

Aston Hill Financial Inc.

**Consolidated Financial Statements
For the three and nine month periods
ended September 30, 2009 and 2008**

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NOTIFICATION OF UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the period ended September 30, 2009.

Aston Hill Financial Inc.
Consolidated Balance Sheets
(Unaudited)

	September 30, 2009	December 31, 2008
Assets		
Current		
Cash and cash equivalents (Note 3)	\$ 1,204,089	\$ 681,395
Marketable securities	188,680	323,856
Accounts receivable (Note 6)	763,876	559,174
Prepaid expenses	3,972	22,784
Notes receivable (Note 6 (g))	709,809	1,064,031
	<u>\$ 2,870,426</u>	<u>2,651,240</u>
Prepaid deposits	21,298	21,298
Long-term investments	8,295,323	8,842,908
Intangible assets	84,469	84,469
Property and equipment	294,537	356,071
	<u>\$ 11,566,053</u>	<u>\$ 11,955,986</u>
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	\$ 81,444	\$ 430,144
	<u>81,444</u>	<u>430,144</u>
Debentures	249,809	249,773
	<u>331,253</u>	<u>679,917</u>
Shareholders' equity		
Equity instruments (Note 4)	18,189,907	16,649,369
Contributed surplus (Note 5)	1,914,808	1,746,178
Deficit	(8,869,915)	(7,119,478)
	<u>11,234,800</u>	<u>11,276,069</u>
	<u>\$ 11,566,053</u>	<u>\$ 11,955,986</u>

Aston Hill Financial Inc.
Consolidated Statements of Operations
and Comprehensive Income
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	2009	2008
Revenue				
Management fees (Note 6)	\$ 997,625	\$ 665,203	\$ 2,437,452	\$ 1,971,711
Interest and dividend income	17,744	22,749	64,970	46,588
Royalty and oil and gas property investment income	42,116	24,681	50,463	140,567
Acquisition fees (Note 6 (d))	-	-	-	1,000,000
	<u>1,057,485</u>	<u>712,633</u>	<u>2,552,885</u>	<u>3,158,866</u>
Expenses				
General, administrative and other (Note 6 (e))	850,478	931,943	2,486,722	2,812,875
Interest expense	-	757	1,020	49,336
Stock compensation (Note 4)	85,000	60,000	270,000	250,000
Amortization	21,501	25,600	63,001	70,800
Interest on debenture	5,320	5,318	15,786	15,837
Dealer commissions	2,535	1,300	6,110	7,003
	<u>964,834</u>	<u>1,024,918</u>	<u>2,842,639</u>	<u>3,205,851</u>
Income (loss) from operations before investing activities	<u>92,651</u>	<u>(312,285)</u>	<u>(289,754)</u>	<u>(46,985)</u>
Investing				
Loss on sale of marketable securities	-	-	(44,322)	(913,746)
Change in fair value of marketable securities	(55,175)	25,390	149,224	1,200,331
Change in fair value of investment securities held in Wisevest Income Fund	28,000	(58,106)	66,016	10,495
Change in fair value of long-term investments	(378,952)	(1,507,904)	(1,484,101)	2,042,782
Realized loss on sale of long-term investments	-	-	(147,500)	-
Income (loss) from investing activities	<u>(406,127)</u>	<u>(1,540,620)</u>	<u>(1,460,683)</u>	<u>2,339,862</u>
Net income (loss) for the period	<u>(313,476)</u>	<u>(1,852,905)</u>	<u>(1,750,437)</u>	<u>2,292,877</u>
Weighted average number of shares - basic	62,029,284	59,159,217	60,197,584	54,568,126
Weighted average number of shares - diluted	62,029,284	59,159,217	60,197,584	55,067,253
Income (loss) per share – basic	\$ (0.005)	\$ (0.031)	\$ (0.029)	\$ 0.042
Income (loss) per share – diluted	\$ (0.005)	\$ (0.031)	\$ (0.029)	\$ 0.042

Consolidated Statements of Deficit
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	2009	2008
Deficit, beginning of period	(8,556,439)	(2,638,136)	(7,119,478)	(6,783,918)
Net (loss) income for the period	<u>(313,476)</u>	<u>(1,852,905)</u>	<u>(1,750,437)</u>	<u>2,292,877</u>
Deficit, end of period	<u>(8,869,915)</u>	<u>(4,491,041)</u>	<u>(8,869,915)</u>	<u>(4,491,041)</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

