

ASTON HILL FINANCIAL INC.

Interim Consolidated Financial
Statements for the period ended June 30,
2011

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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 June 30, 2011.

ASTON HILL FINANCIAL INC.

Unaudited Consolidated Statement of Financial Position

As at June 30, 2011, with comparative figures for December 31, 2010
(in thousands of Canadian dollars)

	Note	June 30, 2011	December 31, 2010
Assets			
Cash and cash equivalents	10	\$ 3,453	\$ 4,014
Investments at fair value through profit or loss	3	903	1,370
Trade and other receivables	4	2,419	1,179
Current income tax recoverable		122	278
Prepaid expenses		176	175
Notes receivable	4	-	303
Total current assets		7,073	7,319
Prepaid deposits		111	111
Investments at fair value through other comprehensive income ("OCI")	3	8,973	7,834
Intangible assets	12	3,829	3,829
Property and equipment	11	777	716
Deferred sales commissions	5	206	311
Total non-current assets		13,896	12,801
Total assets		\$ 20,969	\$ 20,120
Liabilities			
Trade and other payables	4	\$ 1,139	\$ 813
Obligation to redeem Lawrence Partners Fund ("LPF") shares	5	407	1,057
Note payable	5	313	-
Provisions	18	7	23
Total current liabilities		1,866	1,893
Debenture	16	250	250
Note payable	5	-	389
Deferred tax liabilities	9	391	401
Total non-current liabilities		641	1,040
Total liabilities		2,507	2,933
Equity			
Share capital	13	23,064	22,402
Warrants	13	-	137
Contributed surplus		2,655	2,148
Retained deficit		(5,200)	(4,841)
Accumulated other comprehensive loss	23	(2,057)	(2,659)
Total equity		18,462	17,187
Total equity and liabilities		\$ 20,969	\$ 20,120

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

ASTON HILL FINANCIAL INC.

Unaudited Consolidated Income Statement

For the three and six month periods ended June 30, 2011, with comparative figures for 2010
(in thousands of Canadian dollars, except per share amounts)

	Note	Three months ended		Six months ended	
		June 30		June 30	
		2011	2010	2011	2010
Management Fees		\$ 3,538	\$ 2,029	\$ 6,728	\$ 3,666
Revenue		3,538	2,029	6,728	3,666
General and administrative expenses		1,927	1,080	4,907	2,730
Product development		259	-	259	-
Share based payments	17	290	99	546	185
Depreciation of property & equipment	11	67	22	119	43
Amortization of deferred sales commissions	5	53	-	104	-
Net losses (profits) on investments	6	145	23	202	(10)
		797	805	591	718
Finance expense	7	32	6	44	11
Net income before tax for the period		765	799	547	707
Income tax expense (recovery):					
Current	14	275	-	290	-
Deferred	23	(120)	406	(98)	506
Net income for the period		\$ 610	\$ 393	\$ 355	\$ 201
Income per share:					
Basic	14	\$ 0.008	\$ 0.006	\$ 0.005	\$ 0.003
Diluted	14	\$ 0.008	\$ 0.006	\$ 0.004	\$ 0.003

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

ASTON HILL FINANCIAL INC.

Unaudited Consolidated Statement of Comprehensive Income

For the three and six month periods ended June 30, 2011, with comparative figures for 2010
(in thousands of Canadian dollars)

		Three months ended June 30		Six months ended June 30	
	Note	2011	2010	2011	2010
Net Income for the period		\$ 610	\$ 393	\$ 355	\$ 201
Other comprehensive income (loss):					
Net change in fair value of investments through OCI	3	140	-	689	(1,101)
Deferred tax on net change in fair value of investments		(17)	-	(87)	138
Other comprehensive income (loss) for the period, net of tax		123	-	602	(963)
Total comprehensive income (loss) for the period		\$ 733	\$ 393	\$ 957	\$ (762)

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

ASTON HILL FINANCIAL INC.

Unaudited Consolidated Statement of Changes in Equity

(in thousands of Canadian dollars, except share information)

	Note	Number of common shares	Share capital	Warrants	Contributed surplus	Retained deficit	Accumulated other comprehensive loss	Total equity
Balance at January 1, 2010		65,060,355	\$ 17,798	\$ 366	\$ 2,034	\$ (5,098)	\$ (860)	\$ 14,240
Stock based compensation	17	-	-	-	185	-	-	185
Options exercised	17	369,979	219	-	(87)	-	-	132
Warrants exercised	13	1,070,690	607	(125)	-	-	-	482
Profit (loss) for the period		-	-	-	-	201	-	201
Dividends paid	15	-	-	-	-	-	-	-
Other		-	(8)	-	-	-	-	(8)
Other comprehensive income		-	-	-	-	-	(963)	(963)
Balance at June 30, 2010		66,501,024	\$ 18,616	\$ 241	\$ 2,132	\$ (4,897)	\$ (1,823)	\$ 14,269
Balance at January 1, 2011		70,264,461	\$ 22,402	\$ 137	\$ 2,148	\$ (4,841)	\$ (2,659)	\$ 17,187
Stock based compensation	17	-	-	-	546	-	-	546
Options exercised	17	148,333	94	-	(39)	-	-	55
Warrants exercised	13	959,000	568	(137)	-	-	-	431
Profit (loss) for the period		-	-	-	-	355	-	355
Dividends paid	15	-	-	-	-	(714)	-	(714)
Other comprehensive income		-	-	-	-	-	602	602
Balance at June 30, 2011		71,371,794	\$ 23,064	\$ -	\$ 2,655	\$ (5,200)	\$ (2,057)	\$ 18,462

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

ASTON HILL FINANCIAL INC.

Unaudited Consolidated Statement of Cash Flows

For the six month period ended June 30, 2011, with comparative figures for 2010
(in thousands of Canadian dollars)

	Note	2011	2010
Cash flows from operating activities:			
Net income for the period		\$ 355	\$ 201
Adjustments for:			
Deferred income tax		(98)	506
Interest expense		39	11
Amortization	11	223	43
Decrease in provision	18	(16)	-
Share based payments	17	546	185
Non-cash management fees		(49)	-
Change in fair value of investments	6	(3,570)	85
Loss on sale of investments	6	3,597	(66)
Unrealized loss on liability to redeem LPF shares	6	8	-
Other non-cash gains/losses	6	(27)	-
		1,008	965
Change in non-cash working capital	8	195	686
Net cash from (used in) operating activities		1,203	1,651
Cash flows from investing activities:			
Net property and equipment expenditures	11	(180)	(18)
Additions to intangible assets		-	(108)
Purchases of financial assets		(668)	(168)
Proceeds on sale of financial assets		-	169
Change in non-cash working capital	8	(658)	-
Net cash from (used in) investing activities		(1,506)	(125)
Cash flows from financing activities:			
Proceeds from exercise of warrants	13	431	482
Proceeds from exercise of share options		56	132
Interest paid		(31)	(11)
Dividends paid		(714)	-
Net cash from (used in) financing activities		(258)	603
Change in cash and cash equivalents		(561)	2,129
Cash and cash equivalents beginning of the period		4,014	1,293
Cash and cash equivalents end of the period	10	\$ 3,453	\$ 3,422
Supplementary information			
Income tax paid		23	-

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

ASTON HILL FINANCIAL INC.

