
ASTRAL MINING CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

MARCH 31, 2011 AND 2010

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Astral Mining Corporation

We have audited the accompanying consolidated financial statements of Astral Mining Corporation which comprise the consolidated balance sheets as at March 31, 2011 and 2010, the consolidated statements of loss and comprehensive loss and deficit and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Astral Mining Corporation as at March 31, 2011 and 2010, and the result of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, B.C.
July 22, 2011

“D&H Group LLP”
Chartered Accountants

ASTRAL MINING CORPORATION
CONSOLIDATED BALANCE SHEETS
AS AT MARCH 31

	2011 \$	2010 \$
A S S E T S		
CURRENT ASSETS		
Cash	813,653	38,843
Amounts receivable (Note 3)	57,209	10,097
Prepays	<u>40,340</u>	<u>5,648</u>
	911,202	54,588
RECLAMATION BONDS	19,531	39,295
EQUIPMENT	3,345	3,089
MINERAL PROPERTIES AND DEFERRED COSTS (Note 4)	5,083,160	3,741,171
DEFERRED OFFERING COSTS (Note 5(a))	<u>-</u>	<u>64,305</u>
	<u><u>6,017,238</u></u>	<u><u>3,902,448</u></u>

L I A B I L I T I E S

CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	<u>177,277</u>	<u>238,079</u>

S H A R E H O L D E R S ' E Q U I T Y

SHARE CAPITAL (Note 5)	9,855,301	7,609,532
CONTRIBUTED SURPLUS (Note 7)	878,445	635,844
SHARE SUBSCRIPTIONS RECEIVED (Note 14)	137,480	-
DEFICIT	<u>(5,031,265)</u>	<u>(4,581,007)</u>
	<u>5,839,961</u>	<u>3,664,369</u>
	<u><u>6,017,238</u></u>	<u><u>3,902,448</u></u>

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)

SUBSEQUENT EVENTS (Note 14)

APPROVED BY THE DIRECTORS

"Manfred Kurschner" , Director

"Nick DeMare" , Director

ASTRAL MINING CORPORATION
CONSOLIDATED STATEMENTS OF
LOSS AND COMPREHENSIVE LOSS AND DEFICIT
FOR THE YEARS ENDED MARCH 31

	2011 \$	2010 \$
EXPENSES		
Administrative, accounting and management	65,800	61,725
Amortization	3,394	3,090
Corporate development and investor relations	103,105	44,534
Directors' fees	45,000	35,000
Due diligence costs	5,000	-
General exploration	18,532	32,198
Investment conferences	2,210	3,231
Management fees	110,000	110,000
Office and sundry	21,678	16,098
Professional fees	156,088	39,963
Rent	25,075	37,286
Stock-based compensation (Note 6)	147,222	152,337
Transfer agent and regulatory fees	27,147	41,552
Travel and accommodation	18,654	3,730
	<u>748,905</u>	<u>580,744</u>
LOSS BEFORE OTHER ITEMS	<u>(748,905)</u>	<u>(580,744)</u>
OTHER ITEMS		
Interest and other income	1,141	20,415
Foreign exchange loss	(6,944)	(603)
Part XII.6 tax	(550)	(7,292)
	<u>(6,353)</u>	<u>12,520</u>
LOSS BEFORE INCOME TAXES	(755,258)	(568,224)
FUTURE INCOME TAX RECOVERY (Note 9)	<u>305,000</u>	<u>-</u>
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	(450,258)	(568,224)
DEFICIT - BEGINNING OF YEAR	<u>(4,581,007)</u>	<u>(4,012,783)</u>
DEFICIT - END OF YEAR	<u>(5,031,265)</u>	<u>(4,581,007)</u>
 LOSS PER COMMON SHARE - BASIC AND DILUTED	 <u>\$ (0.03)</u>	 <u>\$ (0.14)</u>
 WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	 <u>14,762,122</u>	 <u>3,964,800</u>

