
ASTRAL MINING CORPORATION

(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
DECEMBER 31, 2006 AND 2005

(Unaudited – Prepared by Management)

**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, 2006 have been prepared by management and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

ASTRAL MINING CORPORATION
(An Exploration Stage Company)
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited - Prepared by Management)

	December 31, 2006	March 31, 2006
	\$	\$
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	1,073,426	1,422,902
Accounts receivable, prepaids and deposits	<u>77,123</u>	<u>33,243</u>
	1,150,549	1,456,145
MINERAL PROPERTIES AND DEFERRED COSTS (Note 3)	<u>1,442,097</u>	<u>543,969</u>
	<u><u>2,592,646</u></u>	<u><u>2,000,114</u></u>
L I A B I L I T I E S		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 6 (c))	<u>113,698</u>	<u>38,889</u>
S H A R E H O L D E R S ' E Q U I T Y		
SHARE CAPITAL (Note 4)	3,319,078	2,250,258
CONTRIBUTED SURPLUS (Note 5)	367,522	267,914
DEFICIT	<u>(1,207,652)</u>	<u>(556,947)</u>
	<u>2,478,948</u>	<u>1,961,225</u>
	<u><u>2,592,646</u></u>	<u><u>2,000,114</u></u>

NATURE OF OPERATIONS (Note 1)

COMMITMENTS (Note 3)

APPROVED BY THE DIRECTORS

“Manfred Kurschner” , Director

“Nick DeMare” , Director

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

ASTRAL MINING CORPORATION
(An Exploration Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(Unaudited - Prepared by Management)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2006 \$	2005 \$	2006 \$	2005 \$
EXPENSES				
Accounting and audit	4,824	11,369	15,481	33,010
Corporate development, investor relations and advertising	44,285	-	192,723	-
General exploration	6,862	-	17,657	392
Management fees	22,500	15,000	65,000	45,000
Office and sundry	19,425	2,468	66,251	6,588
Professional fees	3,580	10,500	14,113	32,283
Rent	22,174	-	66,375	-
Salaries	46,445	-	129,545	-
Stock based compensation	-	-	68,338	-
Transfer agent and regulatory fees	3,163	988	15,251	3,349
Travel	9,594	(53)	36,156	4,827
	<u>182,852</u>	<u>40,272</u>	<u>686,890</u>	<u>125,449</u>
LOSS BEFORE OTHER ITEMS	<u>(182,852)</u>	<u>(40,272)</u>	<u>(686,890)</u>	<u>(125,449)</u>
OTHER EXPENSE (INCOME)				
Foreign exchange	(2,928)	23	(6,442)	2,018
Interest income	(8,697)	(114)	(29,743)	(378)
	<u>(11,625)</u>	<u>(91)</u>	<u>(36,185)</u>	<u>1,640</u>
LOSS FOR THE PERIOD	<u>(171,227)</u>	<u>(40,181)</u>	<u>(650,705)</u>	<u>(127,089)</u>
DEFICIT - BEGINNING OF PERIOD	<u>(1,036,425)</u>	<u>(275,326)</u>	<u>(556,947)</u>	<u>(188,418)</u>
DEFICIT - END OF PERIOD	<u>(1,207,652)</u>	<u>(315,507)</u>	<u>(1,207,652)</u>	<u>(315,507)</u>
 BASIC AND DILUTED LOSS PER COMMON SHARE	<u>\$(0.01)</u>	<u>\$(0.02)</u>	<u>\$(0.05)</u>	<u>\$(0.06)</u>
 WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u>13,681,270</u>	<u>2,140,944</u>	<u>13,468,571</u>	<u>2,113,644</u>

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

ASTRAL MINING CORPORATION
(An Exploration Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Prepared by Management)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2006 \$	2005 \$	2006 \$	2005 \$
CASH PROVIDED FROM (USED FOR)				
OPERATING ACTIVITIES				
Loss for the period	(171,227)	(40,181)	(650,705)	(127,089)
Items not affecting cash				
Accrued interest	-	1,875	-	2,516
Stock-based compensation	-	-	68,338	-
	(171,227)	(38,306)	(582,367)	(124,573)
Change in non-cash working capital balances	17,460	(23,852)	30,929	69,579
	(153,767)	(62,158)	(551,438)	(54,994)
INVESTING ACTIVITIES				
Expenditures on mineral properties and deferred costs	(133,318)	(4,827)	(815,527)	(77,674)
	(133,318)	(4,827)	(815,527)	(77,674)
FINANCING ACTIVITIES				
Advances received	-	4,900	-	54,900
Share subscriptions received	-	169,000	-	169,000
Exercise of warrants	8,000	-	8,000	-
Issuance of common shares	-	-	1,080,000	4,500
Share issue costs	-	-	(70,511)	(83,703)
	8,000	173,900	1,017,489	144,697
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(279,085)	106,915	(349,476)	12,029
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	1,352,511	8,141	1,422,902	103,027
CASH AND CASH EQUIVALENTS - END OF PERIOD	1,073,426	115,056	1,073,426	115,056
CASH AND CASH EQUIVALENTS COMPRISED OF:				
Cash	173,426	115,056	173,426	115,056
Term deposits	900,000	-	900,000	-
	1,073,426	115,056	1,073,426	115,056

SUPPLEMENTARY CASH FLOW INFORMATION (Note 8)

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

ASTRAL MINING CORPORATION

(An Exploration Stage Company)

CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES AND DEFERRED COSTS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2006

(Unaudited - Prepared by Management)

	Canada		USA				Total \$	
	Jumping Josephine \$	JAG \$	Gold Springs \$	Scraper Springs \$	Roy & Hills \$	Monzo \$		Other \$
BALANCE, BEGINNING OF PERIOD	-	-	428,479	65,691	-	-	49,799	543,969
EXPENDITURES DURING THE PERIOD								
EXPLORATION COSTS								
Assays	73,536	-	27,439	-	37	-	8,515	109,527
Drilling	-	-	170,941	-	-	-	-	170,941
Geophysics	167,555	-	-	-	-	-	7,023	174,578
Office and other	15,442	-	6,653	-	184	-	7,110	29,389
Petrography	1,854	-	-	-	-	-	-	1,854
Road building and trenching	6,345	-	-	-	-	-	-	6,345
Salaries and contractors	68,705	350	64,961	-	-	20,405	13,122	167,543
Supplies and equipment	8,354	-	-	-	-	-	-	8,354
Transportation	19,065	-	-	-	-	-	-	19,065
	<u>360,856</u>	<u>350</u>	<u>269,994</u>	<u>-</u>	<u>221</u>	<u>20,405</u>	<u>35,770</u>	<u>687,596</u>
ACQUISITION COSTS								
Option payments	52,750	20,000	-	31,632	33,168	-	-	137,550
Land holding fees	-	-	19,107	4,652	17,185	27,809	4,229	72,982
	<u>52,750</u>	<u>20,000</u>	<u>19,107</u>	<u>36,284</u>	<u>50,353</u>	<u>27,809</u>	<u>4,229</u>	<u>210,532</u>
BALANCE, END OF PERIOD	<u>413,606</u>	<u>20,350</u>	<u>717,580</u>	<u>101,975</u>	<u>50,574</u>	<u>48,214</u>	<u>89,798</u>	<u>1,442,097</u>

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

ASTRAL MINING CORPORATION
(An Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2006

(Unaudited - Prepared by Management)

1. NATURE OF OPERATIONS

The Company is a junior resource company engaged in the acquisition and exploration of unproven mineral interests in the western United States and Canada and is considered a development stage company as defined by Accounting Guideline No. 11 of the Canadian Institute of Chartered Accountants (“CICA”) Handbook. As at December 31, 2006, the Company has not earned any production revenue, nor found proved reserves on any of its mineral interests. The amounts shown as mineral properties and deferred costs represent expenditures incurred to date, less amounts 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.

On September 27, 2005, the Company received final receipts for a prospectus and became a reporting issuer in British Columbia. On February 3, 2006, the Company filed an amended and restated prospectus and, on February 6, 2006, received final receipts for the amended and restated prospectus. The Company completed its listing on the TSX Venture Exchange (the “TSXV”) and began trading on March 1, 2006 with a symbol “AST” as a junior mineral exploration company.

The Company considers that it has adequate resources to maintain its core operations for the next fiscal year but currently may not have sufficient working capital to fund all of its planned exploration and development work. The Company will continue to rely on successfully completing additional equity financing.

2. SIGNIFICANT ACCOUNTING POLICIES

- (a) The interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The consolidated financial statements have, in management's opinion, been properly prepared using careful judgement within 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.
- (b) Certain comparative figures have been reclassified to conform to the current period's presentation.

