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**ASTRAL MINING CORPORATION**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

DECEMBER 31, 2009

*(Unaudited - Prepared by Management)*

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**MANAGEMENT'S COMMENTS ON  
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim consolidated financial statements of Astral Mining Corporation for the nine months ended December 31, 2009, have been prepared by and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

**ASTRAL MINING CORPORATION**  
**INTERIM CONSOLIDATED BALANCE SHEETS**  
*(Unaudited - Prepared by Management)*

	<b>December 31, 2009</b>	<b>March 31, 2009</b>
	<b>\$</b>	<b>\$</b>
<b>A S S E T S</b>		
<b>CURRENT ASSETS</b>		
Cash	80,583	187,165
Amounts receivable	27,037	11,728
Prepays	7,603	-
	<u>115,223</u>	<u>198,893</u>
<b>RECLAMATION BONDS</b>	40,280	39,709
<b>EQUIPMENT</b>	3,862	6,179
<b>MINERAL PROPERTIES AND DEFERRED COSTS (Note 3)</b>	<u>3,673,631</u>	<u>3,115,889</u>
	<u><u>3,832,996</u></u>	<u><u>3,360,670</u></u>
<b>L I A B I L I T I E S</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>239,673</u>	<u>90,700</u>
<b>S H A R E H O L D E R S ' E Q U I T Y</b>		
<b>SHARE CAPITAL (Note 4)</b>	6,263,299	5,727,759
<b>WARRANTS (Note 4)</b>	1,071,487	1,071,487
<b>CONTRIBUTED SURPLUS (Note 6)</b>	733,940	483,507
<b>DEFICIT</b>	<u>(4,475,403)</u>	<u>(4,012,783)</u>
	<u>3,593,323</u>	<u>3,269,970</u>
	<u><u>3,832,996</u></u>	<u><u>3,360,670</u></u>

**NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN (Note 1)**

**SUBSEQUENT EVENT (Note 11)**

APPROVED BY THE DIRECTORS

"Manfred Kurschner" , Director

"Nick DeMare" , Director

*The accompanying notes and schedule are an integral part of these interim consolidated financial statements.*

**ASTRAL MINING CORPORATION**  
**INTERIM CONSOLIDATED STATEMENTS OF**  
**LOSS AND COMPREHENSIVE LOSS AND DEFICIT**  
*(Unaudited - Prepared by Management)*

	<u>Three Months Ended</u> <u>December 31</u>		<u>Nine Months Ended</u> <u>December 31</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	\$	\$	\$	\$
<b>EXPENSES</b>				
Administrative, accounting and management	12,300	9,800	51,425	30,517
Amortization	772	919	2,317	2,170
Corporate development and investor relations	16,802	5,921	24,781	40,580
Directors' fees	8,000	-	25,000	-
General exploration	28,006	1,129	31,444	15,184
Management fees	27,500	27,500	82,500	82,500
Office and sundry	6,824	4,223	12,324	21,636
Professional fees	2,658	2,863	38,187	34,204
Rent	9,517	12,998	27,854	26,944
Salaries and benefits	-	1,245	-	51,762
Stock-based compensation (Note 5)	79,299	-	152,187	-
Transfer agent and regulatory fees	9,944	3,244	23,619	15,943
Travel and accommodation	1,327	1,229	3,068	12,175
	<u>202,949</u>	<u>71,071</u>	<u>474,706</u>	<u>333,615</u>
<b>LOSS BEFORE OTHER ITEMS</b>	<u>(202,949)</u>	<u>(71,071)</u>	<u>(474,706)</u>	<u>(333,615)</u>
<b>OTHER ITEMS</b>				
Interest and other income	3,537	28,980	19,000	48,559
Foreign exchange (loss) gain	50	(1,405)	1,186	(5,463)
Write-off of mineral properties and deferred costs	-	(1,484,980)	-	(2,148,976)
Part XII.6 tax	-	-	(8,100)	-
	<u>3,587</u>	<u>(1,457,405)</u>	<u>12,086</u>	<u>(2,105,880)</u>
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	(199,362)	(1,528,476)	(462,620)	(2,439,495)
<b>DEFICIT - BEGINNING OF PERIOD</b>	<u>(4,276,041)</u>	<u>(2,678,897)</u>	<u>(4,012,783)</u>	<u>(1,767,878)</u>
<b>DEFICIT - END OF PERIOD</b>	<u>(4,475,403)</u>	<u>(4,207,373)</u>	<u>(4,475,403)</u>	<u>(4,207,373)</u>
<b>LOSS PER COMMON SHARE</b>				
<b>- BASIC AND DILUTED</b>	<u>(\$0.04)</u>	<u>(\$0.60)</u>	<u>\$(0.14)</u>	<u>(\$1.00)</u>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>				
<b>- BASIC AND DILUTED</b>	<u>5,116,273</u>	<u>2,504,451</u>	<u>3,413,597</u>	<u>2,404,812</u>