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

ASTRAL MINING CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31

	2011	2010
	\$	\$
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Net loss for the year	(450,258)	(568,224)
Adjustment for items not involving cash		
Amortization	3,394	3,090
Accrued interest on reclamation bonds	-	(159)
Stock-based compensation	147,222	152,337
Unrealized foreign exchange loss	1,063	573
Future income tax recovery	<u>(305,000)</u>	<u>-</u>
	(603,579)	(412,383)
(Increase) decrease in amounts receivable	(47,112)	1,631
Increase in prepaids	(34,692)	(5,648)
Increase in accounts payable and accrued liabilities	<u>7,765</u>	<u>199,782</u>
	<u>(677,618)</u>	<u>(216,618)</u>
INVESTING ACTIVITIES		
Expenditures on mineral properties and deferred costs	(1,096,917)	(827,432)
Recoveries on mineral properties and deferred costs	158,661	202,197
Reclamation bonds refunded	18,701	-
Purchase of equipment	<u>(3,650)</u>	<u>-</u>
	<u>(923,205)</u>	<u>(625,235)</u>
FINANCING ACTIVITIES		
Issuance of common shares	2,515,000	857,237
Share issuance costs	(276,847)	(163,706)
Share subscriptions received	<u>137,480</u>	<u>-</u>
	<u>2,375,633</u>	<u>693,531</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	774,810	(148,322)
CASH - BEGINNING OF YEAR	<u>38,843</u>	<u>187,165</u>
CASH - END OF YEAR	<u><u>813,653</u></u>	<u><u>38,843</u></u>

SUPPLEMENTAL CASH FLOW INFORMATION - Note 10

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

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company is a junior resource company engaged in the acquisition and exploration of unproven mineral interests in Canada and Mexico. As at March 31, 2011 the Company has not earned any production revenue, nor found proved reserves on any of its mineral interests. Consequently the Company considers itself to be an exploration stage company. The amounts shown as mineral properties and deferred costs represent expenditures incurred to date, less amounts recovered, amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral properties and deferred costs are entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete development, and future profitable production.

As at March 31, 2011 the Company had not yet achieved profitable operations, has accumulated losses of \$5,031,265, had working capital of \$733,925, and expects to incur further losses in the development of its business. The Company will continue to require additional funding to maintain its ongoing exploration programs, option payment commitments, property maintenance payments and operations and administration for the next fiscal year. However, there can be no assurances that the Company will be successful in its efforts, in which case the Company may be unable to meet its obligations.

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

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements have been prepared by management in accordance with Canadian GAAP. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Astral Mining USA Corporation (“Astral USA”) and Astral Mining S.A. de C.V. (“Astral Mexico”) which was incorporated on November 22, 2010. All inter-company balances and transactions are eliminated on consolidation.

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 liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Examples of significant estimates made by management include amortization, the provision for income taxes, composition of future income tax assets, future income tax liabilities and asset retirement obligations and valuations of mineral resource interests, equipment and stock-based compensation. Actual results may differ from those estimates.

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral Properties and Deferred Costs

Direct costs related to the acquisition and exploration of mineral properties held or controlled by the Company, are deferred on an individual property basis until the viability of a property is determined. Administration costs and general exploration costs are expensed as incurred. When a property is placed in commercial production, deferred costs will be depleted using the units-of-production method. 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 then the costs are written-off, or if its carrying value has been impaired, then the costs are written down to fair value.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments is recorded as a gain on option or disposition of mineral property.

Asset Retirement Obligations

Asset retirement obligations are recognized when a legal or constructive obligation arises. This liability is recognized at the fair value of the asset retirement obligation. When the liability is initially recorded the Company capitalizes the cost by increasing the carrying amount of the related long-lived assets. Over time the liability is accreted to its present value each period, and the capitalized cost is amortized over the useful life of the related asset. Upon settlement of the liability, the Company may incur a gain or loss. As at March 31, 2011 the Company has not identified any significant asset retirement obligations.

Equipment

Equipment is recorded at cost. Amortization is calculated using the straight-line method over the estimated useful life of the assets, at a rate of 33%.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment when changes in circumstances suggest their carrying value has become impaired. Management considers assets to be impaired if the carrying value exceeds the estimated undiscounted future projected cash flows to result from the use of the asset and its eventual disposition. If impairment is deemed to exist, the assets will be written down to fair value. Fair value is generally determined using a discounted cash flow analysis.

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Translation of Foreign Currencies

The Company's foreign operations conducted through its subsidiaries are of an integrated nature and, accordingly, the temporal method of foreign currency translation is used for conversion of foreign denominated amounts. Under this method the Company translates monetary assets and liabilities denominated in foreign currencies at period-end rates. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates in effect during the period except for depreciation which is translated at historical rates. Gains and losses resulting from the fluctuation of foreign exchange rates have been included in the determination of income.

