

Aston Hill Financial Inc.

**Consolidated Financial Statements
For the three and nine month periods ended
September 30, 2010 and 2009**

Contents

Notification of Unaudited Interim Consolidated Financial Statements	2
Consolidated Financial Statements	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Comprehensive Income	5
Consolidated Statements of Deficit	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-16

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 nine month period ended September 30, 2010.

Aston Hill Financial Inc.
Consolidated Balance Sheets
(Unaudited)

	As at September 30, 2010	As at December 31, 2009
Assets		
Current		
Cash and cash equivalents	\$ 3,643,662	\$ 1,292,811
Marketable securities	-	97,640
Investments classified as available for sale (Note 3 and Note 8)	1,755,064	-
Accounts receivable (Note 7)	1,384,431	963,475
Due from funds under management (Note 7)	221,577	-
Prepaid expenses	25,863	71,115
Notes receivable (Note 7)	-	709,809
Current portion of future income tax asset	278,350	241,000
	<u>\$ 7,308,947</u>	<u>3,375,850</u>
Prepaid deposits	142,273	21,298
Long-term investments	8,475,652	10,197,491
Intangible assets (Note 3)	3,483,705	84,469
Property and equipment	723,559	273,937
Deferred sales commissions (Note 3)	416,815	-
Non-current portion of future income tax asset	306,728	723,000
	<u>\$ 20,857,679</u>	<u>\$ 14,676,045</u>
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	\$ 581,345	\$ 128,606
Obligation to redeem Lawrence Partner Fund Units (Note 3 and Note 8)	1,699,315	-
	<u>2,280,660</u>	<u>128,606</u>
Note payable (Note 3)	451,571	-
Debentures	249,924	249,881
	<u>2,982,155</u>	<u>378,487</u>
Shareholders' equity		
Equity instruments (Note 4)	21,884,277	18,195,532
Contributed surplus (Note 6)	2,104,827	1,979,808
Deficit	(6,119,465)	(5,877,782)
Accumulated other comprehensive income	5,885	-
	<u>17,875,524</u>	<u>14,297,558</u>
	<u>\$ 20,857,679</u>	<u>\$ 14,676,045</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2010	2009	2010	2009
Revenue				
Management fees (Note 7)	\$ 2,645,170	\$ 997,625	\$ 6,311,141	\$ 2,437,452
Interest and dividend income	7,731	17,744	33,296	64,970
	<u>2,652,901</u>	<u>1,015,369</u>	<u>6,344,437</u>	<u>2,502,422</u>
Expenses				
General, administrative and other (Note 7)	1,414,728	850,478	4,144,288	2,486,722
Stock compensation (Note 5)	122,000	85,000	359,000	270,000
Amortization of property and equipment	63,754	21,501	107,254	63,001
Dealer commissions and trailer fees	28,590	2,535	30,565	6,110
Interest expense	5,442	-	5,945	1,020
Interest on debenture	5,322	5,320	15,793	15,786
Other gains and losses	(9,680)	-	(9,680)	-
	<u>1,630,156</u>	<u>964,834</u>	<u>4,653,165</u>	<u>2,842,639</u>
Income (loss) before the undernoted	<u>1,022,745</u>	<u>50,535</u>	<u>1,691,272</u>	<u>(340,217)</u>
Loss on sale of marketable securities	(22,846)	-	(22,846)	(44,322)
Change in fair value of marketable securities	28,788	(55,175)	29,888	149,224
Change in fair value of investment securities held in Wisevest Income Fund	25,603	28,000	(60,865)	66,016
Realized gain (loss) on sale of investment securities held in Wisevest Income Fund	-	-	66,442	(147,500)
Change in fair value of long-term investments	(625,520)	(378,952)	(1,726,811)	(1,484,101)
Oil and gas property investment income (loss)	(57,207)	42,116	(51,774)	50,463
Loss from investing activities	<u>(651,182)</u>	<u>(364,011)</u>	<u>(1,765,966)</u>	<u>(1,410,220)</u>
Net income (loss) before tax for the period	<u>\$ 371,563</u>	<u>\$ (313,476)</u>	<u>\$ (74,694)</u>	<u>\$ (1,750,437)</u>
Future income tax expense	<u>(72,989)</u>	<u>-</u>	<u>\$ (166,989)</u>	<u>-</u>
Net income (loss) after tax for the period	<u>\$ 298,574</u>	<u>\$ (313,476)</u>	<u>(241,683)</u>	<u>\$ (1,750,437)</u>
Weighted average number of shares - basic	68,086,682	62,029,284	66,557,069	60,197,584
Weighted average number of shares - diluted	68,845,084	62,029,284	66,557,069	60,197,584
Income (loss) per share – basic	\$ 0.004	\$ (0.005)	\$ (0.004)	\$ (0.029)
Income (loss) per share – diluted	\$ 0.004	\$ (0.005)	\$ (0.004)	\$ (0.029)