Notes to the Consolidated Financial Statements (Unaudited)

For the six month period ended June 30, 2011, with comparative figures for 2010
(tabular amounts are in thousands of Canadian dollars except share and per share information)

1. Reporting entity:

Aston Hill Financial Inc. (the "Company" or "Aston Hill") is incorporated under the laws of the Province of Alberta, Canada and is a company domiciled in Canada. The condensed interim Consolidated Financial Statements ("interim Consolidated Financial Statements") of the Company as at and for the period ended June 30, 2011 and 2010 comprise the Company and its wholly owned subsidiaries. The Company is engaged in asset management specializing in income products, energy investments, oil and gas property management and private equity.

The head office, principal address and registered and records office of the Company are located at Suite 500, 321 - 6th Avenue SW, Calgary, Alberta, T2P 3H3.

These interim Consolidated Financial Statements were approved and authorized for issuance by the Board of Directors on August 17, 2011.

2. Basis of preparation:

(a) Statement of compliance:

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP") as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting on this basis in these interim consolidated financial statements. In the financial statements, the term ("previous GAAP") refers to Canadian GAAP before the adoption of IFRS.

These interim Consolidated Financial Statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 and IFRS 1. The accounting policies followed in these interim Consolidated Financial Statements are the same as those applied in the Company's interim Consolidated Financial Statements for the period ended March 31, 2011. The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. Note 23 discloses the impact of the transition to IFRS on the Company's reported financial position and financial performance as at and for the period ended June 30, 2010, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended December 31, 2010.

The accounting policies applied in these interim Consolidated Financial Statements are based on IFRS effective for the year ending December 31, 2011, as issued and outstanding as of August 17, 2011, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2011 could result in restatement of these interim Consolidated Financial Statements, including the transition adjustments recognized on change-over to IFRS.

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Notes to the Consolidated Financial Statements (Unaudited), page 2

For the six months ended June 30, 2011, with comparative figures for 2010
(tabular amounts are in thousands of Canadian dollars except share and per share information)

2. Basis of preparation (continued):

The interim Consolidated Financial Statements should be read in conjunction with the Company's previous GAAP annual financial statements for the year ended December 31, 2010, and the company's interim Consolidated Financial Statements for the quarter ended March 31, 2011 prepared in accordance with IFRS applicable to interim financial statements.

(b) Basis of measurement:

The financial statements have been prepared on the historical cost basis except for the following:

- (i) Financial instruments are measured at fair value;
- (ii) Financial assets at fair value through profit or loss held for trading are measured at fair value with changes in fair value recorded in net income; and
- (iii) Financial assets at fair value through other comprehensive income are measured at fair value with changes in fair value recorded in other comprehensive income.

The methods used to measure fair values are discussed in note 4.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note 5– business combinations
- Note 3 & 12– valuation of intangibles
- Note 3 – measurement of share-based payments
- Note 3 – valuation of financial instruments

ASTON HILL FINANCIAL INC.

Notes to the Consolidated Financial Statements (Unaudited), page 3

For the six months ended June 30, 2011, with comparative figures for 2010
(tabular amounts are in thousands of Canadian dollars except share and per share information)

3. Determination of fair values:

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Regular way purchases and sales of financial assets are accounted for on a trade-date basis. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Property & equipment:

The fair value of property & equipment recognized in a business combination is based on market values. The market value of property and equipment is the estimated amount for which property and equipment could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of other items of property and equipment is based on the quoted market prices for similar items.

(b) Intangible assets:

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use of the assets.

(c) Cash and cash equivalents, trade and other receivables, notes receivable and trade and other payables:

The fair value of cash and cash equivalents, trade and other receivables, notes receivable and trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At June 30, 2011 and December 31, 2010, the fair value of these balances approximated their carrying value due to their short term to maturity.

(d) Financial assets and liabilities at fair value through profit or loss:

Financial assets and liabilities at fair value through profit or loss are classified as held for trading and are reported at fair value through profit and loss. 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.

(e) Financial assets at fair value through other comprehensive income:

The Company's investment in Sword Energy Inc. is a financial asset reported at fair value through other comprehensive income. 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

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Notes to the Consolidated Financial Statements (Unaudited), page 4

For the six months ended June 30, 2011, with comparative figures for 2010
(tabular amounts are in thousands of Canadian dollars except share and per share information)

3. Determination of fair values (continued):

unavailable, the Company uses the closing price of the most recent transaction for that instrument. In the absence of an active market, estimated fair value is determined on the basis of the expected realizable value of the investments if they were disposed of in an orderly fashion over a reasonable period of time. The Company uses estimation techniques to determine fair value which include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, multiple earnings analysis, and option pricing models.

(f) Debenture:

The debenture has a face value of \$250,000 and an 8.4% coupon. The debenture represents a financial liability that is reported at amortized cost using the effective interest rate method. The difference between the face value of the \$250,000 and the value determined is amortized and included in finance expense.

(g) Stock options:

The fair value of employee stock options is measured using a Black Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds).

The following tables provide fair value measurement information for financial assets and liabilities as of June 30, 2011 and December 31, 2010. The carrying value of cash and cash equivalents, trade and other receivables, notes receivable, trade and other payables, debenture, and note payable included in the consolidated statement of financial position approximate fair value due to the short term nature of those instruments. These assets and liabilities are not included in the following tables.

