

ASTRAL MINING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED DECEMBER 31, 2009

Introduction

The following management discussion and analysis and financial review, prepared as at February 15, 2010, should be read with the unaudited interim consolidated financial statements and related notes for the nine months ended December 31, 2009 of Astral Mining Corporation ("Astral" or the "Company"). The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars. Additional information relevant to the Company can be found on the SEDAR website at www.sedar.com.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Company Overview

The Company was incorporated under the Company Act (British Columbia) on February 12, 2004 and was transitioned under the Business Corporations Act (British Columbia) on November 1, 2004. The Company completed its initial public offering and on March 1, 2006 commenced trading on the TSX Venture Exchange ("TSXV") under the symbol "AST". The Company is a reporting issuer in British Columbia, Alberta and Ontario.

On March 26, 2009, the Company completed a consolidation of its share capital on a one new for ten old basis. All share amounts and per share amounts have been adjusted for accordingly.

The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. All of the Company's mineral property interests are currently located in Canada. As of the date of this MD&A, the Company has not earned any production revenue, nor found any proved reserves on any of its properties.

Exploration Projects

Jumping Josephine Property, British Columbia

In 2006, the Company entered into an option agreement with Kootenay Gold Inc. ("Kootenay Gold") whereby the Company has now earned a 60% undivided interest in the 11,785 hectare Jumping Josephine Property ("JJ Property") located in the Nelson Mining Division of southern British Columbia. The JJ Property straddles Highway 3, north of the town of Rossland and west of Castlegar.

Astral and Kootenay Gold have since entered into an option agreement dated December 14, 2009 whereby Astral has the right to earn the remaining 40% interest in the JJ Property from Kootenay Gold. The agreement states that in exchange for the right to increase its interest to 100%, Astral must, subject to TSXV approval, issue 4,000,000 shares of Astral to Kootenay Gold and incur \$2,000,000 in exploration expenditure over a two year period. Astral must issue 750,000 shares to Kootenay on TSXV approval and the balance in stages over 18 months from the date of the option agreement. Astral must spend \$750,000 in exploration expenditures by the first anniversary and the balance by the second anniversary. Kootenay Gold also agrees to include a 61.04km² property ("CP Midas Property") contiguous with the Jumping Josephine claims to Astral as part of the option agreement. Should any portion of the JJ Property or CP Midas Property claims go into production, Astral will pay Kootenay Gold a royalty of 1% net smelter returns (NSR) and issue

Kootenay Gold an additional 400,000 shares. In January 2010 the Company received TSXV conditional approval and is now awaiting final approval.

The Company completed two phases of drilling in 2007. The Phase I drill program started in the spring of 2007 and targeted JJ Main (20 holes for 1,431m), Bonanza Pass (2 holes for 643m) and Albion-Dubrovnik areas (9 holes for 553m). The Phase II drill program comprised 5,101m in 38 holes on the JJ Main Gold Zone. In 2008 the Company carried out a 34-hole 5,071m drill program and conducted a 40 line km 3D-IP survey as well as carrying out geological mapping and trenching.

At the JJ Main Zone gold mineralization hosted by structurally-controlled quartz stockwork veining has now been intersected over a strike length of 900m and to vertical depths of up to 240m below surface. Current information indicates the JJ Main Gold Zone has an estimated true width of up to 12.6m as evidenced by Hole 13. The stockwork zone remains open along both strike directions and to depth. Infill aeromagnetics, geological mapping and surface geochemistry suggest that the host structure for the mineralized stockwork at JJ Main may extend for over three kilometres.

An independent 43-101 report detailing work on the JJ Property up to the end of 2007 by Apex Geoscience has been completed and is posted on SEDAR (www.sedar.com).

Infill drilling at JJ Main in 2008 comprised 30 HQ diamond drill holes (08JD070-100, 08JD091 abandoned) for a total of 3,632.49m; all holes intersected quartz stockwork veining within and below the known JJ Main stockwork zone. The 2008 drilling provides better definition to the mineralized zone delineated in 2007 with significant assays including 4m grading 21.04 g/t gold from Hole 08JD092. Drilled intercept density within the higher-grade mineralized shoot underneath the surface discovery zone is now approximately 20m x 20m.