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

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2010	2009	2010	2009
Net income (loss) after tax for the period	\$ 298,574	\$ -	\$ (241,683)	\$ -
Other comprehensive income, net of taxes				
Unrealized gains on available-for-sale securities	5,885	-	5,885	-
Comprehensive Income (loss)	\$ 304,459	\$ -	\$ (235,798)	\$ -
Accumulated other comprehensive income, beginning of period	\$ -	\$ -	\$ -	\$ -
Other comprehensive income	5,885	-	5,885	-
Accumulated other comprehensive income, end of period	\$ 5,885	\$ -	\$ 5,885	\$ -

Aston Hill Financial Inc.
Consolidated Statements of Deficit
(Unaudited)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2010	2009	2010	2009
Deficit, beginning of period	\$ (6,418,039)	\$(8,556,439)	\$ (5,877,782)	\$ (7,119,478)
Net (loss) income for the period	298,574	(313,476)	(241,683)	(1,750,437)
Deficit, end of period	\$ (6,119,465)	\$(8,869,915)	\$ (6,119,465)	\$ (8,869,915)

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

	For the Three Months ended September 30		For the Nine Months ended September 30	
	2010	2009	2010	2009
Cash flows from operating activities				
Net income (loss) for the period	\$ 298,574	\$ (313,476)	\$ (241,683)	\$ (1,750,437)
Adjustments for:				
Amortization of property and equipment	63,754	21,501	107,254	63,001
Amortization of debenture discount	72	70	44	36
Stock compensation	122,000	85,000	359,000	270,000
Change in fair value of marketable securities	(28,788)	55,175	(29,888)	(149,224)
Change in fair value of investment securities held in Wisevest Income Fund	(25,603)	(28,000)	60,865	(66,016)
Change in fair value of long-term investments	625,520	378,952	1,726,811	1,484,101
Gain (loss) on sale of marketable securities	22,846	-	22,846	44,322
Gain (loss) on sale of investments held in Wisevest Income Fund	-	-	(66,442)	-
Non-cash management fees	(26,308)	-	(26,308)	-
Other non-cash gains and losses	(9,680)	-	(9,680)	-
Future income tax expense (recovery)	72,989	-	166,989	-
Loss on sale of long-term investments	-	-	-	147,500
	<u>1,115,376</u>	<u>199,222</u>	<u>2,069,808</u>	<u>44,283</u>
Changes in non-cash working capital items				
Accounts receivable	(226,105)	94,638	(320,944)	(204,702)
Prepaid expenses	42,908	20,125	52,857	18,812
Notes receivable	-	-	709,809	354,222
Due from funds under management	(81,702)	-	(81,702)	-
Prepaid deposits	(120,475)	-	(120,975)	-
Accounts payable and accrued liabilities	93,534	14,163	154,991	(348,700)
	<u>823,536</u>	<u>328,148</u>	<u>2,463,844</u>	<u>(136,085)</u>
Cash flows from investing activities				
Purchase of property and equipment	(34,550)	-	(52,171)	(1,466)
Change in Intangible Assets	-	-	(108,150)	-
Proceeds from sale of marketable securities	104,682	-	104,682	273,320
Proceeds on Wisevest investments	-	-	169,028	-
Cash paid for Wisevest investments	-	-	(168,424)	-
Deferred Sales Commissions	34,953	-	34,953	-
Corporate acquisition (Note 3)	(1,684,324)	-	(1,684,324)	-
Acquisition of long-term investments	-	(1,028,000)	-	(1,028,000)
Purchase of marketable securities	-	-	-	(33,242)
Sale of long-term investments	-	-	-	10,000
	<u>(1,579,239)</u>	<u>(1,028,000)</u>	<u>(1,704,406)</u>	<u>(779,388)</u>
Cash flows from financing activities				
Proceeds from exercise of stock options	124,450	185,920	256,609	185,920
Proceeds from exercise of warrants	123,525	-	605,335	-