*The accompanying notes and schedule are an integral part of these interim consolidated financial statements.*

**ASTRAL MINING CORPORATION**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

*(Unaudited - Prepared by Management)*

	Three Months Ended December 31		Nine Months Ended December 31	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>CASH PROVIDED FROM (USED FOR)</b>				
<b>OPERATING ACTIVITIES</b>				
Net loss for the period	(199,362)	(1,528,476)	(462,620)	(2,439,495)
Adjustment for item not involving cash				
Amortization	772	919	2,317	2,170
Stock-based compensation	79,299	-	152,187	-
Write-off of mineral properties and deferred costs	-	1,484,980	-	2,148,976
Unrealized foreign exchange loss (gain)	686	-	(571)	-
Accrued interest on reclamation bonds	(36)	-	(137)	-
	(118,641)	(42,577)	(308,824)	(288,349)
Decrease (increase) in amounts receivable	(2,407)	40,131	(15,172)	63,754
Decrease (increase) in prepaids	(4,520)	9,386	(7,603)	156,528
(Decrease) increase in accounts payable and accrued liabilities	(26,534)	406,896	43,611	(30,826)
	(152,102)	413,836	(287,988)	(98,893)
<b>INVESTING ACTIVITIES</b>				
Recovery on mineral properties and deferred costs	35,535	217,861	187,756	454,355
Expenditures on mineral properties and deferred costs	(384,847)	(492,538)	(603,186)	(1,398,783)
Decrease in short-term investments	-	40,000	-	304,081
Purchase of equipment	-	-	-	(9,268)
Reclamation bonds	-	-	-	(8,550)
	(349,312)	(234,677)	(415,430)	(658,165)
<b>FINANCING ACTIVITIES</b>				
Issuance of common shares and warrants	696,237	-	696,237	904,770
Share and warrant issuance costs	(74,747)	-	(74,747)	(85,760)
Deferred share issue costs	-	-	(24,654)	-
Repayment of advances	(100,000)	-	-	-
	521,490	-	596,836	819,010
<b>INCREASE (DECREASE) IN CASH - DURING THE PERIOD</b>				
	20,076	179,159	(106,582)	61,952
<b>CASH - BEGINNING OF PERIOD</b>				
	60,507	95,695	187,165	212,902
<b>CASH - END OF PERIOD</b>				
	80,583	274,854	80,583	274,854

**SUPPLEMENTAL CASH FLOW INFORMATION - Note 8**

*The accompanying notes and schedule are an integral part of these interim consolidated financial statements.*

**ASTRAL MINING CORPORATION**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED DECEMBER 31, 2009**  
*(Unaudited - Prepared by Management)*

**1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN**

The Company is a junior resource company which has been engaged in the acquisition and exploration of unproven mineral interests in Canada. As at December 31, 2009, the Company has not earned any production revenue, nor found proved reserves on any of its mineral interests. Consequently the Company considers itself to be an exploration stage company. The amounts shown as mineral properties and deferred costs represent expenditures incurred to date, less amounts recovered, amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral properties and deferred costs are entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete development, and future profitable production.

At December 31, 2009, the Company had not yet achieved profitable operations, had a working capital deficiency of \$124,450, has accumulated losses of \$4,475,403 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 will require additional funding to maintain its ongoing exploration programs, option payment commitments, property maintenance payments and operations and administration for the next fiscal year. However, there can be no assurances that the Company will be successful in its efforts, in which case the Company may be unable to meet its obligations.

These consolidated financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The going concern basis of presentation assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These consolidated financial statements do not reflect adjustments to the carrying value of assets and liabilities, the reported income and expenses and balance sheet classifications used that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian GAAP. The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported in the interim consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The interim consolidated financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality. These interim consolidated financial statements should be read in conjunction with the most recent annual consolidated financial statements. The significant accounting policies follow that of the most recently reported annual consolidated financial statements.