Income Taxes

The Company uses the asset and liability method of accounting for future income taxes. Under this method of tax allocation, future income tax assets and liabilities are recognized for the estimated tax consequences attributable to differences between the amounts reported in the consolidated financial statements and their respective tax bases, using substantively enacted tax rates and laws that are expected to be in effect in the periods in which the future income tax assets or liabilities are expected to be settled or realized. The effect of a change in income tax rates on future income tax assets and liabilities is recognized in income in the period that the change occurs. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

Flow-Through Financing

The Company has financed a portion of its exploration activities through the issue of flow-through shares, which transfer the tax deductibility of exploration expenditures to the investor. Proceeds received on the issue of such shares have been credited to share capital and the related exploration costs are charged to the mineral properties and deferred costs as incurred. A future income tax liability is recognized and the shareholders' equity reduced on the date the Company renounces the tax benefits associated with the expenditures provided there is reasonable assurance that the expenditures will be made. The Company may also recognize the benefit of previously unrecognized future income tax asset relating to non-capital loss carryforwards to offset the future income tax liability arising on a renouncement of expenditures. The corresponding credit reduces income tax expense.

Stock-Based Compensation

Stock-based compensation is accounted for at fair value as determined by the Black-Scholes option pricing model using amounts 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 the risk-free interest rate. The estimated fair value of awards of stock-based compensation is charged to expense as they are earned, with offsetting amounts recognized as contributed surplus.

Earnings (Loss) Per Share

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method.

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

Under Section 3251, *Equity*, Section 3855, *Financial Instruments - Recognition and Measurement* and Section 3861, *Financial Instruments - Disclosure and Presentation*, all financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale assets or other financial liabilities. All financial instruments, including derivatives, are included on the balance sheet and are measured at fair market value upon inception with the exception of certain related party transactions. Subsequent measurement and recognition of change in the fair value of financial instruments depends on their initial classification. Held-for-trading financial investments are measured at fair value and all gains and losses are included in operations in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet. Loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost using the effective interest method. Gains and losses upon inception, derecognition, impairment write-downs and foreign exchange translation adjustments are recognized immediately. Transaction costs related to financing will be expensed in the period incurred.

The Company has designated its cash as held-for-trading, which is measured at fair value. Amounts receivable are classified as loans and receivables, which are measured at amortized cost. Reclamation bonds are designated as available-for-sale, which are measured at fair value, and are classified as a non-current asset. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

Comprehensive Income

Section 1530, *Comprehensive Income*, provides standards for the reporting and presentation of comprehensive income, which is defined as the change in equity from transactions and other events and circumstances from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with generally accepted accounting principles. A statement of comprehensive income has not been presented as no components of comprehensive income have been identified and therefore have not affected the current or comparative period balances on the consolidated financial statements.

Future Accounting Policies

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

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

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

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, *Consolidated and Separate Financial Statements*, and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

The Company does not anticipate the above new standards to have an impact on the Company's financial position and results of operations.

3. AMOUNTS RECEIVABLE

	March 31, 2011	March 31, 2010
	\$	\$
HST refundable	33,540	10,097
IVA receivable	9,045	-
Share subscription receivable (Note 5(a)(iv))	12,200	-
Other	2,424	-
	<u>57,209</u>	<u>10,097</u>

4. MINERAL PROPERTIES AND DEFERRED COSTS

	<u>March 31, 2011</u>			<u>March 31, 2010</u>		
	Acquisition Costs	Exploration Costs	Total Costs	Acquisition Costs	Exploration Costs	Total Costs
	\$	\$	\$	\$	\$	\$
Jumping Josephine	913,432	4,009,111	4,922,543	421,968	3,319,203	3,741,171
Honeymoon	19,823	10,818	30,641	-	-	-
Barriere Ridge	12,474	6,342	18,816	-	-	-
Los Crestones	50,917	60,243	111,160	-	-	-
	<u>996,646</u>	<u>4,086,514</u>	<u>5,083,160</u>	<u>421,968</u>	<u>3,319,203</u>	<u>3,741,171</u>

- (a) The Jumping Josephine Project comprises the following four claim groups:

Jumping Josephine Claims

The Jumping Josephine Claims are comprised of a 60% undivided interest in 24 unpatented mining claims located in the West Kootenay Mining District, British Columbia.