2008 Infill Drilling - Significant Results

Hole ID	From	To	Interval (m)	Au * (g/t) (wt avg)	Interval (ft)	Au** (opt)
08JD073	37.5	39.5	2.0	7.01	6.56	0.205
<i>including</i>	37.5	38.5	1.0	12.60	3.28	0.368
08JD074	11.0	19.0	8.0	8.31	26.24	0.243
<i>including</i>	11.0	14.0	3.0	20.98	9.84	0.613
08JD075	16.0	31.3	15.3	0.71	50.1	0.021
08JD076	30.5	37.3	6.8	0.84	22.1	0.025
08JD077	37.5	54.5	17.0	1.50	55.8	0.044
<i>including</i>	49.5	50.5	1.0	15.90	3.3	0.464
08JD078	40.0	49.0	9.0	3.94	29.5	0.115
<i>including</i>	41.0	42.0	1.0	13.75	3.3	0.402
08JD079	54.0	71.0	17.0	1.25	55.8	0.037
<i>including</i>	64.0	67.0	3.0	2.58	9.8	0.075
08JD080	102.0	103.0	1.0	1.31	3.3	0.038
08JD081	30.0	37.0	7.0	2.43	22.9	0.071
08JD082	44.5	48.0	3.5	11.24	11.5	0.328
08JD083	51.0	59.0	8.0	1.71	26.2	0.050
<i>and</i>	67.0	68.0	1.0	2.48	3.3	0.072
08JD084	61.0	65.0	4.0	1.60	13.1	0.047
08JD085	74.0	84.0	10.0	1.01	32.8	0.029
08JD086	104.0	119.0	15.0	1.24	49.20	0.036
08JD087	144.0	147.0	3.0	1	9.84	0.029
08JD088	127.0	129.0	2.0	3.42	6.56	0.100
08JD089	140.0	141.0	1.0	6.77	3.28	0.198
08JD090	164.0	172.0	8.0	1.84	26.24	0.054
<i>and</i>	180.0	183.0	3.0	3.34	9.84	0.098
08JD092	118.0	122.0	4.0	21.04	13.12	0.614
<i>including</i>	119.0	120.0	1.0	50.2	3.28	1.466
08JD093	122.1	124.0	1.9	1.10	6.23	0.032

Hole ID	From	To	Interval (m)	Au * (g/t) (wt avg)	Interval (ft)	Au** (opt)
08JD094	167.0	169.0	2.0	2.96	6.56	0.086
08JD095	61.0	65.0	4.0	4.08	13.12	0.119
08JD096	74.0	80.0	6.0	8.73	19.68	0.255
08JD097	98.5	102.0	3.5	3.30	11.48	0.096
<i>and</i>	110.0	112.0	2.0	1.70	6.56	0.050
09JD098	37.0	38.0	1.0	0.22	3.28	0.006
08JD099	170.0	188.0	18.0	1.14	59.04	0.033
<i>including</i>	172.0	176.0	4.0	2.46	13.12	0.072
08JD100	227.0	228.0	1.0	5.72	3.28	0.167
<i>and</i>	232.0	***236.0	4.0	1.17	13.12	0.034

* grams per metric tonne

** troy ounce per short ton

*** 1.05m core loss within interval

Two drillholes (08JD101 and 102) totalling 893.59m were completed to test two selected 3D-Induced Polarization chargeability anomalies beneath and adjacent to known mineralization. 08JD101 (453.35m) targeted a columnar-shaped chargeability anomaly extending upwards from a deeper and larger anomaly centred beneath the location of the JJ Main showing. Gold values were generally low, though one significant intercept was returned from 08JD101 where the hole passed through the JJ Main stockwork zone.

08JD102 (440.24m) collared some 400m southeast (perpendicular to strike) from the JJ Main Zone and targeted a columnar chargeability anomaly extending to near surface. This hole encountered a 2.5m wide zone of stockwork veining from 162m averaging 0.36 g/t gold, containing arsenopyrite and pyrite, visually similar to the JJ Main Zone, suggesting the existence of a new previously-undiscovered stockwork zone. Given the variability of grade along strike and down plunge at the JJ Main Zone, this discovery is considered to be very significant and lends support to Astral's model that predicts the presence of additional structurally-controlled, parallel stockwork zones within the immediate 2km x 3km area surrounding the JJ Main Discovery Zone. Significant intercepts are presented below.

