ASTRAL MINING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2010

Introduction

The following management discussion and analysis and financial review, prepared as at June 23, 2010, should be read in conjunction with the audited annual consolidated financial statements and related notes for the years ended March 31, 2010 and 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"). On March 26, 2009, the Company completed a consolidation of its share capital on a one new for ten old basis. The Company's trading symbol is "AA". The Company is a reporting issuer in British Columbia, Alberta and Ontario.

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") and the Company has now earned a 60% undivided interest in the 11,667 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 61.04km^2 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 June 2010 the Company received TSXV final approval and issued a total of 1,500,000 common shares to Kootenay Gold.

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
including	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
including	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
including	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
including	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
including	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
and	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
and	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
including	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
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

Hole ID	From	To	Interval (m)	Au * (g/t) (wt avg)	Interval (ft)	Au** (opt)
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
and	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
including	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
and	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), an updated version including the 2009 exploration program is also available on SEDAR.

A multi-stage exploration program was 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. Details of the work are included in the Apex Geoscience updated 43-101 report, posted on SEDAR (www.sedar.com). 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.

Astral's 2010 exploration program is now underway and includes trenching of the Hillside showing, in the JJ West/Borrow Pit area, trenching at the Big Sheep and Siren areas as identified by the 2009 soil sampling and completion of a 2500m diamond drill program to test for extensions and/or parallel mineralized zones at the JJ Main prospect. These works are in line with recommendations in Phase I of the 2010 updated 43-101 report. Phase II of the recommended program would involve further geochemical sampling and follow up work on anomalous zones.

An application for bulk testing at the JJ Main Discovery Zone has been granted provisional approval pending the nomination of a suitably licensed ore treatment facility. 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 has now been completed 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 has been merged with existing data and reprocessed; Astral has received the logistical report but is awaiting the complete set of final images.

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 the Siren area 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 and a small (<200m) trenching program is underway on the Siren prospect as well as expanded soil sampling grids.

To earn a 100% undivided interest in the Blueberry property the Company must make further cash payments totalling $15,000 and issue 4,000 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. Details of the silt sampling program are contained within the most recent Apex Geoscience 43-101 report available on SEDAR (www.sedar.com).

In June 2010 Astral fulfilled the terms of the agreement with Mineworks by issuing the final 5,000 common shares, thus earning a 100% undivided interest in the Columbia-Rossland claims. Mineworks retains a 2.5% NSR, of which 2.0% is purchasable by the Company for a total of $2 million.

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 6,104 hectare CP Midas property located to the north of, and adjacent to the greater JJ Property.

Kootenay Gold has completed prospecting and limited soil sampling at CP Midas and has planned and received permission to open a series of short trenches over prospective zones. Astral intends to complete data compilation before considering work on these claims.

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.

Ridge Property, British Columbia

On March 1, 2010, the Company entered into an agreement with Mineworks to acquire a 100% interest in the 2,739 hectare Ridge group of claims, internal and adjacent to the Blueberry and Columbia-Rossland group of claims. As per the terms of the agreement, Astral has issued a total of 50,000 shares to Mineworks which retains a 2.5% NSR royalty. Astral may purchase 1.5% of the NSR at any time for $2,000,000, with Mineworks retaining a 1% NSR royalty.

The Ridge claims are considered strategic due to their location. Stream sediment and grab sampling is planned for 2010 and prospects identified will be followed up by soil geochemistry and reconnaissance mapping.