Aston Hill Financial Inc.
Consolidated Statements of Cash Flows
(Unaudited)

	Three Months ended September 30		Nine Months ended September 30	
	2009	2008	2009	2008
Cash flows from operating activities				
Net income for the period	\$ (313,476)	\$ (1,852,905)	\$ (1,750,437)	\$ 2,292,877
Adjustments for:				
Amortization of property and equipment	21,501	25,600	63,001	70,800
Amortization of debenture discount	70	68	36	87
Stock compensation	85,000	60,000	270,000	250,000
Change in fair value of marketable securities	55,175	43,211	(149,224)	(1,200,331)
Change in fair value of investment securities held in Wisevest Income Fund	(28,000)	(10,495)	(66,016)	(10,495)
Change in fair value of long-term investments	378,952	1,507,904	1,484,101	(2,042,782)
(Gain) loss on sale of marketable securities	-	-	44,322	913,746
Loss on sale of long-term investments	-	-	147,500	-
Cash flow (deficiency) from operations	<u>199,222</u>	<u>(226,617)</u>	<u>44,283</u>	<u>273,902</u>
Changes in non-cash working capital items				
Accounts receivable	94,638	(6,640)	(204,702)	200,739
Prepaid expenses	20,125	18,834	18,812	56,503
Accounts payable and accrued liabilities	14,163	40,199	(348,700)	(312,105)
Notes receivable	-	-	354,222	-
	<u>328,148</u>	<u>(174,224)</u>	<u>(136,085)</u>	<u>219,039</u>
Cash flows from investing activities				
Purchase of property and equipment	-	(16,995)	(1,466)	(25,575)
Leasehold improvement inducements	-	(186)	-	39,814
Acquisition of long-term investments	(1,028,000)	(13,664)	(1,028,000)	(1,867,896)
Proceeds from sale of marketable securities	-	-	273,320	1,730,606
Purchase of marketable securities	-	(317,642)	(33,242)	(317,642)
Sale of long-term investments	-	-	10,000	-
	<u>(1,028,000)</u>	<u>(348,487)</u>	<u>(779,388)</u>	<u>(440,693)</u>
Cash flows from financing activities				
Bank loan borrowings (repayment)	-	-	-	(1,800,000)
Proceeds from exercise of stock options	185,920	35,000	185,920	63,000
Proceeds of private placement of common shares	1,535,190	-	1,535,190	3,309,080
Share issue costs	(281,943)	-	(281,943)	(15,473)
	<u>1,439,167</u>	<u>35,000</u>	<u>1,439,167</u>	<u>1,556,607</u>
Increase (decrease) in cash and cash equivalents	739,315	(487,711)	522,694	1,334,953
Cash and cash equivalents, beginning of period	<u>464,774</u>	<u>2,452,953</u>	<u>681,395</u>	<u>630,289</u>
Cash and cash equivalents, end of period	<u>1,204,089</u>	<u>1,965,242</u>	<u>1,204,089</u>	<u>1,965,242</u>
Supplementary Information				
Cash paid for interest	\$ 5,250	\$ 6,007	\$ 16,771	\$ 65,086

Aston Hill Financial Inc.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2009 and 2008

1. Summary of Significant Accounting Policies

The interim consolidated financial statements of Aston Hill Financial Inc. ("Aston Hill" or the "Company") have been prepared by management following the same accounting policies and methods of computation as the consolidated financial statements for the fiscal year ended December 31, 2008. The note disclosure requirements for annual financial statements provide additional disclosure to that required for these interim statements. Accordingly, these interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2008. The disclosures provided below are incremental to those included in the 2008 annual consolidated financial statements of the Company.

2. Changes in Accounting Policies

Future Accounting Changes

The Canadian Accounting Standards Board ("AcSB") has confirmed its plan to adopt all International Financial Reporting Standards, as published by the International Accounting Standards Board, on or by January 1, 2011. The Company will adopt all of the International Financial Reporting Standards in accordance with the AcSB's plan, with a transition date of January 1, 2011.

The Company has established a project team, which is currently evaluating the key areas that will be impacted by the transition to IFRSs. Although Canadian generally accepted accounting principles are similar to IFRS, there are some differences that could significantly impact the Company's financial results. The implementation project also will include an evaluation of the policy alternatives allowed under IFRSs and the development of draft IFRSs financial statement content.