Proceeds of private placement of common shares	-	1,535,190	-	1,535,190
Share issue costs	-	(281,943)	-	(281,943)
	<u>247,975</u>	<u>1,439,167</u>	<u>861,944</u>	<u>1,439,167</u>
Cash acquired in business combination	729,469	-	729,469	-
Increase (decrease) in cash and cash equivalents	221,741	739,315	2,350,851	522,694
Cash and cash equivalents, beginning of period	3,421,921	464,774	1,292,811	681,395
Cash and cash equivalents, end of period	\$ 3,643,662	\$ 1,204,089	\$ 3,643,662	\$ 1,204,089
Supplementary Information				
Cash paid for interest	\$ 10,734	\$ 5,250	\$ 21,738	\$ 16,771

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

ASTON HILL FINANCIAL INC.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2010 and 2009

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, 2009. The note disclosure requirements for annual financial statements provide disclosure in addition to those 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, 2009. The disclosures provided below are incremental to those included in the 2009 annual consolidated financial statements of the Company.

Foreign Currency Translation

With the business combination completed and disclosed in Note 3 of the financial statements, the Company now has a foreign subsidiary that is being treated as an integrated operation and, in accordance with Section 1651 Foreign Currency Translation, monetary items of the subsidiary are translated at the period-end exchange rate and non-monetary items at the rate in effect at the date of the transaction. The operating results have been translated at the average exchange rate in effect during the fiscal year. The resulting gains and losses are included in net income for the period.

2. Changes in Accounting Policies

Consolidated Financial Statements and Non-controlling Interests

Effective January 1, 2010, the Company adopted Section 1601, Consolidated Financial Statements which replace the former consolidated financial statements standard. Section 1601 establishes the requirements for the preparation of consolidated financial statements. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

Business Combinations

Effective January 1, 2010, the Company adopted Section 1582, Business Combinations, which replaces Section 1581 and aligns accounting for business combinations under Canadian GAAP with International Financial Reporting Standards ("IFRS").

Under Section 1582, the fair value ascribed to shares issued as consideration will be based on their market value at the date of exchange, as compared to the previous standard which prescribed market price for a reasonable period of time before and after the date of announcement of an acquisition. In addition, the majority of acquisition costs will likely have to be expensed. Previous standards allowed for the capitalization of these costs as part of the purchase price. Section 1582 also addresses contingent liabilities, which will be required to be recognized at fair value on acquisition, and subsequently remeasured at each reporting date until settled. Previous standards required only contingent liabilities that are payable to be recognized. Section 1582 also requires negative goodwill to be recognized in earnings rather than the previous standard of deducting from non-current assets in the purchase price allocation.