	Carrying amount	Fair value	Fair value measurements using		
			Quoted prices in active markets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)
June 30, 2011					
Financial assets:					
Financial assets at fair value through profit or loss	\$ 903	\$ 903	\$ 464	\$ 439	\$ -
Financial assets at fair value through OCI	8,973	8,973	-	-	8,973
Financial liabilities:					
Obligation to redeem Lawrence partners fund shares	407	407	-	407	-

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Notes to the Consolidated Financial Statements (Unaudited), page 5

For the six months ended June 30, 2011, with comparative figures for 2010
(tabular amounts are in thousands of Canadian dollars except share and per share information)

3. Determination of fair values (continued):

December 31, 2010	Carrying amount	Fair value	Fair value measurements using		
			Quoted prices in active markets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)
Financial assets:					
Financial assets at fair value through profit or loss	\$ 1,370	\$ 1,370	\$ 281	\$ 1,089	\$ -
Financial assets at fair value through OCI	7,834	7,834	-	-	7,834
Financial liabilities:					
Obligation to redeem Lawrence partners fund shares	1,057	1,057	-	1,057	-

Level 1 Fair Value Measurements

Level 1 fair value measurements are based on unadjusted quoted market prices.

Level 2 Fair Value Measurements

Level 2 fair value measurements are based on inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.

Level 3 Fair Value Measurements

Level 3 fair value measurements are based on unobservable information. The level 3 fair value measurements pertain to the Company's valuation of its equity instruments at fair value through other comprehensive income. Details of Level 3 fair measurements are as follows:

- Fair value is determined based on prevailing market rates for instruments with similar characteristics or internal and external valuation models, such as discounted cash flow analysis, net asset value, or the multiple earnings valuation approach. These valuation methods use observable market based inputs and assumptions.

The following tables reconcile the Company's Level 3 fair value measurements for the three and six month periods ended June 30, 2011 and the comparative period:

	Fair value measurements using level 3 inputs
Balance at December 31, 2010	\$ 7,834
Increase in fair value during the period	549
Balance at March 31, 2011	\$ 8,383
Purchase of additional interest in Sword Energy Inc.	450
Increase in fair value during the period	140
Balance as at June 30, 2011	\$ 8,973

	Fair value measurements using level 3 inputs
Balance at January 1, 2010	\$ 9,891
Decrease in fair value during the period	(1,101)
Balance at March 31, 2010	\$ 8,790
Increase in fair value during the period	-
Balance as at June 30, 2010	\$ 8,790

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Notes to the Consolidated Financial Statements (Unaudited), page 6

For the six months ended June 30, 2011, with comparative figures for 2010
(tabular amounts are in thousands of Canadian dollars except share and per share information)

4. Financial risk management:

Overview:

The Company's activities expose it to a variety of financial risks that arise as a result of its operating, investing, and financing activities such as:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors oversees managements' establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

(a) Credit risk:

Credit risk is the potential for financial loss to the Company if a counterparty in a transaction fails to meet its obligations. The Company's cash and cash equivalents, accounts receivable, notes receivable, financial assets at fair value through profit or loss, and financial assets at fair value through OCI are exposed to credit risk. The Company monitors its credit risk management policies continuously to evaluate their effectiveness and feels that the credit worthiness of its counterparties is satisfactory at this time. Cash and cash equivalents primarily consist of highly liquid temporary deposits with Canadian chartered bank, and from time to time, guaranteed investment certificates. The Company mitigates credit risk on these financial instruments by adhering to its Investment Policy that outlines credit risk parameters and concentration limits.

Credit risk arises principally from the Company's receivables. The maximum exposure to credit risk at the period end is as follows:

	Carrying amount	
	June 30, 2011	December 31, 2010
Cash and cash equivalents	\$ 3,453	\$ 4,014
Trade and other receivables	2,419	1,179
Notes receivable	-	303
Financial assets at fair value through profit or loss	903	1,370
	\$ 6,775	\$ 6,866

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Notes to the Consolidated Financial Statements (Unaudited), page 7

For the six months ended June 30, 2011, with comparative figures for 2010
(tabular amounts are in thousands of Canadian dollars except share and per share information)

4. Financial risk management (continued):

Trade and other receivables:

All of the Company's operations are conducted in Canada. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Receivables are normally collected on the 15th day of the month following the month or quarter in which the management fee was earned. The Company's policy to mitigate credit risk associated with these balances is to establish marketing relationships with its customers. The Company historically has not experienced any collection issues with its customers.

The Company does not anticipate any default as it transacts with creditworthy customers and management does not expect any losses from non-performance by these customers. As such a provision for doubtful accounts has not been recorded at June 30, 2011 and December 31, 2010. The maximum exposure to credit risk for loans and receivables at the reporting date by type of customer was:

	Carrying amount	
	June 30, 2011	December 31, 2010
Sub advisory fee receivables	\$ 1,084	\$ 897
Management fee receivables	695	273
Other receivables	640	9
Total trade and other receivables	\$ 2,419	\$ 1,179

A significant amount of the Company's accounts receivable is due from related parties. As at June 30, 2011, 57% (December 31, 2010 - 23%) of the Company's trade receivables is due from related parties (see Note 22). The Company believes that the entire trade receivable balance is collectible. Accordingly, management has not provided for an allowance for doubtful accounts as at June 30, 2011.

The Company has one other significant customer, a Canadian wealth management firm, which accounts for \$877,000 of the trade receivables at June 30, 2011 (December 31, 2010 - \$706,000).

As at June 30, 2011 and December 31, 2010, the Company's trade and other receivables are aged as follows:

	June 30, 2011	December 31, 2010
Current (less than 90 days)	\$ 2,419	\$ 1,179
Past due (more than 90 days)	-	-
Total	\$ 2,419	\$ 1,179

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Notes to the Consolidated Financial Statements (Unaudited), page 8

For the six months ended June 30, 2011, with comparative figures for 2010
(tabular amounts are in thousands of Canadian dollars except share and per share information)

4. Financial risk management (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. To achieve this objective, the Company prepares annual operational expenditure budgets, which are regularly monitored and updated as considered necessary. The Company also attempts to match its payment cycle with collection of its revenue on the 15th of each month.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements at June 30, 2011:

	Carrying amount	Contractual cash flows	Less than one year	One - two years	Two - five years	More than five years
Non-derivative financial liabilities:						
Trade and other payables	\$ 1,139	\$ 1,139	\$ 1,139	\$ -	\$ -	\$ -
Obligation to redeem LPF shares ¹	407	407	407	-	-	-
Debentures	250	250	-	250	-	-
Expected interest payments	-	20	10	10	-	-
Office commitments	-	1,917	200	661	379	677
	\$ 1,796	\$ 3,733	\$ 1,756	\$ 921	\$ 379	\$ 677

¹The Company's obligation to redeem LPF shares to the previous shareholders of Navina Asset Management Inc. will be settled from the cash proceeds upon disposition of the Company's shares held in LPF.