2008 I.P. Anomaly drilling - Significant Results

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t) (wt. avg)	Interval (ft)	Au (opt)
08JD101	163.7	165.5	1.8	0.84	5.9	0.025
08JD102	162.0	164.5	2.5	0.36	8.2	0.011

Two drillholes (08JD103 and 104) totalling 545.73m were completed to test the southward extension of the JJ Main structure. 08JD103 (116.77m) sought to test for possible flexure in the mineralized structure while 08JD104 (428.96m) tested the main zone 180m south, and directly along strike from, previous drilling. 08JD103 did not detect a south-trending flexure. 08JD104 intersected a 12.4m wide quartz stockwork zone from 263m containing minor pyrite and chalcopyrite ± arsenopyrite. This zone is visually similar to the quartz stockwork that comprises the JJ Main Zone and effectively increases known occurrence of veining along the structural corridor to 900m.

2008 Extension Drilling - Significant Results

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t) (wt avg)	Interval (ft)	Au (opt)
08JD103	no significant intercepts					
08JD104	264.0	275.0	11.0	0.32	36.1	0.009

An independent 43-101 report detailing work on the JJ Property up to the end of 2008 by Apex Geoscience has been completed and is posted on SEDAR (www.sedar.com).

A series of permit applications for work at Jumping Josephine were prepared over the winter period. A multi-stage exploration program has been recommended in the July 2009 43-101 report by Apex Geoscience, referred to above and much of the work was carried out during the 2009 field season. Phase IA included prospecting, stream sediment

sampling and a large regional 5,000 point soil program over much of the northern part of the JJ Property. The program was designed to identify gold and arsenic soil anomalies related to JJ Main type gold-bearing structures with associated arsenopyrite mineralization. Phase 1B included 136m of trenching at the Highway showing, located 1.5km southwest of the drilling carried out to date along the JJ Main structure. Results from the soil sampling and trenching have been received and several anomalies were identified. The trenching program requires follow-up work to complete coverage in the area of the highway showing. Several new arsenic anomalies were identified by the soil sampling, in particular supporting Astral's interpretation of mineralisation continuing along trend southwest of JJ Main.

Trenching of the Hillside showing, in the JJ West/Borrow Pit area, and completion of a 1000m diamond drill program to test for extensions and or parallel mineralised zones at the JJ Main prospect which also formed part of Phase IB are planned for the 2010 field season. Phase II of the recommended program would involve data compilation, geological modelling and resource estimation of JJ Main. A Phase III program is proposed involving follow-up fieldwork, drilling and bulk sampling, contingent on the results of the earlier work. This work is planned for 2010.

An application for bulk testing at the JJ Main Discovery Zone is underway. The extraction of up to a 10,000 tonne bulk sample will provide a reconciled head grade for JJ Main Zone, useful in determining the effectiveness of assay methods where coarse gold is present. The Company has also completed a preliminary metallurgical test program on samples from JJ Main to assess the amenability of the mineralized material to modern processing methods. The results of this testwork were favourable, giving an initial indication that the JJ mineralised material would be amenable to a gravity/leach processing stream.

An infill and extension aeromagnetic and EM survey is currently underway over the greater JJ area. A 2,751 line kilometre helicopter borne survey is being conducted by Aeroquest International Limited and will complement earlier work done by Astral on the JJ Property and Kootenay Gold on the CP Midas claims. The new survey data will be merged with existing data and reprocessed, providing good resolution images over the combined properties.

All drill core samples from the 2008 drill program were from HQ diameter core halved by diamond saw. Given the occurrence of visible gold often observed in the mineralized zone, a large 1,000 gram portion of each pulverized sample was analyzed for gold by the Screen Fire assay method. All reported analyses were carried out by ALS Chemex in North Vancouver B.C. ALS-Chemex is an internationally-recognized analytical service provider compliant with ISO 9001:2000 for the provision of assay and geochemical services. The Vancouver laboratory has also been accredited to ISO 17025 standards for specific laboratory procedures by the Standards Council of Canada. In addition to laboratory standards, the Company has included independently prepared standards into the sample sequence to assure proper quality assurance/quality control (QA/QC).

The exploration work at the JJ Property was completed under the supervision of the Company's project geologist, Dale Brittliffe, B.Sc., P.Geo. Technical information has been reviewed by Dr. David Terry, P.Geo, a director of the Company and a Qualified Person as defined in National Instrument 43-101 (a "Qualified Person").