Future Accounting Changes

The Canadian Accounting Standards Board ("AcSB") has confirmed its plan to adopt all International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board ("IASB"), on or by January 1, 2011. The Company will need to begin reporting under IFRS for the fiscal year beginning on January 1, 2011, including comparative figures for the prior year. As a result, the Company will publish its first consolidated financial statements, prepared in accordance with IFRS, for the three months ended March 31, 2011.

ASTON HILL FINANCIAL INC.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2010 and 2009

2. Changes in Accounting Policies - continued

While IFRS standards are premised on a conceptual framework similar to Canadian GAAP, there are differences in the areas of recognition, measurement and disclosure that may impact the Company's consolidated financial statements. The transition to IFRS represents a significant initiative by the Company and as such an assessment has been completed to identify the key accounting differences between Canadian GAAP and IFRS. The impact of these differences to the Company's consolidated financial results at the time of transition and on implementation is currently being assessed, although a more comprehensive discussion and some implementation milestones are provided in the Company's Management's Discussion and Analysis as at and for the nine months ended September 30, 2010. Based on existing IFRS, differences to Canadian GAAP that may impact the Company's financial results include, but are not limited to, the impairment of assets, share-based payments, and income taxes. The impact of IFRS to the Company at transition will depend on the IFRS standards in effect at the time, accounting elections that have not yet been made and the prevailing business and economic facts and circumstances.

The Company continues to monitor the development of standards and regulations issued by the IASB and the Canadian Securities Administrators that may affect the timing, nature, or disclosure of its adoption of IFRS.

3. Business Combination

On June 6, 2010, the Company entered into a Share Purchase Agreement with Navina Asset Management Inc. ("Navina"). Navina is a Toronto-based asset management firm specializing in the development, sales and management of closed-end mutual funds, open-ended mutual funds and hedge funds. On August 6, 2010 the Company closed its transaction with Navina. The Company acquired all of the issued and outstanding common shares of Navina for total consideration of \$4,277,144. Of this, \$1,684,324 was paid in cash and the remaining portion through issuance of 2,009,938 common shares of the Company at the closing date.

The total consideration transferred is also subject to further contingent consideration of up to \$1,800,000 in cash and common shares if the Assets under Management ("AUM") of the acquired exceed a specified threshold on August 6, 2011. At the closing date of the acquisition the Company has determined that the contingent consideration is not more likely than not to be rewarded. The Company made this determination based on all available information at the closing date.

ASTON HILL FINANCIAL INC.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2010 and 2009

3. Business Combination - continued

The preliminary fair values of the net assets of Navina acquired and liabilities assumed are as follows:

Net Assets Acquired	
Working Capital	\$ 679,214
Investments available for sale	1,748,246
Property & equipment	504,704
Intangible Assets ¹	3,291,086
Deferred sales commission ²	451,768
Obligation to redeem Lawrence Partner Fund Units ³	(1,696,905)
Note payable ⁴	(489,969)
Future income tax liability	(211,000)
Total net assets acquired	\$4,277,144

The value of the shares issued was based on the \$1.29 bid share price of the Company on the closing date.

The fair value of acquired receivables was \$100,012 representing the gross receivables acquired.

The Company incurred approximately \$143,000 in legal and advisory fees related to this transaction which have been recorded as transaction costs in the consolidated statement of operations.

¹*Intangible assets*

Intangible assets acquired represent the Navina fund platform acquired which consist of a number of management contracts and mutual fund codes that provide the Company with the ability and legal right to promote and manage these mutual funds.

²*Deferred sales commissions*

Deferred sales commissions represent the payment of sales commissions and prepaid service fees paid by Navina upon issue of Series III and IV shares of Lawrence Enterprise Fund Inc., a fund managed by Navina. The fund will repay Navina in the amount equal to the commissions and service fees paid by Navina upon issue of the Series III and IV Shares less any applicable early redemption fees. The amount is repaid equally over an eight year period.