(c) Market risk:

Market risk is the potential for loss to the Company from changes in the values of its financial instruments due to changes in interest rates, foreign exchange rates or equity prices. The Company's financial instruments are generally denominated in Canadian dollars and do not have significant exposure to changes in foreign exchange rates.

The Company's securities holdings are classified at fair value through profit or loss and at fair value through other comprehensive income, therefore changes in fair market value on securities are recorded in income or other comprehensive income as changes in fair value.

(d) Capital management:

The Company's capital management objective is to maximize shareholder returns while ensuring that the Company is capitalized in a manner which appropriately supports regulatory requirements, working capital needs and business expansion. The Company's capital management practices are focused on preserving the quality of its financial position by maintaining a solid capital base.

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Notes to the Consolidated Financial Statements (Unaudited), page 9

For the six months ended June 30, 2011, with comparative figures for 2010
(tabular amounts are in thousands of Canadian dollars except share and per share information)

4. Financial risk management (continued):

Capital of the Company currently consists of its common share capital, warrants, contributed surplus, retained deficit, and accumulated other comprehensive loss. From time to time, the Company may finance long-term investments through bank indebtedness. The Company's capital is primarily utilized in its ongoing business operations to support working capital requirements and long-term investments made by the Company, business expansion and other strategic objectives. There were no changes in the Company's approach to capital management during the period.

Two of the Company's subsidiaries are subject to externally imposed capital requirements. Each of these two subsidiaries are registered with securities commissions in Canada as an Investment Fund Manager ("IFM") and are currently required to maintain minimum working capital of \$100,000, plus \$100,000 deductible under its bonding insurance policy. The subsidiaries were in compliance with the requirements as at June 30, 2011. In the event of non-compliance, the IFM is subject to file additional financial information periodically and to review their policies and procedures for compliance with securities law and to file a compliance report. The Company is subject to no other externally imposed capital requirements.

5. 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 funds 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. As at August 6, 2011 the Company determined that the conditions for the contingent consideration were not met, and as such no consideration was rewarded.

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

Net Assets Acquired	
Working Capital, net of cash acquired of \$729	1,044
Financial assets at fair value through profit or loss	1,755
Property & equipment	505
Intangible assets ₁	3,636
Deferred sales commission ₂	452
Obligation to redeem Lawrence Partner Fund shares ₃	(1,697)
Note payable ₄	(490)
Deferred income tax liability	(928)
Total net assets acquired	4,277

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Notes to the Consolidated Financial Statements (Unaudited), page 10

For the six months ended June 30, 2011, with comparative figures for 2010
(tabular amounts are in thousands of Canadian dollars except share and per share information)

5. Business Combination (continued):

The value of the shares issued was based on the \$1.29 bid price of the Company on the closing date. The fair value of acquired receivables was \$100,000 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 income statement for the year ended December 31, 2010.

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 sales commissions and service fees paid by Navina upon issue and sales of Series III and IV shares of Lawrence Enterprise Fund Inc., a fund managed by Navina. The commissions are deferred and amortized on a straight-line basis over 8 years, the expected period in which the manager's service fee will be received.

³*Obligation to redeem Lawrence Partners Fund shares*

Pursuant to the share purchase agreement, the Company has agreed that it will cause Navina to redeem its 31,105 "re-invest" shares in the Lawrence Partners 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. During the three months ended June 30, 2011 the Company redeemed 19,214 of its 31,105 shares held in Lawrence Partners Fund Inc. The fair market value of the remaining obligation as at June 30, 2011 is \$407,000.

⁴*Note payable*

Navina has issued a Promissory Note payable ("the Note") to reimburse the Navina/Lazard US High Yield Bond Fund (the "Fund") for the expenses of its initial public offering which amounted to \$791,000 and consisted of agents' fees and other offering expenses. As at August 6, 2010 the balance of the note payable to the fund was \$490,000. The payments are made in quarterly instalments 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 units of the Fund are redeemed or retracted. On the maturity date, any unpaid principal amount of the Note will be due and payable. As at June 30, 2011 the balance of the note payable is \$313,000.

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6. Net losses (profits) on investments:

	June 30, 2011	June 30, 2010
Loss (gain) on sale of financial assets	\$ 3,597	\$ (66)
Change in fair value of financial assets through profit & loss	(3,570)	85
Dealer commissions and trailer fees	221	-
Oil & gas property investment income	(3)	(5)
Interest and dividend income	(24)	(26)
Change in fair value of obligation to redeem LPF shares	8	-
Other gains and losses	(27)	2
Total net losses (profits) on investments	\$ 202	\$ (10)

7. Finance expenses:

	June 30, 2011	June 30, 2010
Financial expenses:		
Interest on debenture	11	11
Interest on note payable	28	-
Foreign exchange loss	5	-
Net finance expense recognized in profit or loss	\$ 44	\$ 11

8. Supplemented cash flow information:

Changes in non-cash working capital from operating activities is comprised of:

	June 30, 2011	June 30, 2010
Source (use) of cash:		
Trade and other receivables	\$ (581)	(95)
Current tax recoverable	156	-
Deposit and prepaid expenses	(1)	10
Notes receivable	303	710
Trade and other payables	318	61
	\$ 195	\$ 686

Changes in non-cash working capital from investing activities is comprised of:

	June 30, 2011	June 30, 2010
Source (use) of cash:		
Trade and other receivables	\$ (658)	-
	\$ (658)	\$ -

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9. Deferred income taxes:

Deferred tax assets and liabilities are attributable to the following:

	June 30, 2011	December 31, 2010
Deferred tax assets:		
Financial asset at fair value through profit or loss	\$ 6	\$ 4
Financial assets at fair value through OCI	111	197
Property and equipment	63	59
Oil & gas properties	7	7
Transaction costs	18	18
Share issue costs	46	57
Net capital losses	6	6
Non-capital losses	96	109
	353	457
Less deferred tax liabilities:		
Intangible assets	(692)	(691)
Obligation to redeem LPF shares	-	(90)
Deferred sales commissions	(52)	(77)
Net deferred tax liability	\$ (391)	\$ (401)

The tax losses expire up to 2030. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have been recognized in respect of these items because it is probable that future taxable profit will be available against which the Company can utilize the benefits.