3. Cash and Cash Equivalents

Cash and cash equivalents include restricted cash of \$8,425 held in escrow for Catapult Energy Small Cap FTS Limited Partnership and Catapult Energy Small Cap 2007 FTS Limited Partnership. The restricted cash relates to amounts payable subsequent to the December 31, 2008 rollover of the two funds into the Ark Catapult Energy Class Mutual Fund.

Aston Hill Financial Inc.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2009 and 2008

4. Equity Instruments

(a) Authorized
 Unlimited number of Common voting shares

(b) Issued

Common shares	September 30, 2009		December 31, 2008	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period	59,266,554	\$ 16,649,369	51,162,792	\$ 13,258,413
Stock options exercised – cash portion (Note 4 (c))	664,000	185,920	225,000	63,000
Stock options exercised – fair value portion	-	101,370	-	34,349
Common shares issued by private placement (Note 4 (d))	5,117,301	1,535,190	7,878,762	3,309,080
Share issue costs (Note 4 (d))	-	(281,942)	-	(15,473)
Balance, end of period	65,047,855	\$ 18,189,907	59,266,554	\$ 16,649,369

(c) Options

The Company has a stock option plan for employees, directors, officers and consultants. Stock options can be issued up to a maximum number of Common shares equal to 10% of the issued and outstanding Common shares of the Company. The exercise price and vesting period of options granted is not less than the market price of the Common shares traded and is determined by the Board of Directors. Options granted have a term of up to 5 years.

Aston Hill Financial Inc.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2009 and 2008

4. Equity Instruments - continued

(c) Options - continued

The Company has granted stock options to employees, directors, officers and consultants of the Company as follows:

	Number of Options	Option Prices per Share \$	Weighted Average Exercise Price \$	Weighted Average Remaining Term	Number of Options Currently Exercisable	Weighted Average Exercise Price of Options Currently Exercisable \$
Options outstanding, December 31, 2007	4,170,000		\$0.33	3.1 years	2,333,332	\$0.32
Options exercised	(225,000)	\$0.28	\$0.28	-	(225,000)	\$0.28
Options vested	-	\$0.37	\$0.37	3.8 years	256,663	\$0.37
Options granted May 2, 2008	935,000	\$0.44	\$0.44	4.8 years	-	-
Options vested	-	\$0.30	\$0.30	3.0 years	283,332	\$0.30
Options vested	-	\$0.38	\$0.38	2.3 years	33,334	\$0.38
Options vested	-	\$0.32	\$0.32	2.0 years	33,334	\$0.32
Options granted October 29, 2008	160,000	\$0.30	\$0.30	4.8 years	-	-
Options vested	-	\$0.26	\$0.26	2.9 years	200,000	\$0.26
Options forfeited	(35,000)	\$0.44	\$0.44	-	-	\$0.44
Options forfeited	(400,000)	\$0.48	\$0.48	-	(400,000)	\$0.48
Options forfeited	(200,000)	\$0.38	\$0.38	-	(200,000)	\$0.38
Options outstanding, December 31, 2008	4,405,000		\$0.33	2.8 years	2,314,995	\$0.34
Options granted March 24, 2009	970,000	\$0.32	\$0.32	5.0 years	-	-
Options vested	-	\$0.38	\$0.38	1.8 years	33,334	\$0.38
Options vested	-	\$0.37	\$0.37	2.8 years	223,335	\$0.37
Options vested	-	\$0.44	\$0.44	3.8 years	300,008	\$0.44
Options forfeited	(100,000)	\$0.37	\$0.37	-	(33,333)	\$0.37
Options exercised	(664,000)	\$0.28	\$0.28	-	(664,000)	\$0.28
Options forfeited	(261,000)	\$0.28	\$0.28	-	(261,000)	\$0.28
Options vested	-	\$0.30	\$0.30	2.0 years	283,335	\$0.30
Options outstanding September 30, 2009	4,350,000		\$0.34	3.0 years	2,196,674	\$0.34

The weighted average contractual life of exercisable options at September 30, 2009 is 2.3 years.

On March 24, 2009, the Company granted 970,000 options to employees, consultants, and directors. The options have an exercise price of \$0.32 per share, vest over three years and expire on March 24, 2014.