³*Obligation to redeem Lawrence Partners Fund units*

Pursuant to the share purchase agreement, the Company has agreed that it will cause Navina to redeem its 31,105 "re-invest" units in the Lawrence Partner Fund on the date they become redeemable and to pay an amount equal to the proceeds of the redemption to the previous Shareholders of Navina. As at the date of the acquisition the Company has determined that the units are redeemable March 31, 2011.

⁴*Note payable*

Navina has issued a promissory note payable to reimburse the Navina/Lazard US High Yield Bond Fund for the expenses of its initial public offering which amounted to \$790,673 and consisted of agents' fees and other offering expenses. As at August 6, 2010 the balance of the note payable to the fund is \$492,684. The payments are made in quarterly installments equal to one quarter of 1.00% of the Fund's net asset value over a period of eight years beginning on September 30, 2009. The Note bears interest from the date of issue at the prime rate of interest. The Note is reduced proportionately if Fund Units are redeemed or retracted. On the maturity date, any unpaid principal amount of the Note will be due and payable.

ASTON HILL FINANCIAL INC.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2010 and 2009

4. Equity Instruments

(a) Authorized
 Unlimited number of Common voting shares

(b) Issued

Common shares	September 30, 2010		December 31, 2009	
	Number	Amount	Number	Amount
Balance, beginning of period	65,060,355	\$ 17,829,289	59,266,554	\$ 16,649,369
Issued for cash	-	-	5,117,301	1,535,190
Issued for acquisition (Note 3)	2,009,938	2,592,820	-	-
Portion of equity instruments issued for cash relating to warrants	-	-	-	(369,857)
Stock options exercised – cash portion	754,979	256,609	664,000	185,920
Stock options exercised – fair value portion	-	233,981	-	101,370
Share issue costs	-	-	-	(281,942)
Warrants exercised – cash portion	1,447,535	605,335	12,500	5,625
Warrants exercised – fair value portion	-	175,983	-	3,614
Balance, end of period	69,272,807	\$ 21,694,017	65,060,355	\$ 17,829,289
Warrants				
Balance, beginning of period	2,840,689	\$ 366,243	-	-
Portion of equity instruments issued for cash relating to warrants	-	-	2,558,651	369,857
Warrants issued to Agent	-	-	307,038	52,609
Non-cash share issue costs relating to warrants issued to Agent	-	-	-	(52,609)
Warrants exercised	(1,435,035)	(175,983)	(25,000)	(3,614)
Balance, end of period	1,405,654	\$ 190,260	2,840,689	\$ 366,243
Total Equity Instruments		\$ 21,884,277		\$ 18,195,532

ASTON HILL FINANCIAL INC.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2010 and 2009

4. Equity Instruments - continued

(c) Private placement

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.

In addition, the agent was issued 307,038 broker warrants, each entitling the agent to acquire one common share of the Company at an exercise price of \$0.30 per common share for 18 months from the closing date.

The fair value of the warrants issued in 2009 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

<u>Risk free interest rate</u>	<u>Expected life of warrants</u>	<u>Expected volatility</u>
1.32%	1.5 year	128%

5. Stock Compensation

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 at the time granted and is determined by the Board of Directors. Options granted have a term of up to 5 years.

During the three and nine months ended September 30, 2010, the Company recognized compensation expense of \$122,000 and \$359,000, respectively, (2009 - \$85,000 and \$270,000) related to these arrangements.

During the first nine months of 2010, the Company granted 1,616,000 options with a weighted average fair value of \$0.87 per share. During the first nine months of 2009, the Company granted 970,000 options with a weighted average fair value of \$.32 per share. The fair value of the options granted during 2010 and 2009 were estimated at the grant date using an option pricing model with the following weighted average assumptions:

	<u>September 30, 2010</u>	<u>September 30, 2009</u>
Risk-free interest rate	1.90%	2.08%
Expected life of the options	4 years	4 years
Expected share price volatility	117%	100%
Expected dividend yield	Nil	Nil

ASTON HILL FINANCIAL INC.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2010 and 2009