ASTRAL MINING CORPORATION
(An Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2006

(Unaudited - Prepared by Management)

3. MINERAL PROPERTIES AND DEFERRED COSTS

	As at December 31, 2006			As at March 31, 2006		
	Acquisition Costs \$	Exploration Costs \$	Total Costs \$	Acquisition Costs \$	Exploration Costs \$	Total Costs \$
Canada						
Jumping Josephine	52,750	360,856	413,606	-	-	-
JAG	20,000	350	20,350	-	-	-
USA						
Gold Springs	278,478	439,102	717,580	259,371	169,108	428,479
Scraper Springs	91,173	10,802	101,975	54,889	10,802	65,691
Roy & Hills	50,353	221	50,574	-	-	-
Monzo	27,809	20,405	48,214	-	-	-
Other	30,960	58,838	89,798	26,731	23,068	49,799
	551,523	890,574	1,442,097	340,991	202,978	543,969

(a) Jumping Josephine Project

On April 12, 2006, as amended on October 12, 2006, the Company entered into an option agreement with Kootenay Gold Inc. ("Kootenay Gold") to earn a 60% undivided interest in the Jumping Josephine Property located in British Columbia. To fulfill the terms of the option agreement the Company must spend \$2.1 million on exploration, issue 400,000 shares and make \$97,000 in option payments as follows:

Date	Cash Payments Cdn \$	Expenditures Cdn \$	Share Issuances #
Upon signing (issued)	-	-	75,000
On or before June 30, 2006 (paid)	10,000	-	-
On or before October 16, 2006 (paid)	7,500	-	-
On or before April 11, 2007	-	150,000	75,000
On or before June 30, 2007	7,500	-	-
On or before April 11, 2008	-	250,000	75,000
On or before June 30, 2008	25,000	-	-
On or before April 11, 2009	-	500,000	75,000
On or before June 30, 2009	47,000	-	-
On or before April 11, 2010	-	600,000	100,000
On or before April 11, 2011	-	600,000	-
	97,000	2,100,000	400,000

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(Unaudited - Prepared by Management)

3. MINERAL PROPERTIES AND DEFERRED COSTS (continued)

(b) JAG Properties

By agreement dated September 21, 2006, the Company agreed to option an undivided 100% interest in 90 claims located on the Nechako Plateau in North Central British Columbia (collectively the "JAG Properties"), on the following basis:

Date	Cash Payments Cdn \$	Expenditures Cdn \$
Upon signing (paid)	20,000	-
On or before November 30, 2007	30,000	50,000
On or before October 31, 2008	40,000	150,000
On or before October 31, 2009	50,000	300,000
On or before October 31, 2010	60,000	500,000
On or before October 31, 2011	800,000	1,000,000
	<u>1,000,000</u>	<u>2,000,000</u>

The JAG Properties project will be subject to a 1.5% net smelter royalty ("NSR"). The Company has the option to purchase 1% of the NSR at any time for \$1,000,000.

(c) Gold Springs Project

By agreement dated March 17, 2004, and amended November 17, 2004, the Company agreed to option an undivided 100% interest in 127 claims located within the Stateline Mining District along the Nevada-Utah border (collectively the "Gold Springs Project"), on the following basis:

Date	Cash Payments US \$	Expenditures US \$	Share Issuances #
Upon signing (paid)	32,500	-	-
Five days after Listing (issued)	-	-	50,000
March 5, 2005 (paid and issued)	30,000	-	12,500
July 31, 2005 (incurred)	-	125,000	-
March 5, 2006 (paid and issued)	55,000	-	50,000
March 5, 2007	65,000	-	50,000
March 5, 2008	75,000	-	100,000
	<u>257,500</u>	<u>125,000</u>	<u>262,500</u>

In addition, for the duration of the option, the Company will pay annual maintenance filing fees of approximately US \$20,000.

The Gold Springs Project will be subject to a 3% NSR. Upon earning the 100% interest, the Company will be required to pay US \$75,000 annually, commencing March 5, 2009, as an advance on the NSR. The Company has the right to purchase a 1.5% NSR (the "NSR Buyback") for US \$1,500,000, less any advance NSR paid by the Company. The NSR obligations terminate upon the purchase of the NSR Buyback.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2006

(Unaudited - Prepared by Management)

3. MINERAL PROPERTIES AND DEFERRED COSTS (continued)

(d) Scrapper Springs Claims

By letter agreement dated June 22, 2004, and superseded on November 5, 2004, the Company agreed to lease 33 claims (the "Scrapper Springs Claims") located in Elko County, Nevada, on the following basis:

Date	Cash Payments US \$	Share Issuances #
Upon Listing (issued)	-	30,000
June 22, 2004 (paid)	5,000	-
June 22, 2005 (paid and issued)	10,000	7,500
June 22, 2006 (paid and issued)	15,000	35,000
June 22, 2007	20,000	40,000
June 22, 2008	25,000	-
	<u>75,000</u>	<u>112,500</u>

On June 22, 2009, and every year thereafter, the Company shall pay US \$25,000 until production commences, at which time the Scrapper Springs Claims will be subject to a 3% NSR. The Company has the right to purchase up to a 2% NSR at US \$1 million for each 1% NSR.

For the duration of the agreement the Company will pay annual holding fees of approximately US \$5,600.

(e) Roy and Hills Properties

On June 9, 2006, the Company entered into an option agreement with Amera Resources Corporation ("Amera") to earn up to an 80% undivided interest in the Roy and Hills properties in Nevada. An initial 65% interest in the project may be earned by incurring US \$2.5 million in work expenditures over four years and issuing 500,000 shares to Amera on the following basis:

Date	Expenditures US \$	Share Issuances #
Approval date (issued)	-	100,000
July 1, 2007	100,000	100,000
July 1, 2008	150,000	100,000
July 1, 2009	850,000	100,000
July 1, 2010	1,400,000	100,000
	<u>2,500,000</u>	<u>500,000</u>

Upon earning the initial 65%, the Company may then elect to earn an additional 15% interest, by issuing a further 500,000 shares and completing a bankable feasibility study within three years.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2006

(Unaudited - Prepared by Management)

4. SHARE CAPITAL

Authorized - unlimited common shares without par value

	Number of Shares	\$
Issued -		
Balance, March 31, 2005	2,058,444	548,310
Issued pursuant to private placements	4,375,000	360,000
Issued for mineral properties	137,500	67,500
Initial public offering	4,312,500	1,725,000
For agent's fees	150,000	60,000
Less share issuance costs	-	(510,552)
Balance, March 31, 2006	11,033,444	2,250,258
Issued pursuant to private placements	2,400,000	1,080,000
Issued for mineral properties	210,000	82,600
Exercise of warrants	20,000	11,157
For agent's fees	35,000	15,750
Less share issuance costs	-	(120,687)
Balance, December 31, 2006	13,698,444	3,319,078

- (a) During the nine months ended December 31, 2006, the Company completed the private placement of 2,400,000 flow-through units of the Company at a price of \$0.45 per unit, for total proceeds of \$1,010,123, net of \$48,600 agent's commission and \$21,277 of related issuance costs. Certain directors of the Company purchased a total of 120,167 units of the private placement. Each unit was comprised of one flow-through common share of the Company and one-half non-transferable share purchase warrant. Each whole warrant entitles the holder to purchase one additional non-flow-through common share at a price of \$0.60 per share on or before November 26, 2007. In addition to the cash commission the underwriters were granted as commission 192,000 agent's warrants, representing 8% of the number of units issued. Each agent's warrant is exercisable for one share at a price of \$0.60, for a period of eighteen months, expiring November 26, 2007. The agent's warrants were valued using the Black-Scholes Option Pricing Model at \$0.18 per warrant for a total value of \$34,427 and have been recorded as share issue costs with a corresponding increase to contributed surplus. At December 31, 2006, no agent's warrants had been exercised. The Company also issued 35,000 common shares at a fair value of \$15,750 as corporate finance fee.

Resource expenditure deductions for income tax purposes related to exploration and development activities funded by the flow-through share issuance will be renounced to investors in accordance with Canadian income tax legislation. The renunciation of such expenditures will be accounted for as a financing cost related to the flow-through issuance and will result in a reduction in share capital with a corresponding increase in the Company's future income tax liability. In accordance with Canadian generally accepted accounting principles, the Company will account for the renunciation of the expenditures on the date the Company files the relevant renouncement documents with the tax authorities.

ASTRAL MINING CORPORATION
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(Unaudited - Prepared by Management)

4. SHARE CAPITAL (continued)

(b) Stock Options and Stock-Based Compensation

The Company grants stock options in accordance with the policies of the TSXV. During the nine months ended December 31, 2006, the Company granted stock options to consultants to acquire 354,000 common shares of the Company and recorded compensation expense of \$68,338.

The fair value of stock options granted is estimated on the date of grant using the Black-Scholes Option Pricing Model with the following assumptions used for the grants made during the nine months ended December 31, 2006:

Risk-free interest rate	4%
Estimated volatility	100%
Expected life	1.5 years
Expected dividend yield	0%

The fair value per share of stock options granted in the nine months ended December 31, 2006, calculated using the Black-Scholes Option Pricing Model, was \$0.19 per share.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's stock options.

