



STATEMENT OF CORPORATE GOVERNANCE PRACTICES

In accordance with disclosure requirements, the Board of Directors of Astral Mining Corporation (the "Company") has adopted the following corporate governance practices:

1. Stewardship of the Company

The goal of the Company is to create shareholder value through the development of its properties in North America.

The Board of Directors, has responsibility for the stewardship of the Company, specifically to oversee the operation of the Company and supervise management.

The Board acts in accordance with the British Columbia Business Corporations Act, the Company's Articles of Incorporation and By-laws, the policies of the TSX Venture Exchange (TSX-V), and securities rules in the Province of British Columbia.

Every Board director is part of the process of establishing policies for the Company and its subsidiaries.

(a) **The Strategic Planning Process.** The Board participates in strategic planning by considering and, if deemed appropriate, adopting plans proposed and developed by management, with management having the primary responsibility for developing a strategic plan.

(b) **Principal Risks.** The Board considers the risks inherent in the mining industry and receives periodic assessments from management as to these risks and the Company's strategies to manage these risks.

(c) **Succession Planning.** The Board reviews the personnel needs of the Company from time to time, having particular regard to succession issues relating to senior management. The training and development of personnel is generally left to management. The Board appoints the President, Chief Executive Officer and Chairman, as well as the Audit Committee members and officers each year at its first meeting of Directors immediately following the Annual General Meeting.

(d) **Communications Policy.** The Board assesses from time to time how effectively the Company communicates with shareholders, and has a Corporate Disclosure Policy. The Company meets or exceeds all requirements to disseminate material information in a timely manner based on the TSX-E policies. The Company keeps an electronic database for disseminating information, has provided interested parties with a toll free number, meets with

brokers and portfolio managers and attends investment conferences in Canada and the U.S. The Company has a website with detailed information on its properties and corporate structure and offers parties an electronic means of communicating with the Company.

(e) **Integrity of Internal Control.** The Board, through the Audit Committee and in conjunction with its auditors, assesses the adequacy of the Company's internal control systems. This process is undertaken on an annual basis during preparation of the year end financial audit. The Audit Committee also reviews and assesses the financial statements on a quarterly basis and reviews annually the Corporate Disclosure and Insider Trading Policy.

2. Board Independence

The Board shall consist of four directors. Nick DeMare, and Andrew Carter are "outside" and "unrelated" directors. Manfred Kurschner and David Terry because of their management positions, are "inside" and "related". The entrepreneurial nature of the Company, and the current stage of the Company's development, make it appropriate for the Board to be composed of the present number and composition of directors, and the Board believes that when balanced against the attendant increase in cost to the Company and possible reduction in the efficiency with which decisions are made, it would not be warranted to significantly increase the size of the Board or change the Board's composition at this time.

3. Individual Unrelated Directors

The Board currently consists of two unrelated and outside directors - Nick DeMare and Andrew Carter and two related directors – Manfred Kurschner and David Terry.

Mr. Carter entered the mining industry in the 1970s, managing exploration crews in the Leonora and Kimberly regions of Western Australia. He graduated from Midland Technical College after studying accounting. In 1988, Mr Carter was appointed Chief Executive of RAC Finance Limited, a non-bank owned commercial financier in Western Australia. During this time, he was appointed Chairman and Director of Australian Finance Conference Limited and represented the industry as a panel member of the Commercial Tribunal for Western Australia. Mr. Carter is currently President and CEO of Tinka Resources Limited, a TSX Venture Exchange listed company, and also serves as an officer and director of other public reporting companies. Mr. Carter became a Director for the Company on February 21, 2004.

Mr. DeMare was appointed a Director on February 21, 2004. Mr. DeMare serves on the board of directors of Gold Point Energy Corp. and numerous other companies. Mr. DeMare holds a Bachelor of Commerce degree from the University of British Columbia and qualified as a Chartered Accountant in 1979. He is the President of Chase Management Ltd., a private company which provides a broad range of administrative, management and financial services to private and public companies engaged in mineral exploration and development, gold and silver production, oil and gas exploration and production and venture capital. Mr. DeMare has been working with public companies since 1986.