5. Stock Compensation - continued

A summary of the status of the Company's share option plans as at September 30, 2010 and December 31, 2009 and the changes during the periods then ended, is as follows:

	September 30, 2010		December 31, 2009	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	4,350,000	\$ 0.32	4,405,000	\$ 0.34
Granted	1,616,000	\$ 0.87	970,000	\$ 0.32
Exercised	(754,979)	\$ 0.34	(664,000)	\$ 0.28
Forfeited	(108,335)	\$ 0.34	(100,000)	\$ 0.37
Cancelled	-	\$ -	(261,000)	\$ 0.28
Outstanding, end of period	5,102,686	\$ 0.51	4,350,000	\$ 0.32
Exercisable, end of period	2,603,349	\$ 0.34	2,450,008	\$ 0.32

Range of exercise prices	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number Vested
\$0.26 to \$0.44	3,486,686	\$ 0.34	2.14	2,603,349
\$0.76 to \$1.27	1,616,000	\$ 0.87	4.49	-
	5,102,686			2,603,349

6. Contributed Surplus

	September 30, 2010	December 31, 2009
Balance, beginning of period	\$ 1,979,808	\$ 1,746,178
Stock compensation	359,000	335,000
Stock options exercised -fair value portion	(233,981)	(101,370)
Balance, end of period	<u>\$ 2,104,827</u>	<u>\$ 1,979,808</u>

7. Related Party Transactions

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

- a) The Company manages Sword, a private company, on behalf of its 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 \$382,481 (2009 - \$399,356) as at September 30, 2010 in respect of these management fees. For the three and nine month periods ended September 30, 2010, \$364,268 (2009 - \$380,339) and \$1,142,799 (2009 - \$1,204,090), respectively, was recorded as revenue in respect of these management fees.
- b) Consulting expense for the three and nine month periods ended September 30, 2010, includes \$16,500 (2009 - \$16,500) and \$49,500 (2009 - \$49,500), 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.

ASTON HILL FINANCIAL INC.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2010 and 2009

7. Related Party Transactions - continued

- c) Accounts receivable includes management fees of \$198,582 (2009 - \$nil) earned by the Company's wholly owned subsidiary Navina from its funds under management for management services provided. During the three and nine month periods ended September 30, 2010, related management fees of \$360,905 (2009 - \$nil) and \$360,905 (2009 - \$nil), respectively, were recorded as revenue.
- d) The Company's wholly owned subsidiary Navina pays for expenses incurred by its various funds under management. These expenses are then charged back to the funds and are recovered under normal credit terms and are non-interest. Amounts due from funds under management is \$221,577 (2009 - \$nil).
- e) The Company's wholly owned subsidiary Navina has issued a note payable to reimburse the Navina/Lazard High US High Yield Bond Fund for the expenses its initial public offering which amounted to \$790,673 and consisted of agents' fees and other offering expenses. As at September 30, 2010 the balance of the note payable to the fund is \$451,571. The payments are made in quarterly installments equal to one quarter of 1.00% of the Fund's net asset value over a period of eight years beginning on September 30, 2009. The note bears interest from the date of issue at the prime rate of interest. The note is reduced proportionately if Fund Units are redeemed or retracted. On the maturity date, any unpaid principal amount of the note will be due and payable.
- f) 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. Therefore, Directors and officers of the Company and its subsidiaries were issued 318,000 common share purchase warrants, representing approximately 12.4% of the warrants issued.
- g) Accounts receivable include management fees receivable from Catapult Energy 2008 FTS Limited Partnership ("2008 FTS") of \$48,972 (2009 - \$69,025) for services provided by the Company as administrator. During the three and nine month periods ended September 30, 2010, related management fees of \$46,640 (2009 - \$38,872) and \$134,853 (2009 - \$80,720), 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 \$nil (2009 - \$709,809) are promissory notes due from 2008 FTS. Interest was calculated from the date the note was issued and was receivable on a monthly basis on the last day of each month. Interest income for the three and nine month periods ended September 30, 2010 includes \$nil (2009 - \$10,735) and \$9,101 (2009 - \$40,159), 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.