A summary of the Company's outstanding stock options at December 31, 2006, and the changes for the nine months ended December 31, 2006, is presented below:

	Options Outstanding and Exercisable	Weighted Average Exercise Price \$
Balance, beginning of period	1,000,000	0.40
Granted	354,000	0.40
Cancelled	<u>(100,000)</u>	<u>0.40</u>
Balance, end of period	<u>1,254,000</u>	<u>0.40</u>

Stock options outstanding and exercisable at December 31, 2006, are as follows:

Exercise Price \$	Number of Options Outstanding and Exercisable	Expiry Date
0.40	1,000,000	March 1, 2009
0.40	<u>254,000</u>	June 15, 2009
	<u>1,254,000</u>	

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2006

(Unaudited - Prepared by Management)

4. SHARE CAPITAL (continued)

(c) Warrants

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants as at December 31, 2006, and the changes for the nine months ended December 31, 2006, is as follows:

	Number
Balance, beginning of period	2,662,500
Issued	1,392,000
Exercised	<u>(20,000)</u>
Balance, end of period	<u><u>4,034,500</u></u>

Common shares reserved pursuant to warrants outstanding at December 31, 2006 are as follows:

Number	Exercise Price \$	Expiry Date
2,231,250	0.50	February 27, 2007
411,250	0.40	February 27, 2007
192,000	0.60	November 26, 2007
<u>1,200,000</u>	0.60	November 26, 2007
<u><u>4,034,500</u></u>		

(d) As at December 31, 2006, total of 1,928,437 common shares are held in escrow and are released every six months ending March 1, 2009. In addition, a separate 536,250 shares are restricted from resale and will be released March 1, 2007.

5. CONTRIBUTED SURPLUS

A continuity summary of contributed surplus is presented below:

	Nine Months Ended December 31, 2006 \$	Year Ended March 31, 2006 \$
Balance, beginning of period	267,914	-
Contributed surplus as a result of stock options granted (Note 4 (b))	68,338	190,033
Contributed surplus as a result of brokers' warrants issued (Note 4 (a))	34,427	77,881
Reversal of contributed surplus as a result of brokers' warrants exercised (Note 4 (c))	<u>(3,157)</u>	<u>-</u>
Balance, end of period	<u><u>367,522</u></u>	<u><u>267,914</u></u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2006

(Unaudited - Prepared by Management)

6. RELATED PARTY TRANSACTIONS

- (a) During the nine months ended December 31, 2006, the Company incurred fees of \$4,622 (2005 - \$16,950) for accounting, management and administration services from a company controlled by a director of the Company.
- (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. Effective, May 1, 2006, the Company entered into a new agreement with the President of the Company for his services. Under the new contract the President is paid an annual amount of \$90,000. During the nine months ended December 31, 2006, the President was paid an amount of \$65,000 (2005 - \$45,000).
- (c) Effective April 1, 2006, an Administration Services Agreement among the Company and Grosso Group Management Ltd ("The Grosso Group") was executed. The Company engaged the Grosso Group to provide services and facilities to the Company. The Grosso Group is a private company owned by the Company, IMA Exploration Inc., Golden Arrow Resources Corporation, Amera and Gold Point Energy Corp., each of which owns one share of the Grosso Group. The Grosso Group provides its shareholder companies with geological, corporate development, administrative and management services. The shareholder companies pay monthly fees to the Grosso Group. The fee is based upon a reasonable pro-rating of the Grosso Group's costs including its staff and overhead costs among each shareholder company with regard to the mutually agreed average annual level of services provided to each shareholder company. During the nine months ended December 31, 2006, the Company incurred fees of \$248,676 to the Grosso Group: \$204,143 was paid in monthly payments and \$44,533 is included in accounts payable as at December 31, 2006, as a result of the allocation of the Grosso Group costs to member companies. The Grosso Group fees are allocated to rent, salaries and office expenses.

7. SEGMENTED INFORMATION

The Company is involved in mineral exploration and development activities in the western United States and in western Canada. The Company is in the exploration stage and accordingly, has no reportable segment revenues or operating results.

The Company's total assets are segmented geographically as follows:

	December 31, 2006		
	Canada	United States	Total
	\$	\$	\$
Current assets	1,150,247	302	1,150,549
Mineral properties and deferred costs	433,955	1,008,142	1,442,097
	<u>1,584,202</u>	<u>1,008,444</u>	<u>2,592,646</u>

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FOR THE NINE MONTHS ENDED DECEMBER 31, 2006

(Unaudited - Prepared by Management)

7. SEGMENTED INFORMATION (continued)

	March 31, 2006		
	Canada	United States	Total
	\$	\$	\$
Current assets	1,456,145	-	1,456,145
Mineral properties and deferred costs	-	543,969	543,969
	1,456,145	543,969	2,000,114

8. SUPPLEMENTARY CASH FLOW INFORMATION

Non-cash investing and financing activities were conducted by the Company as follows:

	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2005
	\$	\$
Investing activity		
Expenditures on mineral properties and deferred costs	(82,600)	(9,000)
Shares issued for mineral properties and deferred costs	82,600	9,000
	-	-
Financing activities		
Share issue costs	(50,176)	-
Share capital	15,750	-
Contributed surplus	34,426	-
	-	-

ASTRAL MINING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED DECEMBER 31, 2006

Introduction

The following management discussion and analysis and financial review, prepared as at February 13, 2007, should be read in conjunction with the Company's unaudited interim consolidated financial statements and related notes for the nine months ended December 31, 2006 and audited consolidated financial statements and related notes for the years ended March 31, 2006 and 2005. 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 of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to foreign currency fluctuations; risks inherent in mining including environmental hazards, industrial accidents, unusual or unexpected geological formations, risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour; the inherent uncertainty of future production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain necessary governmental permits; and other risks and uncertainties, including those described under Risk Factors Relating to the Company's Business in the Company's Prospectus that can be found on the SEDAR website and in each management discussion and analysis. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long-term price of gold; that the Company can access financing, appropriate equipment and sufficient labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

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. On June 6, 2005, the Company changed its name from Amanda Resources Corp. to Astral Mining Corporation. 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 commenced operations in February 2004. The Company has entered into option agreements or acquired through direct staking, a number of properties located in Nevada, USA and British Columbia, Canada.

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 located in Canada and USA.

The Company is currently reviewing other mineral property interests in North America. 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. The Company is a reporting issuer in British Columbia, Alberta and Ontario.

Effective April 1, 2006 the Company engaged Grosso Group Management Ltd., ("Grosso Group") to provide services and facilities to the Company. See discussion in the Related Parties Transactions section below for further details.

Exploration Projects

Jumping Josephine Property

The Company has completed an option agreement with Kootenay Gold Inc. (“Kootenay Gold”) to earn 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 consists of mineral claims held 100% by Kootenay Gold and straddles Highway 3, north of the town of Rossland and west of Castlegar. New intrusive-hosted vein and shear-hosted gold showings were discovered in several areas of the JJ Property during 2003 by Kootenay Gold. They subsequently assembled a claim position in the area surrounding and including several small past-producers in the Granville Mountain (Bonanza Pass) area.

To fulfill the terms of the option agreement the Company must spend \$2.1 million on exploration, issue 400,000 shares (75,000 shares were issued upon signing the option agreement) and make \$97,000 in option payments over 5 years. Subsequent to exercise of the earn-in, the Company and Kootenay Gold will form a 60/40 joint venture. Funding of further work on the JJ Property will then be on a proportional basis under the direction of a management committee with voting rights proportional to ownership percentage. Either party may be diluted on the basis of a standard formula if they do not contribute to the planned programs. If either party is diluted to 5%, their interest will convert to a 2.5% NSR royalty, 2% of which can be purchased at any time for \$2 million by the surviving partner.

The property area is primarily underlain by several phases of the Middle Jurassic-aged Nelson plutonic suite as well as the Eocene Coryell intrusive suite. These intrude Permo-Carboniferous metavolcanics and metasediments of the Mount Roberts Formation, which are exposed as large pendants. Gold mineralization is interpreted to be localized by several prominent north to north-northwest trending structural zones. Four main mineralized areas have been identified to date on the property within a 15 by 10 kilometre area and are referred to as: JJ Main; JJ West; Pb-Zn; and Granville Mountain.

JJ Main

At the JJ Main, northeast-trending brittle shears cut both Jurassic and Eocene intrusive rocks. The shear zones have been traced through a strike length of more than 600 meters and extend intermittently across a width of several tens of metres. Mineralization within the zone comprises quartz stockworks, vein-breccias, ladder-veining and a series of parallel, sheeted veins spaced 5 to 15 cm apart. Arsenopyrite, minor pyrite and galena are associated with the auriferous quartz-stockwork. Kootenay Gold has reported a maximum assay value of 19 g/t Au has been obtained from grab samples of vein material; values up to 2 g/t Au are more common. Shear-hosted vein showings occur over at least 2km of strike projection.

JJ West

The JJ West showing, located 3km northwest of the JJ Main, is manifested as a number of north-trending shear zones of silicified rock and quartz veins cutting coarse-grained Eocene Coryell syenite. The shear zones vary from 0.5 to several metres in width and include traces of disseminated, fine-grained grey sulphides cut by irregular quartz-limonite veinlets with trace pyrite and locally arsenopyrite. Kootenay Gold reports grab samples of up to 200 g/t gold although values between 100 ppb and 1 g/t gold characterize the sample results to date.

Pb-Zn Zone

The Pb-Zn Zone comprises a number of silicified zones of disseminated and stringer pyrite/pyrrhotite/galena/sphalerite within sericite-altered granitic rock approximately 1.5km further east of the JJ West showing. The silicified zones trend roughly north-south and vary between 0.5 and 2.0 metres in width. Breccia-hosted disseminated pyrite/galena/sphalerite have reportedly returned assays ranging up to 4,000 ppm Pb and 5,900 ppm Zn.