***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.

**ASTRAL MINING CORPORATION**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED DECEMBER 31, 2009**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

***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. Companies will be required to provide comparative IFRS information for the previous fiscal year. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

**3. MINERAL PROPERTIES AND DEFERRED COSTS**

	December 31, 2009			March 31, 2009		
	Acquisition Costs \$	Exploration Costs \$	Total Costs \$	Acquisition Costs \$	Exploration Costs \$	Total Costs \$
Jumping Josephine	256,022	3,252,255	3,508,277	218,951	2,790,333	3,009,284
Blueberry	106,342	-	106,342	86,924	-	86,924
Columbia-Rosslund	44,028	14,984	59,012	19,681	-	19,681
	406,392	3,267,239	3,673,631	325,556	2,790,333	3,115,889

**ASTRAL MINING CORPORATION**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**3. MINERAL PROPERTIES AND DEFERRED COSTS (continued)**

(a) Jumping Josephine Project

The Jumping Josephine Project is comprised of the following:

- (i) an agreement with Kootenay Gold Inc. (“Kootenay Gold”) under which the Company issued a total of 40,000 common shares, made payments totalling \$97,000 and incurred \$2.1 million on exploration, to earn a 60% undivided interest in unpatented mining claims covering approximately 11,665 hectares (the “Kootenay Claims”) located in the West Kootenay Mining District, British Columbia; and
- (ii) a 60% undivided interest (with Kootenay Gold holding a 40% undivided interest) in an additional seven unpatented mining claims covering approximately 120 hectares (the “Englund Claims”) located within the Kootenay Claims.

On December 14, 2009 the Company entered into an option agreement with Kootenay Gold whereby the Company can acquire the remaining 40% interest in the Jumping Josephine Project. To fully earn this additional interest the Company will:

- (i) issue a total of 4,000,000 common shares as follows:

<b>Date</b>	<b>Share Issuances</b>
On TSXV approval	750,000
On June 14, 2010	750,000
On December 14, 2010	1,000,000
On June 14, 2011	<u>1,500,000</u>
	<u><u>4,000,000</u></u>

- (ii) fund work programs of \$2 million over two years with \$750,000 to be spent in the first year and \$1,250,000 to be spent in the second year.

The Company will also pay a 1% NSR and issue an additional 400,000 common shares if the JJ Property achieves commercial production. The Company is awaiting final TSX Venture Exchange (“TSXV”) approval.

(b) Blueberry Property

On July 4, 2007, as amended June 8, 2009, the Company entered into an option agreement with Mineworks Ventures Inc. (“Mineworks”), a private Canadian company, to acquire a 100% undivided interest in unpatented mining claims (the “Blueberry Property”) covering 7,000 hectares located in the Rossland Mining District, British Columbia, immediately east of the Company’s Jumping Josephine Project. To earn the interest in the Blueberry Property the Company has now issued a total of 37,500 common shares and made cash payments totaling \$30,000 and is required to make further payments and share issuances, as follows:

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**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**3. MINERAL PROPERTIES AND DEFERRED COSTS (continued)**

Date	Cash Payments \$	Share Issuances
June 1, 2010	15,000	2,500
June 1, 2011	<u>15,000</u>	<u>4,000</u>
	<u>30,000</u>	<u>6,500</u>

During the term of the option the Company must keep the properties in good standing. Upon exercise of the option the vendor will retain a 2.5% NSR. The Company has the right to purchase 2.0% of the NSR for a total of \$2 million.

(c) Columbia - Rossland Property

On June 20, 2008, the Company entered into an option agreement with Mineworks to acquire a 100% undivided interest in 33 unpatented mining claims (the "Columbia-Rossland Property") covering approximately 15,000 hectares located in the Rossland Mining District, British Columbia. To earn its interest in the Columbia-Rossland Property the Company has issued 40,000 common shares and must issue a further 5,000 common shares by June 1, 2010.

Mineworks retains a 2.5% NSR. The Company has the right to purchase a 2.0% NSR for \$2 million.

**4. SHARE CAPITAL**

Authorized: unlimited common shares with no par value

Issued:	Nine Months Ended December 31, 2009		Year Ended March 31, 2009	
	Shares	Amount \$	Shares	Amount \$
Balance, beginning of period	<u>2,504,451</u>	<u>5,727,759</u>	<u>2,182,111</u>	<u>5,304,225</u>
Issued during the period				
For cash				
rights offering	2,576,949	644,237	-	-
private placement	200,000	52,000	299,590	723,118
exercise of stock options	-	-	1,500	6,000
Reallocation from contributed surplus on exercise of warrants, agent's warrants and stock options	-	-	-	2,851
For mineral properties	72,500	36,950	21,250	52,625
Less share issue costs	-	(197,647)	-	(85,760)
Flow-through stock renunciation	-	-	-	(275,300)
	<u>2,849,449</u>	<u>535,540</u>	<u>322,340</u>	<u>423,534</u>
Balance, end of period	<u>5,353,900</u>	<u>6,263,299</u>	<u>2,504,451</u>	<u>5,727,759</u>