Selected Financial Information

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

	Years Ended March 31,		
	2010 $	**2009 $**	**2008 $**
Operations:			
Interest and other income	20,415	50,753	39,637
Net loss	(568,224)	(2,244,905)	(659,627)
Basic and diluted loss per share	(0.14)	(0.92)	(0.35)
Dividends per share	Nil	Nil	Nil

	Years Ended March 31,		
	2010 $	2009 $	2008 $
Balance Sheet:			
Working capital (deficiency)	(183,491)	108,193	645,986
Total assets	3,902,448	3,360,670	5,040,584
Total long-term liabilities	Nil	Nil	Nil

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			
	Mar. 31 2010 $	Dec. 31 2009 $	Sep. 30 2009 $	Jun. 30 2009 $	Mar. 31 2009 $	Dec. 31 2008 $	Sep. 30 2008 $	Jun. 30 2008 $
Operations:								
Interest and other income	1,415	3,537	8,076	7,387	2,194	28,980	18,779	800
Net income (loss)	(105,604)	(199,362)	(163,077)	(100,181)	194,590	(1,528,476)	(66,667)	(844,352)
Basic and diluted income (loss) per share	(0.00)	(0.04)	(0.06)	(0.04)	0.08	(0.60)	(0.00)	(0.40)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital (deficiency)	(183,491)	(124,450)	(285,445)	8,607	108,193	261,831	151,635	585,792
Total assets	3,902,448	3,832,996	3,490,078	3,339,004	3,360,670	3,431,989	4,981,019	5,489,914
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended March 31, 2010 Compared to Three Months Ended March 31, 2009

During the three month period ended March 31, 2010 (the "2010 Quarter") the Company reported a consolidated loss of $105,604 compared to income of $194,590 for the three month period ended March 31, 2009 (the "2009 Quarter"), a decrease in income of $300,194. The 2009 Quarter net income of $194,590 was comprised of $80,710 of expenses, which were offset by a future income tax recovery amount of $275,300. The $24,894 increase in expenses in the 2010 Quarter compared to the 2009 Quarter was mainly due to: (i) a $15,000 increase in investor relations due to timing of engagement of consultants in the 2010 Quarter; and (ii) $7,186 increase in regulatory filings fees due to increases in property filings.

Year Ended March 31, 2010 Compared to Year Ended March 31, 2009

During the year ended March 31, 2010 ("fiscal 2010"), the Company reported a consolidated loss of $568,224 ($0.14 per share), a decrease in loss of $1,676,681, from the $2,244,905 loss ($0.92 per share) for the year ended March 31, 2009 ("fiscal 2009"). The decrease in consolidated loss in fiscal 2010 was primarily attributed to a $2,148,976 write-off of mineral properties and deferred costs in fiscal 2009. There were no write-off of mineral properties and deferred costs in fiscal 2010.

Excluding stock-based compensation, the Company's operating expenses for fiscal 2010 were $428,407 compared to $403,429 for fiscal 2009. Significant expenditures were incurred in the following categories:

- corporate development and investor relations expenses of $44,534 were incurred for fiscal 2010 compared to $40,118 for fiscal 2009, an increase of $4,416. The increase in fiscal 2010 was due to the Company participating in a one month special media campaign. There were no such participation during fiscal 2009;
- rent, salaries and office expenses of $53,384 were incurred for fiscal 2010 compared to $132,985 for fiscal 2009, a decrease of $79,601. The rent, salaries and office expenses for fiscal 2009 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;

- 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 March 31, 2010, $36,000 was outstanding;
- travel expenses of $3,730 were incurred for fiscal 2010 compared to $5,815 for fiscal 2009, a decrease of $2,085;
- professional fees of $39,963 were incurred for fiscal 2010 compared to $21,999 for fiscal 2009, an increase of $17,964. The main factors attributed to the increase were: (i) a decrease of $11,974 in legal fees from $12,468 for fiscal 2009 to $494 for fiscal 2010; (ii) an increase of $24,245 in audit fees from $6,829 for fiscal 2009 to $31,074 for fiscal 2010; and (iii) an increase of $5,693 in professional fees from $2,702 for fiscal 2009 to $8,395 for fiscal 2010. The increase in fiscal 2010 was primarily due to the professional fees for Mr. Lim as the CFO and Corporate Secretary, at an amount of $600 per month; and
- transfer agent fees of $14,120 were incurred for fiscal 2010 compared to $11,014 for fiscal 2009, an increase of $3,106. Regulatory fees of $27,432 were incurred for fiscal 2010 compared to $14,755 for fiscal 2009, an increase of $12,677. The increase in fiscal 2010 was due to the increased activities related to amendments and acquisition of property option agreements.