Granville Mountain (Bonanza Pass)

The Granville Mountain area (Bonanza Pass) covers the contact of Mt Roberts volcanics and sediments with Coryell intrusives. Mineralized north-trending quartz-gold veins with variable lead, zinc and copper content have been observed to cut both Mt Roberts and the intrusive units. Limited high-grade gold and silver production came from a number of these veins between 1912 and 1964. Grab samples collected by Kootenay Gold from these historic veins at surface have returned assays exceeding 100 g/t gold. The JJ Property surrounds remaining Crown granted claims and covers some of the historical producers in Granville Mountain Camp.

Prospecting by Kootenay Gold along newly-exposed logging cuts has identified numerous thin fracture-controlled quartz-pyrite-limonite veinlets mineralized with visible gold at the BTZ Zone which occurs along the contact of the Mount Roberts Formation volcanics and sediments with Coryell intrusive over a 400m stretch of logging road 2km to the south of the main Granville Mountain Camp. Kootenay Gold has reported assays ranging from anomalous up to 557 g/t gold from grab samples of these thin fracture-controlled veinlets. This newly discovered zone is believed to have potential for bulk-tonnage and/or high-grade lode gold mineralization.

2006 Exploration Program

The Company carried out an aggressive exploration program during the 2006 field season and has completed an airborne geophysical survey in early spring. The detailed surface work program included prospecting, geological mapping, gridding and soil sampling and backhoe trenching to evaluate geophysical and geochemical targets for subsequent trenching and/or drill-testing. The Company is using the proceeds from the flow-through private placement closed on May 15, 2006, to fund exploration on the JJ Property.

The airborne survey was flown by Aeroquest Limited of Mississauga, Ontario using an AeroTEM helicopter time-domain EM system. The survey was flown at a 100m-line spacing to produce a high definition product. The magnetic component of the airborne survey has assisted in delineating the structural controls on the numerous gold showings that have been identified in four main areas of the JJ Property. The airborne survey magnetic data places the JJ Main Zone within a large circular magnetic feature, roughly 2km in diameter, that Astral interprets as a buried intrusive stock. The JJ Main stockwork zone itself corresponds with a distinct, laterally extensive, northeast-trending linear magnetic low feature centred above the inferred stock. Astral is currently applying an intrusion-related gold genetic model (i.e. Tintina Gold Province of the Yukon Territory and Alaska) to the JJ Project.

First Phase Soil Sampling (JJ Main, JJ West, Bonanza Pass)

First phase soil sampling has identified several significant soil anomalies. Soil sampling comprised 1754 soil samples including 515 samples from JJ Main, 538 samples from JJ West and 701 samples from Granville Mountain (Bonanza Pass) area which includes the BZT zone previously identified as having numerous thin fracture-controlled quartz-pyrite-limonite veinlets containing visible gold. Three main anomalies; approximately 1000m x 150m, 1000m x 150m and 450m x 125m were identified over Bonanza Pass grid. Spot highs of 0.42g/t gold and 0.412g/t gold were returned from JJ Main and JJ West respectively but coherent anomalies were not identified.

Samples were collected at 25m intervals on 100m spaced lines in areas of known gold showings and 50m intervals on 200m spaced lines in areas away from known showings. Soil samples ranged from <0.001g/t gold (below detection) up to 1.48g/t gold. Values higher than 0.021g/t gold represent the 90th percentile and are considered anomalous.

The main Bonanza Pass grid covers an area 2000m long and 1200m wide. Three main anomalies were identified and follow a roughly north-south orientation similar to that measured in local mineralized quartz veins. All three anomalies encapsulate elevated grab sample results from earlier Kootenay Gold grab sampling. Several subsidiary anomalies were also identified. Anomaly 1 (1000m x 150m) is elongate, running along the hillside contour and contains soil values up to 0.89g/t gold.

Anomaly 2 (1000m x 150m) is a strong though anastomosing anomaly with values up to 0.561g/t gold and a 400m long multi-station core in excess of 0.046g/t. Anomaly 3 (450m x 125m) is open to the south and contains values up to 1.48g/t gold.

Given the strength and continuity of these anomalies, the Company is planning to extend the Bonanza Pass grid and infill identified anomalies with the aim of outlining trench and drill targets. All soil samples were collected by an independent contractor and submitted to ALS Chemex, North Vancouver for analysis.

Albion and Bonanza Pass Sampling

The Bonanza and Albion prospects are located approximately 10km to the southwest of the JJ Main target. Gold mineralization in this southern portion of the Property is thought to be related to the intrusion of Eocene age Coryell Syenites into mid-Jurassic Nelson intrusives and older Permo-carboniferous Mount Roberts Formation metasediments and volcanics. Within the claims optioned by Astral, the Albion prospect (Albion vein) and the Dubrovnik vein are both part of the historical Granville Mountain Mining Camp. The Bonanza Pass prospect is located to the south of the Granville Mountain Camp and was newly discovered by Kootenay Gold in 2003. Reconnaissance mapping and geochemical anomaly follow-up work on JJ during the 2006 field season included the collection of 56 grab, rock-chip and channel samples from the Bonanza Pass and Albion prospects.

The Albion vein is exposed today in trenches and cuttings on surface over 100m and varies up to 2.2m in width. The vein comprises iron stained, fractured quartz with cubic pyrite and lesser pyrrhotite mineralization. A total of 5 samples of quartz material in 3 continuous channel samples spaced roughly 25m apart were collected from the Albion vein. Results of individual samples ranged from 0.52 to 45.66 g/t gold; highlights of the sampling are provided in the table below. The Dubrovnik vein is obscured and was not sampled.

At the Bonanza Pass, a number of quartz-sulphide veins, spaced several centimetres to tens of metres to apart and ranging from 1 to 5cm in width, cut an altered diorite exposed along a new outcrop on the upslope side of a recently constructed forestry road. Visible gold is commonly observed in these veins and grab samples collected from them have returned assays of up to 558 g/t gold. To make a preliminary assessment of their significance, 40 representative 1.0m channel samples were taken in 6 locations across the thin quartz-sulphide veins and adjacent host rock. Given the friable nature of the rock material at Bonanza Pass, channel samples were collected using a geological pick rather than a rock saw. Significant results were returned from Channel #1 and #4 and are tabulated below.

Prospect	ID	Interval (m)	Grade Gold (g/t)	Sample Type
Bonanza	Channel #1	2.0	2.23	Channel
Including		1.0	4.17	
Bonanza	Channel #4	2.0	2.52	Channel
Including		1.0	4.74	
Bonanza	JJD047	0.8	2.17	Rock chip
Albion	JJD578-580	1.4	10.80	Rock chip
Including		0.3	45.66	
Albion	JJD581	0.7	5.77	Rock chip

The above sampling of the Albion and Bonanza Pass prospects was carried out during initial reconnaissance. Further detailed sampling will be required to fully evaluate the potential of the Albion and Bonanza Pass prospects. Planned follow up work includes extended geochemical soil sample grids, further geological mapping, channel sampling, trenching and diamond drilling at Albion, Dubrovnik and Bonanza Pass.

JJ Main Trenching

Astral's Phase I and II trenching programs have identified significant gold mineralization in the JJ Main Zone that extends over 270m in strike length when dextral faulting observed in Trench 3 is restored. The mineralized zone remains open to the southwest and northeast.

A total of six trenches (T01-06) totaling 560m were completed at the JJ Main prospect during Phase I trenching program. Trenches 01-05 were dug at 50m intervals across the strike of the main zone and Trench 06 tested quartz veining exposed in a road cut 200m further north. Quartz stockwork was encountered in all four southern trenches (T01-04). The quartz stockwork has been traced in the trenches for 150m. Mineralization was not exposed in T05 as thick forest

prevented backhoe access to excavate the projected strike extension. The significant fire assays from JJ Main are summarized in the table below under Original fire Assay.

In order to address the possibility that coarse gold is a factor at the JJ main, fifty-four one-metre samples comprising six mineralized intervals and adjacent wallrock were re-assayed using the 500g 'metallic gold assay' technique at Acme Analytical Laboratories, Vancouver, B.C. Overall the metallic gold assay results significantly enhance the JJ Main Zone channel samples. Four of the six intervals re-assayed returned higher averaged results and two returned slightly lower values. The metallic gold assay results are summarized and compared to original fire assay results in the table below. This data indicates that coarse gold is likely a factor in the JJ Main stockwork zone and as such potentially mineralized material will be submitted directly for metallic gold assay in future programs.