**ASTRAL MINING CORPORATION**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED DECEMBER 31, 2009**  
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**4. SHARE CAPITAL** (continued)

(a) During the nine months ended December 31, 2009 the Company completed:

i) a short form prospectus relating to a rights offering (the "Offering") to its existing common shareholders, under which the Company issued to each shareholder one transferable right (a "Right") for each common share held. Each Right entitled the holder to purchase one unit of the Company (a "Unit") at a subscription price of \$0.25 per Unit. Each Unit consisted of one common share and one transferable share purchase warrant (a "Warrant"). Each Warrant entitled the holder to purchase one additional common share of the Company at a price of \$0.75 per share before October 7, 2014. The rights were then exercised for the purchase of 2,576,949 Units for total gross proceeds of \$644,237.

The Company has paid a fee of \$22,803 for a standby guarantee and commissions, and incurred a total of \$76,598, of which \$24,654 had been recorded as at September 30, 2009, for legal, filing and other costs related to the Offering. The Company also issued non-transferable warrants to the guarantors to purchase 644,000 common shares of the Company at \$0.25 per share, exercisable before April 7, 2010. The fair value of the guarantors' warrants have been estimated using the Black-Scholes option pricing model. The assumptions used were: dividend yield - 0%; expected volatility - 137.77%; a risk-free interest rate of 0.28%; and an expected life of six months. The value assigned to the guarantors' warrants was \$98,246.;

ii) a non-brokered private placement of 200,000 units, at a price of \$0.26 per unit, for total gross proceeds of \$52,000. Each unit consisted of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of \$0.75 per share, exercisable before November 2, 2014. The private placement was conducted with a director and an officer of the Company.

(b) A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at December 31, 2009 and 2008, and the changes for the nine months ending on those dates is as follows:

	2009		2008	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	553,395	6.40	453,600	7.10
Issued	3,420,949	0.66	149,795	4.50
Expired	<u>(403,600)</u>	7.10	<u>(50,000)</u>	6.50
Balance, end of period	<u><u>3,570,744</u></u>	0.82	<u><u>553,395</u></u>	6.40

**ASTRAL MINING CORPORATION**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED DECEMBER 31, 2009**  
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**4. SHARE CAPITAL (continued)**

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding at December 31, 2009:

Number	Exercise Price \$	Expiry Date
644,000	0.25	April 7, 2010
149,795	4.50	June 27, 2010
2,576,949	0.75	October 7, 2014
<u>200,000</u>	0.75	November 2, 2014
<u><u>3,570,744</u></u>		

Warrant values are comprised of the following:

	Nine Months Ended December 31, 2009 \$	Year Ended March 31, 2009 \$
Balance, beginning of period	1,071,487	895,835
Private placement warrants granted	-	175,652
Warrants exercised	-	-
Balance, end of period	<u><u>1,071,487</u></u>	<u><u>1,071,487</u></u>

See also Note 11.

**5. STOCK OPTIONS AND STOCK-BASED COMPENSATION**

The Company has established a rolling stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of five years.

During the nine months ended December 31, 2009, the Company granted 535,195 stock options to its directors, employees and consultants and recorded compensation expense of \$152,187.

The Company did not grant any options during the nine months ended December 31, 2008.

The fair value of stock options granted and vested during the nine months ended December 31, 2009 is estimated using the Black-Scholes option pricing model using the following assumptions:

	2009
Risk-free interest rate	0.59% - 2.00%
Estimated volatility	127.80% - 129.20%
Expected life	1 year - 3 years
Expected dividend yield	0%
Estimated forfeiture rate	0%

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**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED DECEMBER 31, 2009**  
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**5. STOCK OPTIONS AND STOCK-BASED COMPENSATION (continued)**

The weighted average fair value of all stock options granted during the nine months ended December 31, 2009, to the Company's directors, employees and consultants was \$0.28 per option.