Blueberry Property, British Columbia

On July 4, 2007, as amended on June 8, 2009, the Company entered into an agreement with Mineworks Ventures Inc. ("Mineworks"), a private Canadian company, to acquire a 100% interest in the 7,000 hectare Blueberry property located immediately east of the JJ Property. The property is considered strategic due to its location. A total of 313 soil samples and 37 stream silt samples were collected on the Blueberry property during summer 2009. Soil sampling identified an anomaly on the southernmost line with maximum gold in soil value of 0.55 grams per tonne. Silts returned several anomalous values including a high of 0.535 grams per tonne gold. Follow-up surface work is planned for 2010 to evaluate mineral potential of these new prospects.

To earn a 100% undivided interest in the Blueberry property the Company must make further cash payments totalling \$30,000 and issue 6,500 common shares by June 1, 2011. During the term of the option the Company must keep the properties in good standing. Upon exercise of the option Mineworks will retain a 2.5% NSR. The Company has the right to purchase 2.0% of the NSR for a total of \$2 million.

Columbia-Rossland Property, British Columbia

On June 20, 2008 the Company announced it entered into an agreement with Mineworks to acquire a 100% interest in mineral claims known as the Columbia-Rossland claims. The claims consist of 15,000 hectares and are adjacent to the Company's Blueberry and Jumping Josephine claims.

Summer 2009 saw the company collect 481 stream silt samples from streams on the Columbia-Rossland claims. Major drainages were targeted due to the large size of the property. A maximum value of 0.23 grams per tonne was returned from the Columbia Rossland Claims. Anomalous zones in both Blueberry and Columbia-Rossland warrant follow up work planned for the 2010 field season

To earn a 100% undivided interest in the Columbia-Rossland claims the Company must issue a further 5,000 common shares by June 10, 2010. Upon completion of the option Mineworks will retain a 2.5% NSR, of which 2.0% is purchasable by the Company for a total of \$2 million. The Company carried out a preliminary silt sampling program during the summer of 2009; results are pending.

CP Midas Property, British Columbia

On December 16, 2009, the Company announced it entered into an agreement with Kootenay Gold to increase its interest in the JJ Property to 100%. In exchange for 4,000,000 shares of Astral over 2 years and Astral incurring exploration expenditure of \$2,000,000 over two years, Kootenay Gold will provide Astral with the remaining 40% interest in the JJ property and will also include the 6104Ha CP Midas property located to the north of, and adjacent to the greater JJ Property.

Should any portion of the JJ or CP Midas claims reach production, Astral will pay Kootenay Gold a royalty of 1% net smelter returns (NSR) and issue a further 400,000 shares.

Selected Financial Information

The following selected financial information is derived from the unaudited interim consolidated financial statements of the Company prepared in accordance with Canadian GAAP.

	Fiscal 2010			Fiscal 2009			Fiscal 2008	
	Dec. 31 2009 \$	Sep. 30 2009 \$	Jun. 30 2009 \$	Mar. 31 2009 \$	Dec. 31 2008 \$	Sep. 30 2008 \$	Jun. 30 2008 \$	Mar. 31 2008 \$
Operations:								
Interest and other income	3,537	8,076	7,387	2,194	28,980	18,779	800	7,013
Net income (loss)	(199,362)	(163,077)	(100,181)	194,590	(1,528,476)	(66,667)	(844,352)	496,440
Basic and diluted income (loss) per share	(0.04)	(0.06)	(0.04)	0.08	(0.60)	(0.00)	(0.40)	0.30
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital (deficiency)	(124,450)	(285,445)	8,607	108,193	261,831	151,635	585,792	645,986
Total assets	3,832,996	3,490,078	3,339,004	3,360,670	3,431,989	4,981,019	5,489,914	5,040,584
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

During the nine months ended December 31, 2009 (the "2009 period"), the Company reported a consolidated loss of \$462,620 (\$0.14 per share), a decrease in loss of \$1,976,875, from the \$2,439,495 loss (\$1.00 per share) for the nine months ended December 31, 2008 (the "2008 period"). The decrease in consolidated loss in the 2009 period was primarily attributed to a \$2,148,976 write-off of mineral properties and deferred costs in the 2008 period.