10. Cash and cash equivalents:

	June 30, 2011	December 31, 2010
Bank balances	\$ 3,443	\$ 3,955
Restricted bank balances	10	59
Cash and cash equivalents	\$ 3,453	\$ 4,014

11. Property and equipment:

	Computer Equipment & software	Leasehold improvements	Furniture fixtures & other	Total
Cost or deemed cost:				
Balance at December 31, 2010	280	662	447	1,389
Additions	85	85	11	181
Disposals	-	-	(1)	(1)
Balance at June 30, 2011	\$ 365	\$ 747	\$ 457	\$ 1,569

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For the six months ended June 30, 2011, with comparative figures for 2010
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11. Property and equipment (continued):

	Computer Equipment & software	Leasehold improvements	Furniture fixtures & other	Total
Depreciation and impairment losses:				
Balance at December 31, 2010	219	297	157	673
Depreciation for the period	27	64	28	119
Balance at June 30, 2011	\$ 246	\$ 361	\$ 185	\$ 792
Carrying amounts:				
At December 31, 2010	\$ 61	\$ 365	\$ 290	\$ 716
At June 30, 2011	\$ 119	\$ 385	\$ 272	\$ 777

(a) Amortization and impairment charge:

The depreciation and impairment of property and equipment, and any eventual reversal thereof, are recognized in amortization expense in the income statement. As at June 30, 2011, no impairment of property and equipment has been recognized.

12. Intangible assets:

	Management Contracts
Balance at December 31, 2010	3,829
Acquisitions	-
Additions	-
Balance at June 30, 2011	\$ 3,829
Carrying amounts:	
At December 31, 2010	\$ 3,829
At June 30, 2011	\$ 3,829

Management contracts acquired consist of a number of contracts and mutual fund codes acquired through the acquisition of Navina Asset Management Inc. on Aug 6, 2010. The management contracts and fund codes provide the Company with the ability and legal right to promote and manage these mutual funds. These assets are not subject to amortization as the useful lives are determined to be indefinite. Other than the contracts acquired on August 6, 2010, the Company also has management contracts which include an extended sub-advisory agreement to facilitate a long-term business arrangement with another Canadian wealth management company. These assets are not subject to amortization as the useful lives are determined to be indefinite. These assets will be tested for impairment on an annual basis or more often if events or circumstances indicate there may be impairment. The impairment of intangible assets, and any eventual reversal thereof, is recognized as additional amortization expense in the income statement. As at June 30, 2011 no amortization or impairment has been recognized on these intangible assets.

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Notes to the Consolidated Financial Statements (Unaudited), page 14

For the six months ended June 30, 2011, with comparative figures for 2010
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12. Intangible assets (continued):

The Company has one cash generating unit ("CGU") for the purpose of assessing the carrying value of the allocated intangible assets. These intangible assets would be impaired if the carrying value of a CGU including the allocated intangible assets exceeds its recoverable amount determined as the greater of the estimated fair value less costs to sell or value in use.

As at December 31, 2010, the Company had fund management contracts and development costs within its asset management CGU of \$3,829,000. The recoverable amount of indefinite life intangibles for the asset management operating segment as at December 31, 2010 has been determined from a value in use calculation, using 10 year forecasts. The key assumptions used in the forecast calculation include assumptions on net sales of funds and operating margins. The Company's weighted average cost of capital has been applied to the recoverable calculation. The resultant value in use calculation has been compared to the carrying amount of indefinite life intangibles to determine if any impairment arises for the asset management operating segment. The calculation of the recoverable amount significantly exceeded the carrying amount of indefinite life management contracts and development costs as at December 31, 2010. As at June 30, 2011 no impairment analysis was considered necessary as no significant indicators of impairment were noted.

13. Share capital and warrants:

At June 30, 2011 and December 31, 2010, the Company was authorized to issue an unlimited number of common shares. All common shares issued and outstanding are fully paid and have no par value.

The holders of common shares are entitled to receive dividends as declared by the Company and are entitled to one vote per share.

On August 14, 2009, the Company closed a brokered private placement by issuing 5,117,301 common shares. Each unit placed consisted of one common share and one-half of a common share purchase warrant. Each warrant entitled the holder thereof to purchase one additional common share at a price of \$0.45 per common share until February 14, 2011. Prior to the February 14, 2011 expiry of the warrants, all were exercised by the respective holders. During the six month period ended June 30, 2011 cash proceeds of \$431,000 was received on the exercise of remaining 959,000 warrants and \$137,000 was reclassified from the fair value of unexercised warrants to share capital.

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For the six months ended June 30, 2011, with comparative figures for 2010
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14. Earnings per share:

Basic earnings per share are calculated as follows:

	Three months ended		Six months ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Net income (loss) for the period	\$ 610	\$ 393	\$ 355	\$ 201
Weighted average number of common shares (basic):				
Issued common shares at beginning of the period	71,358,461	65,893,653	70,264,461	65,060,355
Effect of share options exercised	2,931	83,835	110,018	130,915
Effect of warrants exercised	-	198,329	821,963	563,904
Weighted average number of common shares - basic	71,361,392	66,175,817	71,196,442	65,755,174
Basic earnings per share	\$ 0.009	\$ 0.006	\$ 0.005	\$ 0.003

Diluted earnings per share are calculated as follows:

	Three months ended		Six months ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Net income (loss) for the period	\$ 610	\$ 393	\$ 355	\$ 201
Weighted average number of common shares (diluted):				
Weighted average number of common shares-basic	71,361,392	66,175,817	71,196,442	65,755,174
Effect of outstanding options	3,244,504	1,125,665	3,213,569	2,435,469
Effect of outstanding warrants	-	991,279	95,102	1,373,236
Weighted average number of common shares-diluted	74,605,896	68,292,761	74,505,113	69,563,879
Diluted earnings per share	\$ 0.008	\$ 0.006	\$ 0.005	\$ 0.003

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding.

15. Dividends:

The following dividends have been charged directly to retained earnings during the six month period ended:

	June 30, 2011	June 30, 2010
Special dividend paid of \$0.01 per common share	\$ 714	\$ -
Total dividends paid	\$ 714	\$ -

The 2011 special dividend was paid on March 31, 2011.

16. Debenture:

As at June 30, 2011, the Company's wholly owned subsidiary, Juno Canada Holdings Ltd. ("Juno"), has a \$250,000 debenture bearing interest at 8.4% per annum and maturing May 11, 2012. The debenture is fully collateralized by the Wisevest Income Fund units which as at June 30, 2011 had a fair market value of \$272,000. The effective interest rate of the debenture is 8.45%. As at June 30, 2011, the fair value of the debenture was \$250,000 (December 31, 2010 - \$250,000).