On December 14, 2009 the Company entered into an option agreement with Kootenay Gold whereby the Company could acquire the remaining 40% interest in the Jumping Josephine Claims. To fully earn this additional interest the Company was required to issue a total of 4,000,000 common shares (1,500,000 common shares issued). On November 25, 2010 the Company notified Kootenay Gold that it was terminating its option to earn the remaining 40% interest in the Jumping Josephine Claims.

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

4. MINERAL PROPERTIES AND DEFERRED COSTS (continued)

Blueberry Claims

On July 4, 2007, as amended June 8, 2009, the Company entered into an option agreement with Mineworks Ventures Inc. (“Mineworks”), a private Canadian company, to acquire a 100% undivided interest in 19 unpatented mining claims (the “Blueberry Claims”) located in the Rossland Mining District, British Columbia, immediately east of the Company’s Jumping Josephine Claims. To earn the interest in the Blueberry Claims the Company has now issued a total of 40,000 common shares and made cash payments totaling \$45,000 and is required to make a further \$15,000 cash payment and issue 4,000 common shares by July 1, 2011. Upon exercise of the option Mineworks will retain a 2.5% net smelter return royalty (“NSR”). The Company has the right to purchase a 2.0% NSR for \$2 million.

See also Note 14(b).

Columbia - Rossland Claims

On June 20, 2008 the Company entered into an option agreement with Mineworks to acquire a 100% undivided interest in 33 unpatented mining claims (the “Columbia-Rossland Claims”) located in the Rossland Mining District, British Columbia. The Company has earned its interest in the Columbia-Rossland Claims through the issuance of 45,000 common shares at an assigned value of \$32,200. Mineworks retains a 2.5% NSR. The Company has the right to purchase a 2.0% NSR for \$2 million.

Ridge Claims

On March 11, 2010 the Company entered into a transfer agreement with Mineworks whereby the Company purchased a 100% undivided interest in six claims (the “Ridge Claims”), located in the West Kootenay Mining District, British Columbia, through the issuance of 50,000 common shares at an assigned value of \$15,500. Mineworks retains a 2.5% NSR. The Company has the right to purchase a 1.5% NSR for \$2 million.

(b) **Honeymoon Claims**

On November 12, 2010 the Company entered into an option agreement whereby the Company has been granted an option to acquire a 100% undivided interest in 41 mining claims (the “Honeymoon Claims”) located in the Kamloops Mining District, British Columbia. In order to earn the interest in the Honeymoon Claims the Company must make cash payments totalling \$135,000, issue a total of 300,000 common shares and incur a total of \$1,000,000 in exploration expenditures, as follows:

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

4. MINERAL PROPERTIES AND DEFERRED COSTS (continued)

Date	Cash Amounts \$	Share Issuances #	Expenditure Commitments \$
On signing (paid)	5,000	-	-
On TSXV approval (issued)	-	50,000	-
November 12, 2011	20,000	50,000	100,000
November 12, 2012	20,000	50,000	200,000
November 12, 2013	25,000	50,000	300,000
November 12, 2014	30,000	50,000	400,000
November 12, 2015	<u>35,000</u>	<u>50,000</u>	<u>-</u>
	<u>135,000</u>	<u>300,000</u>	<u>1,000,000</u>

Upon exercise of the option the vendor will retain a 0.5% NSR. The Company has the right to purchase the 0.5% NSR for \$1,500,000.

(c) **Barriere Ridge Claims**

On March 2, 2011 the Company entered into an option agreement whereby the Company has been granted an option to acquire a 100% undivided interest in 20 claims (the “Barriere Ridge Claims”) located in the Kamloops Mining District, British Columbia. In order to earn the interest in the Barriere Ridge Claims, the Company must make cash payments totalling \$70,000, issue a total of 300,000 common shares and incur a total of \$1,000,000 in exploration expenditures, as follows:

Date	Cash Amounts \$	Share Issuances #	Expenditure Commitments \$
On TSXV approval (issued)	-	50,000	-
March 2, 2012	10,000	50,000	50,000
March 2, 2013	10,000	50,000	100,000
March 2, 2014	15,000	50,000	150,000
March 2, 2015	15,000	50,000	300,000
March 2, 2016	<u>20,000</u>	<u>50,000</u>	<u>400,000</u>
	<u>70,000</u>	<u>300,000</u>	<u>1,000,000</u>

Upon exercise of the option the vendor will retain a 0.5% NSR. The Company has the right to purchase the 0.5% NSR for \$1,500,000.