Excluding stock-based compensation, the Company's operating expenses for the 2009 period were \$322,519 compared to \$333,615 for the 2008 period. The \$11,096 decrease in operating expenses in the 2009 period reflects the Company's implementation of changes to reduce its corporate overhead expenses and significantly reduced corporate and exploration activities due to financial constraints. Significant expenditures were incurred in the following categories:

- corporate development and investor relations expenses of \$24,781 were incurred for the 2009 period compared to \$40,580 for the 2008 period, a decrease of \$15,799. The decrease was mainly due to the Company's reduced use of public relations advisory services in the 2009 period and the termination of the Grosso Group, effective May 31, 2008;
- rent, salaries and office expenses of \$40,178 were incurred for the 2009 period compared to \$100,342 for the 2008 period, a decrease of \$60,164. The rent, salaries and office expenses for the 2008 period represented an allocation of such expenses from the Grosso Group. Effective May 31, 2008, the arrangement with the Grosso Group was terminated after which the Company moved to separate office premises and engaged Chase Management Ltd. to provide accounting, administrative and management services, for which the Company has billed \$51,425 for the 2009 period;
- commencing January 1, 2009, the Company agreed to compensate : (i) Messrs. Nick DeMare, Andrew Carter and David Terry as independent directors of the Company, each at a stipend of \$1,000 per month; and (ii) Mr. Harvey Lim the CFO and Corporate Secretary of the Company, at an amount of \$600 per month. As at December 31, 2009, \$24,200 was outstanding; and
- travel expenses of \$3,068 were incurred for the 2009 period compared to \$12,175 for the 2008 period, a decrease of \$9,107.

During the 2009 period, the Company granted 535,195 stock options to its directors, employees and consultants and recorded a non-cash stock-based compensation expense of \$152,187. The calculation is based on the fair value of stock options granted by the Company using the Black-Scholes option pricing model which uses estimates and assumptions. It does not necessarily provide a reliable measure of the fair value of the Company's stock options. No stock options were granted during the 2008 period.

During the 2009 period, the Company incurred \$31,444 for general exploration costs, of which \$22,057 was reclamation work for the Gold Springs Project in Nevada. The Company wrote-off the Gold Springs Project during the 2008 period.

During the 2009 period the Company capitalized \$686,749 (2008 - \$790,270) of expenditures to the JJ Property, \$19,418 (2008 - \$21,750) on the Blueberry Property and \$39,331 (2008 - \$19,681) on the Columbia-Rosslund Property. The Company also received \$187,756 from Kootenay Gold for its share of costs on the JJ Property. During the 2008 period the Company recorded a write-off of \$2,148,976 relating to the abandonment of the Chenier, Monzo, Gold Springs, Roy and Hills, Saluda and Bear Creek, Emmy and REF Properties. No abandonments were made in the 2009 period. See "Exploration Projects" section above for further discussion.

Subsequent to December 31, 2009 the Company issued 483,000 common shares on the exercise of warrants for \$120,750.

Financial Condition / Capital Resources

As at December 31, 2009, the Company had working capital deficiency of \$124,450, had not yet achieved profitable operations, had accumulated losses of \$4,475,403 since inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company has taken measures to reduce its ongoing corporate overhead activities and requirements. It has also reviewed its portfolio of mineral property interests and has terminated further activities of certain of its non-core mineral property interests. For the ensuing year, the Company plans to focus its exploration activities on its JJ and nearby projects. The Company anticipates that it will need to raise further financings to enable it to continue with planned exploration activities, property payments and its ongoing corporate overhead requirements. In addition, exploration activities may change due to ongoing results and recommendations or the Company may acquire additional mineral properties, which may entail significant funding or exploration commitments. The Company has relied solely on equity financing to raise the requisite financial resources. While it has been successful in the past there can be no assurance that the Company will be successful in raising future financings should the need arise. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheet. The consolidated financial statements do not give effect to any adjustments that might be necessary if the Company were unable to meet its obligations or continue operations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

A detailed summary of all the Company's significant accounting policies is included in Note 2 to the March 31, 2009 audited consolidated financial statements.

Changes in Accounting Policies

Adoption of New Accounting Standards

Goodwill and Intangible Assets

The Accounting Standards Board ("AcSB") issued Section 3064, *Goodwill and Intangible Assets*, which replaces Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Effective April 1, 2009, the Company adopted Section 3062, which did not have an impact on the Company's financial position and results of operations.