4. **Related Inside Directors**

Mr. Kurschner was appointed a Director and President of the Company on March 31, 2005. He is also a Director of Golden Arrow Resources Corporation, and Grosso Group Management Ltd. Through his private British Columbia consulting company, Mr. Kurschner has been providing consulting services and assistance to public companies and companies desiring to go public since 1986.

Dr. Terry became a Director of the Company on March 9, 2005 and is currently Vice President of Exploration. He is a Director and Vice President, Exploration for IMA Exploration Inc. and for Golden Arrow Resources Corporation. He is also Vice President, Exploration for Amera Resources Corporation. Dr. Terry's extensive experience has focused on exploration for a wide spectrum of precious and base metal deposits throughout North and South America. His experience has included international project management, management of exploration programs for both major and junior mining companies, as well as independent consulting assignments. He was formerly a Regional Geologist with the British Columbia Ministry of Energy and Mines and has worked for various mining companies. Dr. Terry is a registered professional geoscientist and brings to Astral Mining over 15 years of international experience in the mineral exploration and mineral deposit research sectors.

5. **Nominating Committee**

The Board has not constituted a nominating committee to propose new nominees to the Board and for assessing directors' performance because the Company is too small to justify a formal process. However, the Board as a whole from time to time discusses potential candidates for the Board, particularly during the preparation of the Annual General Meeting Information Circular.

6. **Assessing the Board's Effectiveness**

The Board has not constituted a committee to assess the effectiveness of the Board as a whole or the contribution of individual directors, however, the Board as a whole has responsibility for ensuring the effective operation of the Board.

7. **Orientation and Education of Directors**

The Company does not have a formal process of orientation and education for new members of the Board. All Board members currently have considerable experience as members of the boards of other public companies.

8. **Effective Board Size**

The Board has considered its size with a view to the impact of size upon its effectiveness and has concluded that the number of directors as presently constituted is appropriate for the Company given the complexity and current stage of development of the Company's business. The Board as presently constituted includes considerable experience in the mining industry as well as financial experience.

9. **Compensation of Directors**

Board members are not presently compensated in their capacity as a director although they are reimbursed for expenses incurred in connection with their service.

10. **The Audit Committee**

The Audit Committee members are Nick DeMare, Andrew Carter and Manfred Kurschner. The Audit Committee meets each quarter to review the interim financials and meets one time, and more if necessary, to review the year end financials. The auditors of the Company report to the Audit Committee. The Audit Committee reviews the Company's annual consolidated financial statements and interim financial statements before the board approves them.

11. **Approach to Corporate Governance**

The Board of Directors has assumed the responsibility for developing the Company's approach to governance issues and responding to governance guidelines.

12. **Position Descriptions**

The Company has not formally developed position descriptions for the Board and the Chief Executive Officer, however, the Board is satisfied that senior management is fully aware of their responsibilities and those matters that are within their mandate.

13. **Board Independence**

The Board has functioned, and is of the view that it can continue to function, independently of management, as required. Mr. Manfred Kurschner, President, and Dr. David Terry, VP-Exploration, are members of management as well as directors of the Company. In view of the size of the Company, management representation on the Board, and the nature of its business, it is essential that those having an intimate knowledge of the Company's operations be present during important Board discussions. Notwithstanding the foregoing, if the Board believed it was appropriate and meaningful, it would formalize a process whereby the Board could meet without management present at the meeting.

14. **Ethical Business Conduct**

The Board has adopted a Code of Business Conduct and Ethics. A copy of the Code and Policy can be found on the Company website at <http://www.astralmining.com>

The Board appoints a Compliance Officer who is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code of Business Conduct. The Compliance Officer has direct access to the Audit Committee and the Board and the Compliance Officer is required to report to the Board at least annually on compliance activity.