, 2017, the Company entered into a new administrative agreement with VCC whereby the Company agreed to pay administrative services fees of \$3,500 per month. The agreement has an initial 3 year term and auto renews annually thereafter.

During the three months ended August 31, 2017, the Company incurred \$10,500 (2016- \$9,000) for administrative fees to VCC.

As at August 31, 2017, \$11,025 (May 31, 2017 - \$nil) was owed to VCC for administrative services.

- (b) As at August 31, 2017, \$nil (May 31, 2017-\$85) was due to a director for reimbursement of a business expense.
- (c) As at August 31, 2017, \$320 (May 31, 2017 - \$207) 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 August 31, 2017.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

At August 31, 2017 and May 31, 2017, 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 three months ended August 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 approximate their fair value because of the short-term nature of these instruments or their ability of prompt liquidation.

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August 31, 2017

(Expressed in Canadian Dollars - Unaudited)

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

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 August 31, 2017, the Company had cash on hand of \$117,703.

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 \$9,994 and dues from related parties of \$320 included within receivables. The amounts due from related parties were collected in full subsequent to August 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 August 31, 2017, the Company had a working capital of \$95,526 (May 31, 2017 – \$115,394).

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.

8. 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.