Trench	From (m)	To (m)	Interval (m)	Original Fire Assay (g/t gold)	Screen Fire Assay (g/t gold)
T01	41	43	2	1.86	0.99
T01	32	35	3	3.99	6.84
T02	20	25	5	21.43	19.20
including	21	24	3	34.67	30.64
T03	16	26	10	5.01	5.05
including	25	26	1	28.70	*
T03	44	52	8	3.18	7.38
including	48	50	2	10.55	27.14
T04	38	41	3	0.51	0.82

*this interval not reported with Screen Fire assay

Phase II trenching program on the JJ Main Project was completed in October 2006. Phase I trenches were infilled with eight new trenches on 10m intervals (T01c,T01d,T02a,T02b,T02c,T02d,T03a,T03b). In addition two trenches (T04a,T04b) north of Trench 04 and one(T00) located 50m south of Trench 01 were designed to test for extensions to the JJ Main Zone. A total of 187 one-metre channel samples were collected during the program from those eleven trenches. They were submitted to Acme Analytical Laboratories Ltd, Vancouver for analysis. Intervals representing the quartz stockwork zone or immediately adjacent wall rock material (91 samples) were identified on site and marked for analysis for gold using the 500g 'metallic gold assay' technique. Gold assay results from this sample suite ranged from below detection up to 133.91 g/t gold. The 96 remaining samples were analysed for gold by the traditional 30g fire assay and all samples were subjected to a 36-element suite analysis by aqua-regia digest and ICP-MS finish. Gold results from these samples ranged between below detection and 3.59 g/t gold. A summary of the metallic gold assay results from the new trenching is tabulated below.

Trench	From (m)	To (m)	Interval (m)	Metallics Grade (g/t gold)
T00	17	21	5	0.66
T01c	8	10	2	2.46
T01d	8	9	1	5.43
T02a	0	7	7	31.19
(including)	2	3	1	133.91
and	5	6	1	71.55
and	6	7	1	9.71
T02b	7	15	8	3.73
(including)	12	14	2	8.13
T02c	6	10	4	25.24
(including)	6	8	2	46.21
and	7	8	1	66.91
T02c	13	14	1	3.59^
T02d	9	13	4	1.01
	18	19	1	3.80^
T03a	12	17	5	14.1
(including)	15	16	1	65.32

Trench	From (m)	To (m)	Interval (m)	Metallics Grade (g/t gold)
T03b	13	14	1	9.28
T04a	10	15	5	0.42
T04b	10	14	4	0.53

^ 30 gm Fire Assay- not Metallic Gold Analysis

The Company is planning further trenching and initial drill-testing of JJ Main for the spring of 2007 and will be carrying out an extensive exploration program to identify additional "JJ Main style" zones and to advance a number of other prospects on the JJ Property during the balance of the 2007 field season.

The 2006 Exploration work was completed under the supervision of the Company's Project Geologist Dale Brittliffe B.Sc.. Technical information contained in this release has been reviewed by Dr. David Terry, P.Geo., Director and Vice President Exploration, a Qualified Person as defined in National Instrument 43-101.

Gold Springs Project

By agreement dated March 17, 2004, and amended November 17, 2004, the Company agreed to option an undivided 100% interest in 127 claims located within the Stateline Mining District along the Nevada-Utah border (collectively the "Gold Springs Project").

The Gold Springs Project ("Gold Springs") will be subject to a 3% net smelter royalty ("NSR").

Upon earning the 100% interest, the Company will be required to pay US \$75,000 annually, commencing March 5, 2009, as an advance on the NSR. The Company has the right to purchase 1.5% NSR (the "NSR Buyback") for US \$1,500,000, less any advances paid by the Company.

The property comprises 127 claims and covers an area approximately three kilometres in an east-west direction by six kilometres in a north-south direction. The property is located within the Stateline Mining District along the Nevada-Utah border which had small-scale production from at least 13 high-grade narrow veins from the late 1800s through to the mid 1900s. Gold Springs is underlain by Tertiary-aged intermediate to felsic volcanic rocks that have demonstrated potential to host both precious metal deposits in high-grade narrow vein zones and quartz stockwork/disseminated bulk tonnage targets; the three main target areas are described below.

Jumbo

The Jumbo zone is dominated by a prominent steeply east-dipping north-striking vein which is up to 7.5 metres wide, and in places splits into a double vein zone up to 20m wide, and can be traced on surface for 760 metres. The vein is primarily white and massive quartz with crystalline, crustiform, colloform, sucrosic, comb, and quartz pseudomorphs of calcite textures. Less abundant adularia and carbonate material are also present; numerous clasts of the volcanic host occur in the vein.

In 1988 Energex Minerals Ltd. ("Energex") was active on the property and drilled 8 holes totalling 701m along 250m strike of the southern Jumbo vein. Highlights included: 2.34 g/t gold over 24.4m and 17 g/t gold over 3.0m. These results have not been followed up on and mineralization is open to depth and along strike. Twenty-three samples were collected from the Jumbo vein during August and September 2004 by the Company ranging up to 3.1 g/t gold with 17 samples containing >100 ppb gold. The CSAMT survey detected a resistive zone associated with the Jumbo vein system measuring approximately 1500m north-south and up to 500m wide. The width of the resistive area suggests that there are multiple north-south striking structures in the Jumbo area. To the south the zone narrows and is offset by a right lateral fault. At depth the resistive rock cuts the layered andesites and connects to a larger resistive body at approximately 300m depth interpreted as a possible zone of silicification related to the overlying epithermal system.

Jennie North

The Jennie Mine was one of the more significant historical producers in the Stateline district and lies just south of the central Gold Springs boundary. The vein system that was exploited by the Jennie Mine was reportedly

cut off to the north by an east-west oriented fault. The CSAMT survey carried out over the Gold Springs indicates that a large area of resistive rocks occurs at depth below the hill capped by rhyolite ash-flow tuff that is located to the north-northeast of the Jennie Mine. The Jennie Mine area shows up in the CSAMT data as a small nose of resistive rock that is connected to this larger body. The Jennie North resistive zone is 800 metres north-south, up to 500 metres wide and occurs at approximately 150m depth. The zone of resistive rock under the hill is unexplored, but it has been speculated that the northern extension of the Jennie vein occurs under this hill as far back as 1928.

Etna

The Etna zone (“Etna”) is covered by a separate group of 12 claims in the south-eastern portion of the Gold Springs Project area. Mineralization at Etna occurs primarily as quartz stockwork in brecciated andesite which dips 60 degrees to the west and forms a broad prominent north-south ridge 1200 metres long. The Etna zone varies from 30-75 metres in width with the larger widths towards the north.

Individual quartz veins are normally less than 0.6 metres. Silicification associated with breccia and stockwork zones grades into variably-argillized andesite to the west.

Previous drilling on Etna was carried out by Energen in 1988 (2 holes) and North American Gold Inc. in 2003 (3 holes). Highlights of the Energen drilling include 38.0 metres grading 0.3 g/t Au and 8.8 g/t Au over 3.0 metres. Thirty-eight rock chip samples were collected from the Etna zone during mapping in August and September 2004; 25 samples contained greater than 100 ppb gold, and the highest sample contained 9.4 g/t gold. The CSAMT data shows that high resistivities correspond to the mapped stockwork zone, abruptly ending to the south. Cross-sections of the CSAMT data through the Etna zone shows that the resistive rocks cut-through the layered andesites and are connected to a larger resistive body that is in the range of 300-365m deep.

2006 Drill Program

In August 2006 the Company completed an initial ten-hole 1,760m reverse circulation drill program testing the three main geological/geophysical targets: the Jumbo vein and stockwork zone, the Jennie North anomaly, and the Etna stockwork zone. Of the 10 RC holes completed, 8 were drilled in the Jumbo area, one hole in the Jennie North area, and one hole in the Etna area. Drilling in the Jumbo area has focused on testing the northern half of the zone which had not been previously drilled and to cutting the vein zone at greater depths. High water flow rates and the limitation of RC drill rig being utilized prevented testing of the deep (>300m) geophysical resistivity anomaly below the Jumbo zone. The drill program has intersected narrow high-grade structures and wide zones of anomalous gold mineralization demonstrating that Gold Springs hosts several large mineralizing systems. For a summary of the highlights to the Gold Springs 2006 drill program see the table below.

Drill Hole	Area	Azimuth	Inclination	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)
GS-06-1	Jumbo	270	-75	25.9	68.6	42.7	1.47	9.9
	including			25.9	32.0	6.1	7.24	28.9
	and			27.5	30.5	3.0	12.87	35.6
	and			27.5	29.0	1.5	20.74	53.4
GS-06-2	Jumbo	275	-65	131.1	135.6	4.5	1.22	34.8
	including			131.1	134.1	3.0	1.59	37.4
	and			132.6	134.1	1.5	2.13	46.8
				150.9	157.0	6.1	0.55	3.8
GS-06-3	Jumbo	270	-50	123.4	173.7	50.3	0.14	5.4
GS-06-4	Jennie	90	-60	143.3	161.6	18.3	0.40	3.2
	including			149.4	152.4	3.0	1.39	13.0
				214.9	222.6	7.7	1.24	6.6
	including			214.9	216.4	1.5	4.60	21.6
GS-06-5	Jumbo	270	-60	92.0	140.2	48.2	0.20	2.9
GS-06-6	Jumbo	120	-50	108.8	137.2	28.4	0.24	7.9
	including			131.1	137.2	6.1	0.73	20.1
	including			131.1	132.6	1.5	1.99	5.7

Drill Hole	Area	Azimuth	Inclination	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)
	including			134.1	137.2	3.1	0.37	33.9
				201.2	202.7	1.5	4.00	9.7
GS-06-7	Jumbo	265	-55	7.6	10.6	3.0	0.36	19.3
				44.2	85.4	41.2	0.39	3.2
	including			44.2	47.2	3.0	1.33	11.1
	including			61.0	65.5	4.5	0.89	1.9
	including			83.8	85.3	1.5	1.95	11.6
GS-06-8	Jumbo	290	-50	50.3	137.2	86.9	0.33	10.5
	including			50.3	57.9	7.6	0.45	14.6
	including			76.2	108.2	32.0	0.44	17.4
	including			135.7	137.2	1.5	2.14	9.6
GS-06-9	Jumbo	85	-50	96.0	105.2	9.2	0.37	28.8
GS-06-10	Etna	90	-60	65.5	70.0	4.5	0.60	2.2

Hole GS-06-1 was collared to the east of the Jumbo vein and was drilled west at -75 degrees to a depth of 161.5m. The hole intersected a north-northeast striking quartz vein over an interval of 9m from 24.5m to 33.5m on the east side of the main Jumbo vein which assayed 7.24 g/t gold and 28.9 g/t silver over 6.1m, including a 1.5m interval which assayed 20.74 g/t gold and 53.4 g/t silver. Stockwork veinlets and silica flooding occurred between the hangingwall vein and the main Jumbo vein. This zone from 25.9m to 68.6m averaged 1.47 g/t gold and 9.9 g/t silver over 42.7m (including the hangingwall vein). The Jumbo vein was weakly anomalous in gold and silver.