On May 1, 2007, 1,000,000 options were granted by a major shareholder to an employee to purchase shares held by the major shareholder at an exercise price of \$0.25 per share. The options vest to the employee one-half on June 1, 2007 and one-half on February 1, 2008 and expire on May 1, 2011.

Aston Hill Financial Inc.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2009 and 2008

4. Equity Instruments - continued

(c) Options - continued

A total compensation expense for the three and nine months September 30, 2009 of \$85,000 (2008 - \$60,000) and \$270,000 (2008 - \$250,000), respectively, was recorded in the statements of operations and comprehensive income and offset in contributed surplus for options that were granted in 2006, 2007, 2008 and 2009 using the Black-Scholes option pricing model with the following weighted average assumptions:

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Risk free interest rate	2.08%	2.88%	2.83%	2.78-3.13%
Expected life of options	4 year	4 year	4 year	4 year
Expected dividend	Nil	Nil	Nil	Nil
Expected share price volatility	89%	91%	91%	82-91%

(d) Private placement

On June 6, 2008, the Company closed a non-brokered private placement by issuing 7,878,762 common shares at a price of \$0.42 per share for gross proceeds of \$3,309,080. The proceeds were used to pay down debt and for general working capital purposes. Share issue costs of \$15,473 were paid to legal counsel in respect of this private placement. Directors and officers of the Company and its subsidiaries subscribed for 3,719,047 of the shares issued in this private placement, representing \$1,562,000 or approximately 47.2% of the shares issued.

On August 14, 2009, the Company closed a brokered private placement by issuing 5,117,301 common shares at a price of \$0.30 per share for gross proceeds of \$1,535,190. Each unit consists of one common share and one-half of a common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share at a price of \$0.45 per common share until February 14, 2011. The proceeds were used for long-term investment purposes. Share issue costs of \$281,942 were paid to legal counsel and to the brokerage agent in respect of this private placement. Directors and officers of the Company and its subsidiaries subscribed for 636,000 of the shares issued in this private placement, representing \$190,800 or approximately 12.4% of the shares issued.

5. Contributed Surplus

	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Balance, beginning of period	\$ 1,746,178	\$ 1,450,527
Stock compensation	270,000	330,000
Stock options exercised -fair value portion	(101,370)	(34,349)
Balance, end of period	\$ 1,914,808	\$ 1,746,178

Aston Hill Financial Inc.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2009 and 2008

6. Related Party Transactions

Except as disclosed elsewhere in the financial statements, the Company had the following related party transactions:

- a) Management fees were received from Catapult Energy Limited Partnership I for services provided by Catapult Financial Management Inc., as general partner and advisor. During the three and nine month periods ended September 30, 2009, related management fees of \$nil (2008 - \$nil) and \$nil (2008 - \$32,027), respectively, were recorded as revenue. Catapult Financial Management Inc. is a wholly owned subsidiary of the Company.
- b) Accounts receivable includes management fees receivable from Catapult Energy Small Cap FTS Limited Partnership of \$nil (2008 - \$12,517) for services provided by the Company, as administrator. During the three and nine month periods ended September 30, 2009, related management fees of \$nil (2008 - \$11,911) and \$nil (2008 - \$44,193), respectively, were recorded as revenue.
- c) Accounts receivable includes management fees receivable from Catapult Energy Small Cap 2007 FTS Limited Partnership of \$nil (2008 - \$19,557) for services provided by the Company, as administrator. During the three and nine month periods ended September 30, 2009, related management fees of \$nil (2008 - \$18,626) and \$nil (2008 - \$68,703), respectively, were recorded as revenue.
- d) The Company manages Sword, a private company, on behalf of the majority shareholders and is paid a quarterly management fee as well as acquisition fees when applicable in accordance with an executed management agreement. Accounts receivable includes \$399,356 (2008 - \$532,082) as at September 30, 2009 in respect of these management fees. For the three and nine month periods ended September 30, 2009, \$380,339 (2008 - \$506,250) and \$1,204,090 (2008 - \$2,518,750; \$1,000,000 acquisition fee and \$1,518,750 in management fees), respectively, was recorded as revenue in respect of these management fees.
- e) Consulting expense for the three and nine month periods ended September 30, 2009, includes \$16,500 (2008 - \$16,500) and \$49,500 (2008 - \$44,000), respectively, paid to Ghost Lake Manor Inc. for consulting services provided. Ghost Lake Manor Inc. is controlled by an indirect controlling shareholder of the Company.
- f) On June 6, 2008, the Company closed a non-brokered private placement by issuing 7,878,762 common shares at a price of \$0.42 per share for gross proceeds of \$3,309,080. The proceeds were used to pay down debt and for general working capital purposes. Directors and officers of the Company and its subsidiaries subscribed for 3,719,047 of the shares issued in this private placement, representing \$1,562,000 or approximately 47.2% of the shares issued. On August 14, 2009, the Company closed a brokered private placement by issuing 5,117,301 common shares at a price of \$0.30 per share for gross proceeds of \$1,535,190. The proceeds were used for long-term investment purposes. Share issue costs of \$281,942 were paid to legal counsel and to the brokerage agent in respect of this private placement. Directors and officers of the Company and its subsidiaries subscribed for 636,000 of the shares issued in this private placement, representing \$190,800 or approximately 12.4% of the shares issued.