Future Accounting Policies

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, *Business Combinations*, Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-Controlling Interests*. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 1581, *Business Combinations*, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3, *Business Combinations*. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600, *Consolidated Financial Statements*. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, *Consolidated and Separate Financial Statements*, and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

International Financial Reporting Standards

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

The Company has commenced the scoping and planning phase of its changeover plan. The Company has designated the appropriate resources to the project to develop an effective plan and will continue to assess resource and training requirements as the project progresses. The Company has identified the following four phases of its conversion plan: scoping and planning, detailed assessment, operations implementation and post implementation. The scoping and planning phase involves establishing a project management team, mobilizing organizational support for the conversion plan, identifying major areas affected and developing an implementation plan. The Company expects to complete the scoping and planning phase during the 2010 fiscal year. The detailed assessment phase ("Phase 2") will result in accounting policies and transitional exemptions decisions, quantification of financial statement impact, preparation of

shell financial statements and identification of business processes and resources impacted. The operations implementation phase (“Phase 3”) includes the design of business, reporting and system processes to support the compilation of IFRS compliant financial data for the opening balance sheet at April 1, 2010 and thereafter. Phase 3 also includes ongoing training, testing of the internal control environment and updated processes for disclosure controls and procedures. Post implementation (“Phase 4”) will include sustainable IFRS compliant financial data and processes for fiscal 2011 and beyond. The Company will continue to monitor changes in IFRS throughout the duration of the implementation process and assess their impacts on the Company and its reporting

Transactions with Related Parties

- (a) On September 4, 2009, the Company advanced \$100,000 by the President of the Company for working capital purposes. The advance was non-interest bearing and was repayable on demand. On October 26, 2009, the Company repaid the \$100,000 advance.
- (b) The President of the Company provides his services on a full-time basis under a contract with a private company controlled by the President of the Company for a current annual fee of \$110,000. During the nine months ended December 31, 2009, the Company was billed a total of \$82,500 (2008 - \$82,500) by the President. The contract also provides that, in the event the services are terminated without cause or upon a change in control of the Company, a termination payment would include three months or eighteen months, respectively, of compensation plus a bonus amount agreed to by the parties.
- (c) Effective June 1, 2008, the Company entered into an agreement with Chase Management Ltd. (“Chase”), a private company owned by a director of the Company, to provide accounting, administrative and management services for a minimum term of one year, at a rate of \$3,000 per month, plus disbursements. Chase may also provide additional services as required. During the nine months ended December 31, 2009, the Company was billed a total of \$51,425 (2008 - \$28,388) by Chase. As at December 31, 2009, \$5,500 (2008 - \$4,976) remained outstanding and is included in accounts payable and accrued liabilities.
- (d) During the nine months ended December 31, 2009, the Company was billed \$12,000 (2008 - \$35,000) for geological services provided by a director of the Company. As at December 31, 2009, \$9,250 (2008 - \$35,000) remained outstanding and is included in accounts payable and accrued liabilities.
- (e) Grosso Group Management Ltd. (“Grosso Group”) was engaged to provide geological, corporate development, administrative and management services and office facilities to the Company. The monthly fee was based upon a pro-rating of the Grosso Group’s costs, including its staff and overhead costs, among the sharing companies with regard to mutually agreed average annual level of services provided to each company.

The arrangement with the Grosso Group was terminated effective May 31, 2008. During the nine months ended December 31, 2008, the Company paid \$52,630 to the Grosso Group which have been allocated to rent, salaries and office expenses.

Unless otherwise stated, related party transactions are measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

Risks and Uncertainties

The Company’s operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess.

Investor Relations Activities

On November 20, 2009, the Company entered into an investor relations agreement with Catalyst Xchange Corp. (“Catalyst”) to provide investor relations services to the Company. Under the terms of the agreement the Company will pay \$5,000 per month for a period of six months. The Company also granted Catalyst an option to purchase 83,000

common shares at a price of \$0.40 per share for a term of 12 months. During the 2009 period, the Company paid a total of \$5,000 to Catalyst.

The Company also maintains a web site at www.astralmining.com.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at February 15, 2010, there were 5,836,900 issued common shares and 535,195 stock options outstanding, at exercise prices ranging from \$0.30 to \$0.40 per share and 3,087,744 warrants outstanding, at exercise prices ranging from \$0.25 to \$4.50 per share.