During fiscal 2010, the Company granted 535,195 stock options to its directors, employees and consultants and recorded a non-cash stock-based compensation expense of $152,337. 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 fiscal 2009.

During fiscal 2010, the Company incurred $32,198 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 fiscal 2009.

During fiscal 2010 the Company incurred $753,230 (2009 - $1,278,763) of expenditures to the JJ Claims, $19,418 (2009 - $21,750) on the Blueberry Claims, $39,331 (2009 - $19,681) on the Columbia-Rossland Claims and $15,500 (2009 $nil) on the Ridge Claims. The Company also received $202,197 (2009 - $454,355) from Kootenay Gold for its share of costs on the JJ Property. During fiscal 2009 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 fiscal 2010. See "Exploration Projects" section above for further discussion.

Subsequent to March 31, 2010 the Company received final TSXV approval and issued 1,500,000 common shares under the option agreement for the Jumping Josephine Claims; issued 2,500 common shares and made a $15,000 cash payment under the Blueberry Claims option agreement, and issued 5,000 common shares to exercise the Columbia-Rossland Claims option agreement.

Financial Condition / Capital Resources

As at March 31, 2010, the Company had working capital deficiency of $183,491, had not yet achieved profitable operations, had accumulated losses of $4,581,007 since inception and expects to incur further losses in the development of it business, all of which casts substantial doubt about the Company's ability to continue as a going concern. 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.

Subsequent to March 31, 2010, the Company completed a short-form prospectus offering to raise $1,000,000 gross proceeds and a non-brokered private placement to raise a further $250,000.

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, 2010 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 these changes, with no impact on its consolidated financial statements.

Financial Instruments

During 2009 the CICA amended Section 3862, *Financial Instruments – Disclosures*, to require disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - inputs that are not based on observable market data.

Effective April 1, 2009 the Company adopted the new recommendations, but does not have any financial instruments that are carried at fair value subsequent to initial recognition that require a valuation technique. Therefore, this amended standard has had no impact on the Company's consolidated financial statements.

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 was 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 fiscal 2010 the Company was billed a total of $110,000 (2009 - $110,000) 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. As at March 31, 2010, $27,500 (2009 - $nil) remained outstanding and is included in accounts payable and accrued liabilities.

(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 fiscal 2010, the Company was billed a total of $61,725 (2009 - $43,738) by Chase. As at March 31, 2010, $6,300 (2009 - $12,315) remained outstanding and is included in accounts payable and accrued liabilities.

(d) During fiscal 2010 the Company was billed $15,000 (2009 - $45,000) for geological services provided by a director of the Company. As at March 31, 2010, $12,250 (2009 - $45,000) remained outstanding and is included in accounts payable and accrued liabilities.

(e) Grosso Group Management Ltd. ("Grosso Group") was previously 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 fiscal 2009 the Company paid $83,664 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. 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 fiscal 2010, the Company paid a total of $20,000 to Catalyst. The agreement with Catalyst was terminated in May 2010.

On June 9, 2010, the Company entered into an investor relations agreement with AXINO AG ("AXINO"), to provide investor relations services and represent the Company in Europe. Under the terms of the agreement the Company will pay EUR 7,500 on a quarterly basis for an initial term of one year. The Company granted AXINO an option to purchase 200,000 common shares at a price of $0.23 per share for a term of one year.

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 June 23, 2010, there were 13,805,400 issued common shares and 693,695 stock options outstanding, at exercise prices ranging from $0.23 to $0.40 per share and 9,676,744 warrants outstanding, at exercise prices ranging from $0.25 to $4.50 per share.