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For the six months ended June 30, 2011, with comparative figures for 2010
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17. Share based payments:

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 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 5 years and vest over 3 years.

During the first six months of 2011, the Company granted 1,057,000 options with a weighted average fair value of \$1.16 per share. During the first six months of 2010, the Company granted 1,255,000 options with a weighted average fair value of \$0.59 per share. The fair value of the options granted during 2011 and 2010 were estimated at the grant date using an option pricing model with the following weighted average assumptions:

	June 30, 2011	December 31, 2010
Risk-free interest rate	2.13%	1.96%
Expected life of the options	3.62 years	3.62 years
Expected share price volatility	114.73%	128.84%
Expected forfeiture rate	10.11%	11.31%
Expected dividend yield	-	-

A summary of the status of the Company's share option plans as at June 30, 2011 and December 31, 2010 and the changes during the periods then ended, is as follows:

	June 30, 2011		December 31, 2010	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	4,682,684	\$ 0.55	4,350,000	\$ 0.34
Granted	1,057,000	\$ 1.58	1,741,000	\$ 0.91
Exercised	(148,333)	\$ 0.38	(1,299,983)	\$ 0.35
Forfeited	-	\$ -	(108,333)	\$ 0.41
Cancelled	-	\$ -	-	\$ -
Outstanding, end of period	5,591,351	\$ 0.75	4,682,684	\$ 0.55
Exercisable, end of period	2,850,039	\$ 0.40	2,016,701	\$ 0.33

Range of exercise prices	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number Vested
\$0.28 to \$0.68	2,798,351	\$ 0.34	1.41	2,436,696
\$0.69 to \$1.08	1,250,000	\$ 0.76	3.62	413,343
\$1.09 to \$1.45	486,000	\$ 1.29	4.21	-
\$1.46 to \$1.74	1,057,000	\$ 1.58	4.60	-
	5,591,351	\$ 0.75	2.75	2,850,039

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17. Share based payments (continued):

The weighted average share price at the date of exercise for share options exercised in the first six months of 2011 was \$1.71 (2010 - \$1.27).

A forfeiture rate of 10.11% (2010 – 11.31%) was used when recording stock based compensation. This estimate is adjusted to the actual forfeiture rate. Stock based compensation expense for the three and six months ended June 30, 2011 of \$290,000 (2010 - \$99,000) and \$546,000 (2010 - \$ 185,000) was expensed during the period.

18. Provisions:

	Onerous Contracts
Balance at January 1, 2011	\$ 23
Provisions made during the year	-
Provisions used during the year	(16)
Balance at June 30, 2011	\$ 7

(a) Onerous contracts:

In 2010, the Company entered into a non-cancellable lease for office space which, due to changes in its activities, the Company had ceased to use by December 31, 2010. The lease expires in 2012. The obligation for the discounted future payments, net of expected rental income, has been provided for.

19. Operating leases:

Non-cancellable operating lease rentals are payable as follows:

	June 30, 2011	December 31, 2010
Less than one year	\$ 200	\$ 387
Between one and five years	1,039	1,049
More than five years	678	689
	\$ 1,917	\$ 2,125

The Company is also required to pay their proportionate share of operating and property tax costs for the rented premises. During the three and six months ended June 30, 2011 the Company recorded \$123,000 (2010 - \$76,000) and \$285,000 (2010 - \$147,000) respectively in office lease expenses. These amounts are included general and administrative expenses in the income statement.

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20. Contingencies:

The Company has agreed to indemnify certain individuals, who have acted at the Company's request to be an officer or director of the Company, to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individual as a result of their services. The nature of the indemnification agreements prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to the beneficiary of such indemnification agreement. The Company has purchased various insurance policies to reduce the risks associated with such indemnification.

In the ordinary course of business, the Company and its subsidiaries enter into contracts which contain indemnification provisions, such as letter agreements, service agreements and purchase and sale agreements. In such contracts, the Company may indemnify counterparties to the contracts if certain events occur. In some cases the Company requires indemnities from its service providers, related to the Company's indemnification obligations to customers. These indemnification provisions vary on an agreement by agreement basis. In some cases, there are no pre-determined amounts or limits included in the indemnification provisions and the occurrence of contingent events that will trigger payment under them is difficult to predict. Therefore, the maximum potential future amount that the Company could be required to pay cannot be estimated and as such no provision has been recorded for the indemnification terms.

21. Significant subsidiaries:

The Company has the following significant wholly owned subsidiaries, all of which are incorporated in Canada:

- i. Aston Hill Investments Inc. ("AHI") (Formerly Catapult Financial Management Inc.)
- ii. Aston Hill Asset Management Inc. ("AHAM") (Formerly Navina Asset Management Inc.)
- iii. Juno Canada Holdings Inc.

22. Related Party Transactions:

In addition to those disclosed elsewhere in the financial statements, the Company had the following related party transactions:

- a) The Company manages a private oil and gas company and on behalf of the majority shareholders is paid a quarterly management fee in accordance with an executed management agreement. Accounts receivable includes \$352,000 (December 31, 2010 - \$nil) as at June 30, 2011 in respect of these management fees. For the three and six month period ended June 30, 2011 \$335,000 (2010 - \$375,000) and \$659,000 (2010 - \$779,000) respectively was recorded as revenue.
- b) Accounts receivable at June 30, 2011 includes management fees receivable from Catapult Energy 2008 FTS Limited Partnership ("2008 FTS") of \$nil (December 31, 2010 - \$47,000). During the three and six month periods ended June 30, 2011, \$nil (2010 - \$43,000) and \$nil (2010 - \$88,000) respectively was recorded as revenue in respect of these management fees.
- c) Accounts receivable at June 30, 2011 includes management fees and interest receivable from Aston Hill Energy 2010 Short Term FT Limited Partnership ("2010 ST FT") of \$nil (December 31, 2010 - \$4,101). During the three and six month period ended June 30, 2011 \$17,000

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22. Related Party Transactions (continued):