(d) **Los Crestones Property**

Pursuant to agreements entered into on October 12, 2010 and formalized on January 11, 2011, the Company has been granted options to acquire 100% interests in three concessions (the “Los Crestones Property”) located in Sinaloa State, Mexico.

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

4. MINERAL PROPERTIES AND DEFERRED COSTS (continued)

In order to earn the interest in the Los Crestones Property the Company must make payments totalling US \$750,000 as follows:

Date	US \$
October 12, 2010	10,000 (paid)
January 12, 2011	40,000 (paid)
July 12, 2011	45,000 (Note 14(e))
January 12, 2012	45,000
July 12, 2012	52,500
January 12, 2013	52,500
July 12, 2013	60,000
January 12, 2014	60,000
July 12, 2014	192,500
January 12, 2015	192,500
	<u>750,000</u>

Upon exercise of the options the vendors will retain a 0.5% NSR. The Company has the right to purchase the 0.5% NSR for US \$400,000.

5. SHARE CAPITAL

Authorized: unlimited common shares with no par value

Issued:	<u>2011</u>		<u>2010</u>	
	Shares	Amount \$	Shares	Amount \$
Balance, beginning of year	<u>6,047,900</u>	<u>7,609,532</u>	<u>2,504,451</u>	<u>6,799,246</u>
Issued during the year				
For cash				
rights offering	-	-	2,576,949	644,237
private placements	12,500,000	2,500,000	200,000	52,000
exercise of guarantors' warrants	-	-	644,000	161,000
exercise of stock options	100,000	15,000	-	-
Reallocation from contributed surplus on exercise of guarantors' warrants and stock options	-	15,529	-	73,725
For mineral properties	1,607,500	472,300	122,500	52,450
Share issue costs	-	(452,060)	-	(173,126)
Flow-through stock renunciation	-	(305,000)	-	-
	<u>14,207,500</u>	<u>2,245,769</u>	<u>3,543,449</u>	<u>810,286</u>
Balance, end of year	<u>20,255,400</u>	<u>9,855,301</u>	<u>6,047,900</u>	<u>7,609,532</u>

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

5. SHARE CAPITAL (continued)

(a) During fiscal 2011 the Company:

- i) completed a short form prospectus offering (the "Offering") of 3,000,000 units at a price of \$0.20 per unit, and 2,000,000 flow-through units at a price of \$0.20 per flow-through unit, for total gross proceeds of \$1,000,000. Each unit comprised one common share and one share purchase warrant. Each flow-through unit comprised of one flow-through common share and one warrant. Each warrant entitles the holder to acquire one additional common share exercisable at a price of \$0.25 on or before May 31, 2011 and thereafter at a price of \$0.35 on or before May 31, 2012.

The Company paid the agent a cash fee of \$100,000 and a corporate finance fee of \$25,000. The agent also received 500,000 warrants. The terms of the agent's warrants are the same as the warrants. The fair value of the agent's warrants has been estimated using the Black-Scholes option pricing model. The assumptions used were: dividend yield - 0%; expected volatility - 147.11%; a risk-free interest rate of 1.78%; and an expected life of two years. The value assigned to the underlying agent's warrants was \$67,318. As at March 31, 2011 the agent's warrants remained outstanding.

The Company also paid a total of \$97,446 for legal costs and filing fees, of which \$64,305 had been incurred as at March 31, 2010.

Directors of the Company and the spouse of the President of the Company purchased 875,000 flow-through units for \$175,000;

- (ii) completed a non-brokered private placement of 1,075,000 units, at a price of \$0.20 per unit, and 175,000 flow-through units, at a price of \$0.20 per flow-through unit, for aggregate gross proceeds of \$250,000. Each unit comprised one common share and one share purchase warrant. Each flow-through unit comprised of one flow-through common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share exercisable for two years at a price of \$0.25 in year one and \$0.35 in year two.

The Company incurred \$1,250 for filing fees.

The President of the Company purchased 105,000 flow-through units for \$21,000;

- (iii) completed a non-brokered private placement of 3,272,000 flow-through units and 478,000 non-flow-through units at a price of \$0.20 per unit for total gross proceeds of \$750,000. Each flow-through unit comprised one flow-through common share and one share purchase warrant which entitles the holder to purchase an additional non-flow-through share for a period of two years, at a price of \$0.25 per share in year one and \$0.35 per share in year two. Each non-flow-through unit comprised one common share and one share purchase warrant which entitles the holder to purchase one additional common share for a period of two years, at a price of \$0.25 per share in year one and \$0.35 per share in year two.