A summary of the Company's outstanding stock options at December 31, 2009 and 2008, and the changes for the nine months ending on those dates is as follows:

	2009		2008	
	Options Outstanding	Weighted Average Exercise Price \$	Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	73,500	4.84	200,600	4.40
Granted	535,195	0.34	-	-
Exercised	-	-	(1,500)	4.00
Expired	<u>(73,500)</u>	4.84	<u>(63,600)</u>	4.20
Balance, end of period	<u><u>535,195</u></u>	0.34	<u><u>135,500</u></u>	4.50

The following table summarizes information about the stock options outstanding and exercisable at December 31, 2009:

Number Outstanding	Number Exercisable	Exercise Price \$	Expiry Date
187,195	187,195	0.38	September 4, 2012
265,000	265,000	0.30	November 4, 2012
<u>83,000</u>	-	0.40	November 20, 2010
<u><u>535,195</u></u>	<u><u>452,195</u></u>		

**6. CONTRIBUTED SURPLUS**

Contributed surplus for the nine months ended December 31, 2009 and 2008, is comprised of the following:

	2009 \$	2008 \$
Balance, beginning of period	483,507	486,358
Stock-based compensation on stock options	152,187	-
Stock options exercised	-	(2,851)
Stock-based compensation on guarantors' warrants	<u>98,246</u>	<u>-</u>
Balance, end of period	<u><u>733,940</u></u>	<u><u>483,507</u></u>

**7. RELATED PARTY TRANSACTIONS**

- (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.

**ASTRAL MINING CORPORATION**  
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**7. RELATED PARTY TRANSACTIONS (continued)**

- (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.

**8. SUPPLEMENTAL CASH FLOW INFORMATION**

Non-cash activities were conducted by the Company during the nine months ended December 31, 2009 and 2008, as follows:

	2009	2008
	\$	\$
Investing activities		
Accounts payable for mineral properties	105,362	55,209
Expenditures on mineral properties and deferred costs	(142,312)	(107,834)
Shares issued for mineral properties and deferred costs	36,950	52,625
	<u>          -</u>	<u>          -</u>

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**8. SUPPLEMENTAL CASH FLOW INFORMATION (continued)**

	2009 \$	2008 \$
Financing activities		
Common share issue costs	(98,246)	-
Contributed surplus	98,246	-
	<u>          -</u>	<u>          -</u>

**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash, amounts receivable, accounts payable and accrued liabilities approximate their fair value.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit Risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

*Liquidity Risk*

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its existing working capital and future equity financings.

*Market Risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

*Interest Rate Risk*

The Company is exposed to interest rate risk to the extent that the cash and short-term investments bear floating rates of interest. The interest rate risk on cash and short-term investments and on the Company's obligations are not considered significant.

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**10. CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital, cash equivalents and short-term investments. The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company does not expect its current capital resources will be sufficient to meet all of its future exploration plans, option payments and operating requirements and is dependant upon future equity or debt transactions to meet these obligations.

**11. SUBSEQUENT EVENT**

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

## SCHEDULE I

## ASTRAL MINING CORPORATION

## INTERIM CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES AND DEFERRED COSTS

(Unaudited - Prepared by Management)

	Nine Months Ended December 31, 2009			Year Ended	
	Canada			March 31,	
	Jumping Josephine	Blueberry	Columbia- Rossland	2009	
			Total	Total	
	\$	\$	\$	\$	
<b>BALANCE - BEGINNING OF PERIOD</b>	3,009,284	86,924	19,681	3,115,889	4,243,583
<b>EXPENDITURES DURING THE PERIOD</b>					
<b>EXPLORATION COSTS</b>					
Assays	101,180	-	14,984	116,164	110,435
Drilling	-	-	-	-	702,332
Geophysics	322,829	-	-	322,829	94,732
Metallurgy	18,015	-	-	18,015	-
Office and other	14,260	-	-	14,260	29,768
Petrography	-	-	-	-	1,131
Reclamation work / environmental	5,424	-	-	5,424	-
Road building and trenching	8,600	-	-	8,600	83,120
Salaries and contractors	45,203	-	-	45,203	275,021
Soil sampling	120,279	-	-	120,279	-
Supplies and equipment	1,380	-	-	1,380	9,388
Surveying	6,943	-	-	6,943	-
Transportation	5,565	-	-	5,565	53,795
Recoveries	(187,756)	-	-	(187,756)	(454,355)
	461,922	-	14,984	476,906	905,367
<b>ACQUISITION COSTS</b>					
Option payments	31,400	16,250	17,500	65,150	82,625
Claim maintenance fees	5,671	3,168	6,847	15,686	33,290
	37,071	19,418	24,347	80,836	115,915
<b>BALANCE BEFORE WRITE-OFF</b>	3,508,277	106,342	59,012	3,673,631	5,264,865
<b>WRITE-OFF OF MINERAL PROPERTIES</b>	-	-	-	-	(2,148,976)
<b>BALANCE - END OF PERIOD</b>	3,508,277	106,342	59,012	3,673,631	3,115,889