Hole GS-06-1 lies along one of the northernmost drill sections tested by previous operators along with holes J-74-1 and J-88-6 (PD) drilled to the west at -50 degrees and -65 degrees, respectively. It is unclear where exactly the collars of these holes were with respect to hole GS-06-1 but they are believed to be relatively close.

Apparently neither of these holes encountered a high-grade vein up-dip from where it was encountered in GS-06-1; both had gold-silver intercepts related to the Jumbo vein at lower depths. More drilling will be required to determine the grade distribution and continuity of these veins in the poorly-tested hangingwall to the Jumbo vein.

Hole GS-06-01 and the mineralization from hole J88-4 collared 90m to the south (17.1 g/t gold and 41.8 g/t silver over 3.0m) highlight the significant potential of the hangingwall of the Jumbo vein to host high-grade mineralization. One of the primary targets for future drilling on the project will be the testing for extensions to mineralization intersected in this area.

Hole GS-06-2 was collared 45m east of hole J-88-7 on the east side of the Jumbo vein and was drilled to the west at an angle of -65 degrees to a depth of 158.5m. The drill hole encountered mineralization in the Jumbo vein from 131.1m to 134.1m that averaged 1.59 g/t gold and 37.4 g/t silver over 3.0m. Hole J-88-71 (PD) was drilled at -65 degrees to a depth of 73.2m and intersected 8 g/t gold and 43.0 g/t silver over 1.5m at the end of the hole, 50m up-dip from the Jumbo intercept in GS-06-2. A zone of footwall stockwork veins between 150.9m and 157.0m in GS-06-2 averaged 0.55 g/t gold and 3.8 g/t silver over 6.1m.

Hole GS-06-3 was collared to the east of the Jumbo vein and drilled due west at an angle of -50 degrees to a depth of 176.8m. This hole contained anomalous values of gold and silver with results ranging from <3 ppb to 386 ppb gold and 0.2 to 23.7 g/t silver. The interval between 123.4 and 173.7m averaged 0.14 g/t gold and 5.42 g/t silver over 50m. Holes J-88-4 and J-88-5 (PD) were collared 75m to the west along the same section and were drilled to the west at -50 and -64 degrees, respectively. J-88-4 intersected 17.1 g/t gold and 42 g/t silver over 3.0m and J-88-5 intersected 12.5 g/t gold and 31 g/t silver over 1.5m from in a hangingwall quartz vein in the upper part of the holes. This vein was not identified in GS-06-3 which cut approximately 70m down-dip of the vein intercept in holes J-88-5 (PD); the closest GS-06-3 came to J-88-5 was 45m.

Hole GS-06-4 was collared north of the Jennie Mine and was drilled due east at a -60 degree angle. It was drilled to test a high resistivity CSAMT anomaly that occurs beneath a thick layer of rhyolite tuff that caps the andesite units which hosts epithermal precious metal mineralization elsewhere on the property. A 3.0m interval of weak quartz-vein stockwork and silica flooding from 149.4m to 152.4m assayed 1.39 g/t gold and 13.0 g/t silver. A 7.7m interval from 214.9 to 222.6

assayed 1.24 g/t gold 6.6 g/t silver, including a 1.5m interval assaying 4.6 g/t gold and 21.6 g/t silver. This important blind discovery in an area with no previous drilling is a priority target for follow-up testing.

Hole GS-06-5 was drilled in the northern portion of the Jumbo zone and was the farthest north test of the Jumbo vein to date, 423m north of hole GS-06-1. A 48.2m zone of strongly silicified andesite with quartz minor stockwork veinlets was encountered from 92.0 to 140.2m. Assays from 1.5m samples collected from this interval ranged from 0.04 to 0.58 g/t gold and from 0.4 to 17.0 g/t silver.

GS-06-6 was the first hole collared in the footwall of the Jumbo vein and drilled to the east-southeast at an angle of -50 degrees. A 28.4m zone of weakly silicified andesite from 108.0m to 137.2m assayed 0.24 g/t gold and 7.9 g/t silver. Assays from 1.5m samples in this interval ranged from 0.04 to 1.99 g/t gold and 1.2 to 43.4 g/t silver. A quartz vein stockwork zone at 201.2m assayed 4.00 g/t gold over 1.5m.

Hole GS-06-7 was drilled in the northern part of the Jumbo zone 314m north of hole GS-06-1; it was collared 23m to the east of the Jumbo vein. The hole was drilled to the west at an angle of -55 degrees. The hangingwall of the Jumbo contained abundant quartz stockwork veins and veinlets with locally strong silica flooding. This zone from 7.6m to 44.2m assayed 0.11 g/t gold. The Jumbo vein assayed 1.33 g/t gold 11.1 g/t silver over 3.0m. The footwall of the Jumbo was also characterized by quartz veinlet stockwork with intervals from 61.0m–65.5m that assayed 0.89 g/t gold and a 1.5 m interval from 83.8m to 85.3m that assayed 1.95 g/t gold. Anomalous gold in this hole over an interval of 77.7m between 7.6m and 85.3m averaged 0.26 g/t gold.

Hole GS-06-8 was drilled from the same pad as GS-06-1. The hole was drilled to the west-northwest. A stockwork zone was encountered starting at 16.8m and continuing to 152.4m, a distance of 135.6m. Overall this stockwork zone averaged 0.26 g/t gold and 8.1 g/t silver. This zone includes 7.6m of the Jumbo vein from 50.3m–57.9m that assayed 0.45g/t gold and 14.6 g/t silver, 32.0m from 76.2m to 108.2m that assayed 0.44 g/t gold and 17.4 g/t silver, and 1.5 m from 135.7m to 137.2m that assayed 2.14 g/t gold and 9.6 g/t silver.

Hole GS-06-9 was the second hole collared in the footwall zone of the Jumbo vein and drilled to the east at an angle of -50 degrees.

A quartz veinlet stockwork zone from 96.0m to 105.2m assayed 0.37 g/t gold and 28.8 g//t silver over the 9.2m interval.

Hole GS-06-10 was drilled on the Etna quartz vein stockwork zone. Strongly broken ground was encountered throughout the hole, eventually resulting in its abandonment at 94.5m. Between 65.5m–70.0m a quartz stockwork zone with minor silica flooding was intersected which averaged 0.603 g/t gold over 4.5m.

In order to address the possibility that coarse gold is a factor at the Gold Springs project, as minor amounts were noted during logging, 20 samples were re-analyzed using screen fire analyses, which gave similar results to the original fire assays. As a secondary measure 6 subsequent analyses were performed on selected samples using an alternate sample prep technique whereby, to obtain as representative a sample of the collected drill sample as possible, the entire drill sample was crushed and pulverized to 30 mesh. This was followed by blending the sample before taking the 30g split for the fire assay. Subsequently a 1kg split for a 24 hour bottle roll test was made. Results from these preparation and analytical methods increased in four out of the six samples; per cent changes are given in the table below.

Drill Hole	Depth (m)	Original FA(ppm)	Alternate Prep Assay (ppm)	% change from original FA	Bottle Roll Assay (ppm)	% change from original FA
GS-06-6	122-123.5	0.081	0.032	-60	0.01	-88
GS-06-9	175.3-176.8	0.026	0.113	+335	0.14	+438
GS-06-9	176.8-178.3	0.167	0.084	-50	0.04	-76
GS-06-9	178.3-179.8	0.024	0.069	+188	0.12	+400
GS-06-9	207.3-208.8	0.014	0.045	+221	0.030	+114
GS-06-9	208.8-210.3	0.012	0.018	+50	0.03	+150

These results indicated as large a sample as possible is preferred. The overall increase in the gold assays indicates that the intermediate pulverizing method is a realistic and cost effective method of obtaining a more representative split from the drill sample.