- (2010 - \$nil) and \$42,000 (2010 - \$nil) respectively was recorded as revenue in respect of these management fees. Aston Hill Energy 2010 GP Inc., is a wholly owned subsidiary of the Company, and is the General Partner of 2010 ST FT.
- d) Notes receivable as at June 30, 2011 from 2010 ST FT of \$nil (December 31, 2010 - \$303,000) are promissory notes due from 2010 ST FT. The notes are receivable on demand and accrue interest at a rate of 6% annually. Interest is calculated daily on the remaining balance and is receivable on a monthly basis on the last day of each month. The notes were fully repaid on June 22, 2011.
 - e) The Company's wholly owned subsidiary AHAM receives management fees and pays for expenses incurred by its various funds under management. These expenses are then charged back to the funds and are recovered under non-interest bearing, normal credit terms. Management fees and other amounts due from funds under management and included in accounts receivable at June 30, 2011 is \$225,000 (December 31, 2010 - \$269,000). During the three and six month period ended June 30, 2011 \$503,000 (2010 - \$nil) and \$951,000 (2010 - \$nil) respectively was recorded as revenue in respect of these management fees.
 - f) The note payable as described in note 5 for the Navina/Lazard US High Yield Bond is one of the Company's funds under management and is a related party transaction.
 - g) As at June 30, 2011 \$439,000 (December 31, 2010 - \$1,089,000) of the financial assets at fair value through profit or loss is related to holdings of two of the Company's funds under management. For the six month period ended June 30, 2011 \$3,606,000 (June 30, 2010 - \$nil) in changes in fair market value of these investments was recognized and recorded in net income. In addition, during the six month period ended June 30, 2011 the Company redeemed 19,214 of its 31,105 units held in Lawrence Partners Fund Inc. On the redemption, the Company recorded realized losses of \$3,598,000. Lawrence Partners Fund Inc. is one of the Company's assets under management and as such, these represent related party transactions.

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.

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23. Transition to IFRS:

At the end of the reporting period under Canadian GAAP – June 30, 2010:

	Notes	Canadian GAAP	Effect of transition to IFRS	IFRS
Assets				
Current assets:				
Cash and cash equivalents		\$ 3,422	\$ -	\$ 3,422
Financial assets at fair value through profit or loss	a	99	233	332
Trade and other receivables		1,058	-	1,058
Prepaid expenses		61	-	61
Current portion of deferred tax assets	c	218	(218)	-
		4,858	15	4,873
Non-current assets:				
Prepaid deposits		22	-	22
Investments at fair value through OCI	a	9,075	(286)	8,789
Intangible assets		193	-	193
Property and equipment		248	-	248
Deferred income tax assets	c	652	(67)	585
		10,190	(353)	9,837
		\$ 15,048	\$ (338)	\$ 14,710

Liabilities and Equity

Current liabilities:				
Trade and other payables		\$ 190	\$ -	\$ 190
		190	-	190
Non-current liabilities:				
Debentures		250	-	250
		250	-	250
Equity:				
Share capital	b,c	18,891	(34)	18,857
Warrants		-	-	-
Contributed Surplus	b	2,135	(3)	2,132
Retained Deficit	a,b,c	(6,418)	1,522	(4,896)
Accumulated other comprehensive loss	a,c	-	(1,823)	(1,823)
		14,608	(338)	14,270
		\$ 15,048	\$ (338)	\$ 14,710

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23. Transition to IFRS (continued):

At the end of the last reporting year under Canadian GAAP – December 31, 2010:

	Notes	Canadian GAAP	Effect of transition to IFRS	IFRS
Assets				
Current assets:				
Cash and cash equivalents		\$ 4,014	\$ -	\$ 4,014
Financial assets at fair value through profit or loss	a	1,089	281	1,370
Trade and other receivables		1,179	-	1,179
Current income tax recoverable		272	6	278
Prepaid expenses		175	-	175
Notes receivable		303	-	303
Current portion of deferred tax assets	c	17	(17)	-
		7,049	270	7,319
Non-current assets:				
Prepaid deposits		111	-	111
Investments at fair value through OCI	a	8,169	(335)	7,834
Intangible assets		3,829	-	3,829
Property and equipment		716	-	716
Deferred sales commissions		311	-	311
		13,136	(335)	12,801
		\$ 20,185	\$ (65)	\$ 20,120
Liabilities and Equity				
Current liabilities:				
Trade and other payables		\$ 813	\$ -	\$ 813
Obligation to redeem LPF shares		1,057	-	1,057
Provisions		-	23	23
		1,870	23	1,893
Non-current liabilities:				
Note payable		389	-	389
Debentures		250	-	250
Deferred tax liabilities	c	430	(29)	401
		1,069	(29)	1,040
Equity:				
Share capital	b,c	22,280	122	22,402
Warrants		137	-	137
Contributed surplus	b	2,155	(7)	2,148
Retained deficit	a,b,c	(6,752)	1,911	(4,841)
Accumulated other comprehensive loss	a,c	(574)	(2,085)	(2,659)
		17,245	(59)	17,187
		\$ 20,185	\$ (65)	\$ 20,120

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For the six months ended June 30, 2011, with comparative figures for 2010
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23. Transition to IFRS (continued):

Reconciliation of consolidated comprehensive income (loss) for the six month period ended June 30, 2010:

	Notes	Canadian GAAP	Effect of transition to IFRS	IFRS
Management fees		\$ 3,666	\$ -	\$ 3,666
Revenue		3,666	-	3,666
General & administrative expenses		2,730	-	2,730
Stock based compensation	b	237	(52)	185
Amortization of property & equipment		43	-	43
Net losses (profits) on investments	a	1,091	(1,101)	(10)
Operating income (loss)		(435)	(1,153)	718
Finance expense		11	-	11
Net income (loss) before tax for the period		(446)	1,153	707
Income tax expense (recovery)				
Current		-	-	-
Deferred	c	94	412	506
Net income (loss) for the period		\$ (540)	\$ 741	\$ 201
Other comprehensive income (loss)				
Net change in fair value of investments through OCI	a	-	(1,101)	(1,101)
Deferred tax on net change in fair value of investments through OCI	c	-	138	138
Other comprehensive income (loss) for the period, net of tax		-	(963)	(963)
Total comprehensive income for the period		\$ (540)	\$ (222)	\$ (762)

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For the six months ended June 30, 2011, with comparative figures for 2010
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23. Transition to IFRS (continued):

Reconciliation of consolidated comprehensive income (loss) for the year ended December 31, 2010:

	Notes	Canadian GAAP	Effect of transition to IFRS	IFRS
Management fees		\$ 9,346	\$ -	\$ 9,346
Revenue		9,346	-	9,346
General & administrative expenses		5,915	23	5,938
Stock based compensation	b	539	(41)	498
Amortization of property & equipment		177	-	177
Amortization of deferred sales commissions		141	-	141
Net losses (profits) on investments	a	1,390	(1,388)	2
Operating income (loss)		1,184	(1,406)	2,590
Finance expense		19	-	19
Net income (loss) before tax for the period		1,165	1,406	2,571
Income tax expense (recovery)				
Current		94	(7)	87
Deferred	c	541	283	824
Net income (loss) for the period		\$ 530	\$ 1,130	\$ 1,660
Other comprehensive income (loss)				
Net change in fair value of investments through OCI	a	(667)	(1,389)	(2,056)
Deferred tax on net change in fair value of Investments through OCI	c	92	165	257
Other comprehensive income for the period, net of tax		(575)	(1,224)	(1,799)
Total comprehensive income for the period		\$ (45)	\$ (94)	\$ (139)

Notes to reconciliations

a. Financial instruments

The Company on its first-time adoption of IFRS has early adopted IFRS 9 and has designated its equity investment in Sword Energy Inc. at "fair value through other OCI". Under previous GAAP this investment was designated as "long term held for trading" and changes in fair value were recognized in net income. Under IFRS, changes in fair value will be recorded in Other Comprehensive Income, net of tax. As at June 30, 2010, this has resulted in \$1,823,000 decrease in the retained deficit and \$1,823,000 increase in accumulated other comprehensive losses.

For the six months ended June 30, 2010, this change in designation resulted in \$1,101,000 increase in net income and a corresponding increase in other comprehensive losses. For the twelve months ended December 31, 2010, this change in designation has resulted in \$1,389,000 increase in net income, and a corresponding increase in other comprehensive losses.

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23. Transition to IFRS (continued):

On transition to IFRS the Company has evaluated its marketable securities held within the Wisevest Income Fund, and has reclassified the marketable securities held within the fund from "Long term held for trading" under previous GAAP treatment, to "financial assets at fair value through profit or loss". For the six months ended June 30, 2010 this has not resulted in any changes to net income. However, this change has resulted in a reclassification from non-current to current assets on the Statement of Financial Position.

b. Share based payments

In accordance with IFRS 2 Share based payments, forfeitures must be estimated at the time of grant and revised based on actual forfeitures incurred. Under previous GAAP, Canadian companies were able to record forfeitures only as incurred and were not required to estimate. In addition, under IFRS each tranche (vesting period) of each grant must be valued individually using separate valuation assumptions. Under previous GAAP, a valuation was determined on a grant by grant basis, and was not disaggregated to the tranche level. As at June 30, 2010 these differences have resulted in an increase to retained deficit of \$49,000 and a corresponding increase in contributed surplus. For the six months ended June 30, 2010 this has resulted in a decrease in stock based compensation expense of \$52,000 and a corresponding decrease in contributed surplus. For the twelve months ended December 31, 2010 this has resulted in a decrease in stock based compensation expense of \$42,000 and a corresponding decrease in contributed surplus.

c. Income taxes

In accordance with IAS 12 all deferred income tax assets or liabilities are to be presented as long-term. As such, as at June 30, 2010 \$218,000 has been reclassified from short-term future income tax asset to long-term. For the six months ended June 30, 2010, the application of the IFRS adjustments as discussed in a) through b) above resulted in a \$67,000 decrease to the Company's deferred income tax asset and a corresponding decrease to the Company's IFRS comparative period earnings. For the twelve months ended December 31, 2010, the application of the IFRS adjustments as discussed in a) through b) above resulted in a \$12,000 decrease to the Company's deferred income tax liability and a corresponding increase to the Company's IFRS comparative period earnings.

d. Statement of cash flows

Overall, the transition to IFRS did not have a material impact on the classification and presentation of the statement of cash flows.

24. Subsequent events:

On July 27, 2011 the Company closed a series of transactions that have a material impact on its business. The Company completed a bought deal financing of 6.00% extendible convertible unsecured subordinated debentures ("Convertible Debentures") in the aggregate principal amount of \$40,250,000. Underwriters' fees of 5% of the gross proceeds amounted to \$2,012,500 for net proceeds to the Company of \$38,237,500. The Convertible Debentures trade on the TSX Venture

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For the six months ended June 30, 2011, with comparative figures for 2010
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24. Subsequent events (continued):

Exchange under the symbol AHF.DB and bear interest at a rate of 6.0% per annum, payable semi-annually on July 31 and January 31, and are convertible at the option of the holder into common shares of Aston Hill ("AH Shares") at a conversion price of \$2.55 per common share.

The Company entered into a definitive agreement with a Canadian chartered bank and opened a non-revolving term credit facility (the "Non-Revolving Facility") in the amount of \$6,000,000 and revolving term facility (the "Revolving Facility") in the amount of \$4,000,000.

Simultaneously on July 27, 2011 the Company used the net proceeds from the Convertible Debentures, and the full \$6,000,000 Non-Revolving Facility to fund the cash component of the following two acquisitions.

On July 27, 2011 Aston Hill purchased all of the issued and outstanding shares of BFML Management Limited ("BFML"), which was then renamed Aston Hill Management Limited ("Aston Hill Management"), for total cash consideration of \$32,230,991. Aston Hill Management now holds all of the management agreements and related books and records and is the IFM for seven investment funds listed on the Toronto Stock Exchange previously managed by BFML. These seven investment funds represented assets under management of approximately \$800 million at the time of the transaction. Included in the total cash consideration of \$32,230,991 is \$3,690,733 in refundable GST as this transaction was arranged as an asset acquisition. Also included was \$390,258 in adjustments paid for management fees earned by the predecessor manager for the period of July 1, 2011 to July 26, 2011. Lastly, the gross payment also included \$150,000 in working capital that will ultimately be retained by Aston Hill Management to meet its minimum working capital requirements as a registered IFM.

Concurrently, Aston Hill acquired the business of Morrison Williams Investment Management LP and its wholly-owned subsidiary, Morrison Williams Capital Advisors Inc. (together referred to as "Morrison Williams") for total cash consideration of \$11,500,000. The acquisition of Morrison Williams represents \$1.6 billion in assets under management in institutional and other pension related investment funds. In conjunction with the Morrison Williams acquisition, the Company was required to contribute \$500,000 to a Morrison Williams employee benefit plan (the "Benefits Plan"). The \$500,000 contribution will be used to purchase AH Shares for which the participants in the Benefits Plan will be entitled to receive, and will be granted 50% of their entitlement if they remain an employee or officer of Morrison Williams until July 27, 2012 and the remaining 50% if they remain an employee or officer of Morrison Williams until July 27, 2013.