September 30, 2010 and 2009

8. 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. The Company has reviewed this financial instrument and determined that it is carried at fair value level 2.

(b) Marketable securities

Marketable securities are classified as held-for-trading and are reported at fair value. Two equity holdings make up the marketable securities balance and both are traded on an active market and unadjusted quoted prices were obtained. The Company has determined this financial instrument is carried at a Level 1. As at September 30, 2010, the Company reported investments in marketable securities of publicly traded securities at a fair value of \$nil (September 30, 2009 - \$188,680).

(c) Accounts receivable and amounts due from funds under Management

Accounts receivable and amounts due from funds under Management are classified as loans and receivables and are reported at amortized cost. At September 30, 2010 the carrying value of accounts receivable and amounts due from funds under Management approximated their fair value due to short term maturity.

(d) Long-term investments

Wisevest Income Fund is an investment in an investment trust, which classifies its investments as held-for-trading. As such, Wisevest Income Fund is consolidated at fair value. The fair value of Wisevest Income Fund as at September 30, 2010 is \$258,586 (September 30, 2009 - \$230,676). Four equity holdings make up the Wisevest Income Fund portfolio and all are traded on an active market and unadjusted quoted bid prices were obtained, therefore the Company has determined this financial instrument is carried at fair value level 1.

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, 2010 is \$8,163,880 (September 30, 2009 - \$8,011,460). 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.

ASTON HILL FINANCIAL INC.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2010 and 2009

8. Financial Instruments – continued

The following table illustrates the classification of the Company's financial instruments carried at fair value within the fair value hierarchy as at September 30, 2010:

Investments at fair value as at September 30, 2010				
	Level 1	Level 2	Level 3	Total
Investments in securities	\$ 258,586	\$ -	\$ -	\$ 258,586
Private investments	-	-	8,163,880	8,163,880
	\$ 258,586	\$ -	\$ 8,163,880	\$ 8,422,466

The following table reconciles the Company's Level 3 fair value measurements from December 31, 2009 to September 30, 2010:

	Fair value measurements using Level 3 inputs
	Private investments
Balance at December 31, 2009	\$ 9,890,691
Change in fair value	(1,726,811)
Balance at September 30, 2010	\$ 8,163,880

e) Investments classified as available for sale

Investments classified as available for sale were acquired on August 6, 2010 in the business combination disclosed in note 3 of the financial statements and are reported at fair market value. Three equity holdings make up the balance of the Investments classified as available for sale and all three are valued using inputs other than quoted prices that are directly observable for the assets. The Company has determined that these financial instruments are carried at fair value level 2.

f) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are classified as other liabilities and are reported at amortized cost. At September 30, 2010, the carrying value of accounts payable and accrued liabilities approximated their fair value.

g) 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, 2010, the amortized cost of the debentures was \$249,924 (September 30, 2009 - \$249,809).

h) Obligation to redeem Lawrence Partner Fund units

One of the Investments classified as available for sale that was acquired in the business combination described in note 3 is redeemable on March 31, 2011. As part of the share purchase agreement, the Company has agreed that it will cause Navina to redeem the Lawrence Partner Fund units and to pay an amount equal to the proceeds of the redemption to the previous Shareholders of Navina. This financial liability is classified as held for trading and is reported at its fair value using inputs other than quoted prices that are directly observable for the liability. The Company has determined that this financial instrument is carried at fair value level 2.

ASTON HILL FINANCIAL INC.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2010 and 2009

9. Comparative Figures

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

10. Subsequent Event

The Company announced on October 12, 2010 that a special cash dividend in the amount of \$0.02 per common share will be payable on November 5, 2010 to all shareholders of record October 22, 2010. The resulting ex-dividend date will be October 20, 2010.