At this stage the following priorities for continued testing of the large gold zones on the Gold Springs property include: 1) Testing for extensions in the hangingwall area of the Jumbo Zone, particularly north of the high grade intercepts in GS-06-1 and J88-4 described above, 2) Further drilling in the hangingwall and footwall of the Jumbo structure in the vicinity of GS-06-7, 3) Testing of the deep CSAMT anomaly below the Jumbo zone with a diamond drill and 4) Further testing of the Jennie North anomaly.

A National Instrument 43-101 report on the Gold Springs Project authored by Gregory Smith, a Qualified Person as defined by National Instrument 43-101, has been filed on the SEDAR website at www.sedar.com.

The 2006 drilling program was carried out under the supervision of Qualified Person John Rice, C.P.G. and all technical information has been reviewed by Dr. David A. Terry, P.Geol., Vice President Exploration and a Qualified Person as defined in National Instrument 43-101.

Scraper Springs Property

On November 5, 2004, the Company entered into a letter agreement (the "Scraper Springs Agreement") with Nevada Eagle Resources and Sedi-met, Inc. ("Sedi-met"), pursuant to which the Company was granted a lease respecting the Scraper Springs claims 1-33 located in Elko Co., Nevada (the "Scraper Springs Property"). Subject to a 3% NSR, the Company has the right to retain the proceeds from the disposition of any minerals produced on the Scraper Springs Property during the term of the Scraper Springs Agreement.

The Scraper Springs Property is located on the northern extension of the prolific Carlin Gold Trend in northwestern Elko County and is located 16.5 kilometres northeast of the high-grade Midas gold deposit which had a pre-mining resource of 3 million ounces gold and 35 million ounces of silver. The property covers an area 2.4 kilometers by 1.6 kilometers. Preliminary surface mapping, rock and soil sampling has been carried out on the property. No work was carried out on the property during 2006. One or more deep holes to test for buried Carlin Trend type deposits is planned for the property in 2007.

Emmy Property

On October 11, 2004, the Company acquired through staking, 30 claims located in the Burner Hill area, Elko County, Nevada (the "Emmy Property"). The claims were staked by J. Rice Development Corporation ("JRD") on behalf of the Company. JRD was reimbursed for time and expenses incurred in staking the claims. Should the Emmy Property advance to production, JRD will maintain an underlying 1.5% net smelter royalty on the Emmy Property payable on a monthly basis on any gold or silver produced. Ownership of the claims will revert to JRD in the event the Company elects not to maintain the claims. The Company is required to pay all expenses associated with claim maintenance such as filing fees, annual assessment fees and notice of intent fees. Any contiguous claims staked will become part of the Emmy Property and will be subject to the same terms and conditions as the existing claims.

The Emmy Property lies 11 kilometres north of the Scraper Springs Property and 25 kilometres north-northwest of the Midas gold deposit. Emmy occurs in the same general geological environment as Scraper Springs and also has potential to host buried Carlin-type mineralization. No work was carried out on the property during 2006. Surface work comprising geological mapping, rock and soil sampling and possibly ground geophysics will be carried out on the Emmy Property during the 2007 field season.

REF Property

On October 16, 2004, the Company acquired, through staking, 34 claims located on the southern end of Battle Mountain - Eureka Trend, Nevada. The REF property is situated approximately 28 km south of the town of Eureka, Nevada, and covers an area 1 km by 3 km. The exploration target on the property is a carbonate-hosted disseminated gold deposit within the Nevada Formation and/or Pogonip Group. The Gold Bar deposit, located 50 km to the north of REF is hosted in similar Nevada Formation carbonates.

The REF property is underlain by carbonate rocks mapped as belonging to the Nevada Formation. Exposures of continuous to discontinuous massive calcite veins, ranging up to 15m in thickness, occur within a zone of sheared carbonate and calcite veining, up to 60m wide, extending over a strike length of greater than 2.7km along an east-facing range front near the pediment contact. Locally the calcite veining is replaced by red-coloured jasperoid. Gold values in

46 rock samples collected from the property by Astral since its initial staking range between <3 and 359 ppb gold and <0.1 to 11.9 ppm silver. Higher gold values are associated with jasperoidal zones within the carbonate-dominant vein system. A small knob of outcrop protruding through the pediment east of the range front has several small historical trenches and one shallow shaft. Reportedly, Nerco Minerals Company drilled 4 shallow holes in the area in the 1980's with unknown results.

Surface work programs comprising ground magnetics and soil sampling was carried out on the REF Property during the summer of 2006. Several combined geochemical-geophysical anomalies have been identified. A total of 384 soil samples were collected along northwest oriented lines spaced 150m apart. Samples were collected on 15 or 30m intervals. Gold analyses from the soils range from <3 to 182 ppb gold. The strongest multi-station gold soil anomaly occurs over three lines in the central portion of the property. Several other anomalies (>25 ppb gold) were identified in the northern and southern parts of the claim. A strong north-northeast linear structure defined by the ground magnetics corresponds to the carbonate vein trend, defines the range front and also lines up with the soil anomalies and many of the anomalous rock chip samples. The magnetic signature decreases south across the property, abrupt changes may represent manifestations of northwest-oriented structures. As well, a discrete magnetic high occurs in the west central portion of the property, potentially reflecting a buried intrusive.

Astral intends to conduct a preliminary drill test of the main targets during the 2007 field season.

All analytical results of the REF property were carried out by American Assay, Inc. of Sparks Nevada, a recognized laboratory. Work on the project was carried out under the supervision of Qualified Person John Rice, C.P.G. The technical information contained in this release has also been reviewed by Dr. David A. Terry, P.Ge., Vice President Exploration for Astral and a Qualified Person as defined in National Instrument 43-101.

Roy and Hills Properties

On June 11, 2006 the Company announced signing of a Letter of Intent to option from Amera the Roy and Hills properties, located in the prolific Walker Lane Mineral Belt of West Central Nevada, where past production has yielded more than 35 million gold equivalent ounces. Under the terms of this Letter of Intent, the Company may earn up to an 80% undivided interest in the Roy and Hills properties. An initial 65% interest in the project may be earned by incurring US\$2,500,000 in work expenditures over four years and issuing 500,000 common shares (100,000 shares were issued upon TSXV approval) to Amera. Upon earning the initial 65%, the Company may then elect to earn an additional 15% interest, by issuing a further 500,000 shares and completing a bankable feasibility study, within three years.

The Roy and Hills properties are situated midway between the historic mining district of Tonopah (3.5 million ounces gold equivalent) and the more recently mined Paradise Peak deposit (1.5 million ounces gold). These claim blocks are underlain by Oligocene and Miocene-age volcanic rocks that consist of latites, quartz latites and dacite flows that have undergone epithermal alteration and mineralization prior to being covered by lacustrine volcanic sediments and Quaternary gravels.

The 478 hectare (1,180 acre) Roy and the 227 ha (560 acre) Hills properties have been previously sampled by Amera with several rock samples containing significant gold and silver grades. Detailed surface sampling, mapping and ground magnetics have identified drill targets on both the Roy and Hills properties.

On the Roy property a gold-silver epithermal system is hosted within an alteration zone that outcrops over a 2.25 square kilometre area. One sample of float material collected from the central portion of the claim group assayed 41.5 g/t gold (1.2 oz/ton); gold values from additional surface rock sampling to date range between 0.03 to 0.60 g/t gold. The Hills property is located 7km to the northwest of the Roy property and hosts a prospective silver-gold epithermal system within a 1km by 500m alteration area. Rock chip sampling has returned values ranging from 0.2-70.0 g/t silver and 0.1-0.2 g/t gold.

The commencement of a 7-hole 1,000m Phase I Reverse Circulation (RC) drill program on the Roy and Hills gold projects was announced on January 22, 2007.

David A. Terry, Ph.D., P.Ge., Director and Vice President Exploration is the Qualified Person for the Roy and Hills properties.

Monzo Property

During the last quarter of 2006 Astral staked 120 lode claims, named the Monzo 1-120 in the Walker Lane District of Nevada. The 100%-owned Monzo Property is located in the Cedar Mountains of west central Nevada, approximately 90 kms northwest of Tonopah and 35 kms southeast of Gabbs. The claims cover approximately 2,480 acres (1004 hectares) and are believed to have potential for low-sulphidation epithermal gold mineralization. The property is located approximately 21km southeast of the Paradise Peak mine, which produced 1.6 million ounces of gold and 24 million ounces of silver.

JAG Properties

By agreement dated September 21, 2006, the Company agreed to option an undivided 100% interest in 90 claims located on the Nechako Plateau in North Central British Columbia (collectively the “JAG Properties”). The JAG properties are grass roots exploration properties and the Company will carry out a preliminary exploration program in 2007. The Company must make payments to the optionor of \$1,000,000 and expend \$2,000,000 on the property over a period of 5 years.

Selected Quarterly 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 2007			Fiscal 2006			Fiscal 2005	
	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$
Revenues	-	-	-	-	-	-	-	-
Net loss	(171,227)	(203,943)	(275,535)	(241,440)	(40,181)	(48,399)	(38,509)	(82,869)
Net loss per common share - basic and diluted	(0.01)	(0.01)	(0.02)	(0.03)	(0.02)	(0.02)	(0.02)	(0.04)

Results of Operations

For the nine months ended December 31, 2006, the Company reported a net loss of \$650,705 (\$0.05 per share), an increase in loss of \$523,616 from the \$127,089 loss (\$0.06 per share) for the nine months ended December 31, 2005.