Aston Hill Financial Inc.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2009 and 2008

6. Related Party Transactions - continued

- g) Accounts receivable include management fees receivable from Catapult Energy 2008 FTS Limited Partnership ("2008 FTS") of \$69,025 (2008 - \$nil) for services provided by the Company, as administrator. During the three and nine month periods ended September 30, 2009, related management fees of \$38,872 (2008 - \$nil) and \$80,720 (2008 - \$nil), respectively, were recorded as revenue. Catapult Management 2008 Inc., which is a wholly owned subsidiary of the Company, is the General Partner of 2008 FTS. Also, on the balance sheet, notes receivable of \$709,809 (2008 - \$nil) are promissory notes due from 2008 FTS. The notes are receivable on demand and accrue interest revenue at a rate of 6% annually. Interest is calculated from the date the note was issued and is receivable on a monthly basis on the last day of each month. Accounts receivable include interest receivable of \$24,460 (2008 - \$nil), relating to the notes receivable. Interest income for the three and nine month periods ended September 30, 2009 includes \$10,735 (2008 - \$nil) and \$40,159 (2008 - \$nil), respectively, relating to the notes receivable.

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties and which is similar to those negotiated with third parties.

7. Financial Instruments

Fair Value of Financial Instruments

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted bid or ask prices, as appropriate, in the most advantageous active market for that instrument to which the Company has immediate access. Where bid and ask prices are unavailable, the Company uses the closing price of the most recent transaction for that instrument. In the absence of an active market, fair value is determined based on prevailing market rates for instruments with similar characteristics or internal and external valuation models, such as option pricing models and discounted cash flow analysis, that use observable market based inputs and assumptions.

Carrying Value and Fair Value of Financial Instruments

(a) Cash and cash equivalents

Cash and cash equivalents are classified as held-for-trading and are reported at fair value.

(b) Marketable securities

Marketable securities are classified as held-for-trading and are reported at fair value. As at September 30, 2009, the Company reported investments in marketable securities of publicly traded securities at a fair value of \$188,680 (September 30, 2008 - \$469,931).

(c) Accounts receivable

Accounts receivable are classified as loans and receivables and are reported at amortized cost. At September 30, 2009 the carrying value of accounts receivable approximated their fair value.

Aston Hill Financial Inc.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2009 and 2008

7. Financial Instruments - continued

(d) Long-term investments

Wisevest Income Fund is an investment in an investment trust, which classifies its investments as held-for-trading. The fair value of Wisevest Income Fund as at September 30, 2009 is \$230,676 (September 30, 2008 - \$227,408).

Sword Energy Inc. is a 2.57% investment in a private oil and gas production entity and is classified as held-for-trading. The fair value of the Company's interest in Sword as at September 30, 2009 is \$8,011,460 (September 30, 2008 - \$10,785,660 based on a 2.42% interest). Note that the fair value of the investment in Sword is recalculated quarterly based on internal and external reserve evaluations and estimates. The fair value is also affected significantly by a volatile oil and gas pricing environment. Therefore, changes in unrealized gains and losses from the Sword investment may fluctuate materially from quarter to quarter.

(e) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are classified as other liabilities and are reported at amortized cost. At September 30, 2009, the carrying value of accounts payable and accrued liabilities approximated their fair value.

(f) Debentures

The Juno debentures with face value of \$250,000 and 8.4% coupon are classified as other liabilities and are reported at amortized cost. At September 30, 2009, the amortized cost of the debentures was \$249,809 (September 30, 2008 - \$249,703).

8. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.