A total of \$686,890 of general and administrative costs were incurred for the period ended December 31, 2006 compared to \$125,449 for the period ended December 31, 2005. The overall increase in activities during the period ended December 31, 2006 is mainly due to the Company becoming more active after the completion of its initial public offering in March of 2006. Significant expenditures were incurred in the following categories:

- Pursuant to an agreement, management fees of \$65,000 were paid to the President of the Company during the period ended December 31, 2006, compared to \$45,000 during the period ended December 31, 2005. Commencing May 1, 2006, the President’s annual fee was increased from \$60,000 to \$90,000.
- Office expenses were \$66,251 during the 2006 period compared to \$6,588 during the 2005 period as a result of the increase in activity in the current period. The office expense in 2006 includes allocation of fees from the Grosso Group (see Related Party Transactions section below for more details).
- Rent expense of \$66,375 during the 2006 period compared to \$Nil during the 2005 period. The rent expense in 2006 period represents allocation of fees from the Grosso Group (see Related Party Transactions section below for more details).
- Salaries and benefits of \$129,545 during the 2006 period compared to \$Nil during the 2005 period. 2006 salaries and benefits represent allocation of fees paid to the Grosso Group (see Related Party Transactions section below for more details). The Company had no employees during the 2005 period.
- Stock based compensation expense of \$68,338 is the estimated fair value of stock options granted to employees, directors and consultants during the period ended December 31, 2006. Stock-based compensation expense is accounted for at fair value as determined by the Black-Scholes option pricing model using estimates that are

believed to approximate the volatility of the trading price of the Company's stock, the expected lives of awards of stock-based compensation, the fair value of the Company's stock and risk-free interest rate.

- Corporate development, investor relations and advertising amounted to \$192,723 during the 2006 period and consisted mainly of fees paid for public relations advisory services and attendance of conferences for completing a comprehensive communications program to introduce the Company to German-speaking financial audiences of Europe.

During the period ended December 31, 2006 the Company capitalized \$289,101 of expenditures on the Gold Springs Project, \$36,284 on the Scraper Springs Claims, \$413,606 on the JJ Property, \$50,574 on the Roy & Hills Properties, \$20,350 on the JAG Properties, \$48,214 on the Monzo Property, and \$39,999 on the other properties. See "Exploration Projects" for further discussion.

Liquidity and Capital Resources

The Company's cash position at December 31, 2006 was \$1,073,426, a decrease of \$349,476 from March 31, 2006. Total assets increased to \$2,592,646 at December 31, 2006 from \$2,000,114 at March 31, 2006. This increase is mainly due to the increase in capitalized mineral property expenditures incurred in the nine months ending December 31, 2006, partially offset by the decrease in cash mentioned previously.

As the Company is an exploration stage company, revenues are limited to interest earned on cash held with the Company's financial institutions. The Company has financed its operations through the sale of its equity securities. During the 2006 period the Company completed the private placement of 2,400,000 flow-through units, at \$0.45 per unit, for proceeds of \$1,010,123 net of \$48,600 agent's commission and \$21,277 of related issuance costs. Each unit was comprised of one flow-through common share of the Company and one-half non-transferable share purchase warrant. Each whole warrant entitles the holder to purchase one additional non-flow-through common share at a price of \$0.60 per share on or before November 26, 2007. The Company is using the proceeds from the private placement to fund exploration of the 11,785 hectare JJ Property.

The Company considers that it has adequate resources to maintain its ongoing operations and current property commitments for the current year but may not have sufficient working capital to fund all of its planned exploration work.

The Company will continue to rely on successfully completing additional equity financing to further exploration of its existing and new properties in North America. There can be no assurance that the Company will be successful in obtaining the required financing. The failure to obtain such financing could result in the loss of the Company's interest in one or more of its mineral claims.

The Company does not know of any trends, demand, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the exploration programs. The Company does not have any loans or bank debt and there are no restrictions on the use of its cash resources.

Operating Cash Flow

Cash outflow from operating activities was \$551,438 for the period ended December 31, 2006 compared to a cash outflow of \$54,994 for the period ended December 31, 2005, primarily as a result of increases in activities.

Financing Activities

For the period ended December 31, 2006, the Company received \$1,080,000 from the sale of common shares less share issue costs of \$70,511 compared to \$173,500 (including \$169,000 of share subscriptions received) less share issue costs of \$83,703 for the period ended December 31, 2005. In addition, the Company received \$8,000 from the exercise of warrants in the period ended December 31, 2006 compared to \$Nil received in the 2005 period.

Investing Activities

Investing activities required cash of \$815,527 for the period ended December 31, 2006, compared to \$77,674 in the 2005 period, for expenditures on its mineral resource interests.

Related Party Transactions

The President of the Company provides his services on a full-time basis under a contract with a private company controlled by the President. Effective May 1, 2006, the President's annual fee was increased to \$90,000. During the period ended December 31, 2006, the President was paid an amount of \$65,000 (2005 - \$45,000).

Effective April 1, 2006, an Administration Services Agreement among the Company and the Grosso Group was executed. The Company engaged the Grosso Group to provide services and facilities to the Company. The Grosso Group is a private company owned by the Company, IMA, Golden Arrow, Amera and Gold Point, each of which owns one share of the Grosso Group. The Grosso Group provides its shareholder companies with geological, corporate development, administrative and management services. The shareholder companies pay monthly fees to the Grosso Group.

The fee is based upon a reasonable pro-rating of the Grosso Group's costs including its staff and overhead costs among each shareholder company with regard to the mutually agreed average annual level of services provided to each shareholder company.

During the nine months ended December 31, 2006, the Company incurred fees of \$248,676 to the Grosso Group: \$204,143 was paid in monthly payments and \$44,533 is included in accounts payable as a result of the allocation of the Grosso Group costs to member companies. The Grosso Group fees are allocated to rent, salaries, telephone, and office expenses. These fees are equivalent to costs the Company would have incurred directly

Certain directors of the company purchased a total of 120,167 units of the private placement completed during the period ended December 31, 2006.

Contractual Commitments

During the period ended December 31, 2006 the Company fulfilled its current contractual obligation on Gold Springs and Scraper Springs properties and intends its option requirements on the properties. In addition, the Company entered into the following option agreements:

- i) Agreement with Kootenay Gold to acquire a 60% interest in the Jumping Josephine property located in British Columbia.
- ii) Agreement with Amera to acquire up to an 80% interest in the Roy and Hills properties in Nevada.
- iii) Agreement to acquire a 100% interest in the JAG properties in British Columbia.

Details of the Company's option payments and expenditure commitments are disclosed in Note 3 to the Company's December 31, 2006 interim consolidated financial statements. The Company also has commitments for monthly fees for administrative and management services to be provided by the Grosso Group. Grosso Group fees include geological, corporate development, administrative and management services and allocated to the Company based on the actual time spent by the Grosso Group employees for the services provided to the Company.

Critical Accounting Policies

Reference should be made to the Company's significant accounting policies contained in Note 2 of the Company's consolidated financial statements for the year ended March 31, 2006. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

Use of Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Significant areas requiring the use of management estimates relate to the determination of environmental obligations and assessment of carrying values of mineral properties and deferred costs. Actual results may differ from these estimates.

Mineral Properties and Deferred Costs

Consistent with the Company's accounting policy disclosed in Note 2 of the annual consolidated financial statements, direct costs related to the acquisition and exploration of mineral properties held or controlled by the Company have been capitalized on an individual property basis. It is the Company's policy to expense any exploration-associated costs not related to specific projects or properties. Management of the Company periodically reviews the recoverability of the capitalized mineral properties. Management takes into consideration various information including, but not limited to, results of exploration activities conducted to date, estimated future metal prices, and reports and opinions of outside geologists, mine engineers and consultants. When it is determined that a project or property will be abandoned or its carrying value has been impaired, a provision is made for any expected loss on the project or property.

Financial Instruments

The Company's financial instruments consisting of cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of those instruments.

Risk Factors

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. For a more complete discussion of these risks and others, reference should be made to the March 31, 2006 Management Discussion and Analysis.

Investor Relations Activities

Mr. Manfred Kurschner is the Company's President and coordinates investor relation's activities. On April 5, 2006, the Company retained an investor relations firm, Value Relations of Frankfurt, Germany, for a 5 month contract to assist in fostering investor awareness throughout Europe. During the nine months ended December 31, 2006, the Company paid \$78,483 to Value Relations in respect of the contract and other related services. The Company also maintains a web site at www.astralmining.com.

Outstanding Share Data

As at February 13, 2007 there were 13,698,444 common shares, 1,244,000 stock options and 4,034,500 warrants outstanding.

Disclosure Controls

Management has designed disclosure controls and procedures, or has caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Company, is made known to management by others within those entities, particularly during the period in which the annual filings are being prepared. Management has also designed such internal control over financial reporting, or caused it to be designed under management's supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements for the nine months ended December 31, 2006 in accordance with Canadian Generally Accepted Accounting Principles. There has been no change in the Company's disclosure controls and procedures or in the Company's internal control over financial reporting that occurred during the most recently completed quarter that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures or internal control over financial reporting.