The Company paid the finder a cash commission and due diligence fees totalling \$65,440, issued 77,200 finder's warrants and 250,000 finder's options. Each finder's warrant entitles the holder to purchase one common share at a price of \$0.25 per share in year one and \$0.35 per share in year two. Each finder's option entitles the holder to purchase a finder's unit at an exercise price of \$0.20 per finder's unit for a two year period. Each finders unit has the same terms as the non-flow-through units issued under the private placement.

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

5. SHARE CAPITAL (continued)

The fair value of the finder's warrants and finder's options has been estimated using the Black-Scholes option pricing model. The assumptions used were: dividend yield - 0%; expected volatility - 145.10%; a risk-free interest rate of 1.85%; and an expected life of two years. The value assigned to the finder's warrants and finder's options was \$10,285 and \$33,305, respectively.

The Company incurred a total of \$15,103 for legal and filing fees.

The President of the Company purchased 228,000 non-flow-through units for \$45,600; and

- (iv) completed a non-brokered private placement of 2,500,000 units, at a price of \$0.20 per unit, for total proceeds of \$500,000. Each unit comprised one common share and one share purchase warrant. Each warrant entitles the holder to purchase an additional common share exercisable for two years at a price of \$0.25 in year one and \$0.35 in year two.

The Company paid finders' fees totalling \$30,000 cash and incurred a total of \$6,913 for legal and filing fees.

The President of the Company and his spouse purchased a total of 350,000 units for \$70,000. As at March 31, 2011, \$12,200 remained outstanding from the President of the Company and is included in share subscription receivable (Note 3). Subsequent to March 31, 2011 this amount was paid in full.

- (b) During fiscal 2010 the Company completed:

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

The Company paid a fee of \$22,803 for a standby guarantee and commissions and a total of \$76,598, for legal, filing and other costs related to the Rights Offering. The Company also issued non-transferable warrants to the guarantors to purchase 644,000 common shares of the Company at \$0.25 per share, exercisable before April 7, 2010. The fair value of the guarantors' warrants was \$73,725 and was valued using the Black-Scholes option pricing model at \$0.11 per warrant on the following assumptions: dividend yield - 0%; expected volatility - 83.37%; a risk-free interest rate of 0.28%; and an expected life of six months. The guarantors' warrants were subsequently exercised for proceeds of \$161,000; and

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

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

5. SHARE CAPITAL (continued)

(c) A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at March 31, 2011 and 2010 and the changes for the years ended on those dates is as follows:

	2011		2010	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of year	2,926,744	0.94	553,395	6.40
Issued	13,077,200	0.25	3,420,949	0.66
Exercised	-	-	(644,000)	0.25
Expired	<u>(149,795)</u>	4.50	<u>(403,600)</u>	7.12
Balance, end of year	<u><u>15,854,149</u></u>	0.35	<u><u>2,926,744</u></u>	0.94

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding at March 31, 2011:

Number	Exercise Price \$	Expiry Date
5,500,000	0.25 / 0.35	May 31, 2011 / 2012
575,000	0.25 / 0.35	June 8, 2011 / 2012
675,000	0.25 / 0.35	June 21, 2011 / 2012
2,576,949	0.75	October 7, 2014
200,000	0.75	November 2, 2014
2,500,000	0.25 / 0.35	August 27, 2011 / 2012
849,200	0.25 / 0.35	September 16, 2011 / 2012
200,000	0.25 / 0.35	September 27, 2011 / 2012
278,000	0.25 / 0.35	November 18, 2011 / 2012
<u>2,500,000</u>	0.25 / 0.35	March 3, 2012 / 2013
<u><u>15,854,149</u></u>		

(d) See also Note 14.

6. STOCK OPTIONS AND STOCK-BASED COMPENSATION

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

During fiscal 2011 the Company granted 938,500 (2010 - 535,195) stock options to its directors, employees and consultants and recorded compensation expense of \$147,222 (2010 - \$152,337).

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

6. STOCK OPTIONS AND STOCK-BASED COMPENSATION (continued)

The fair value of stock options granted and vested during fiscal 2011 and 2010 is estimated using the Black-Scholes option pricing model using the following assumptions:

	<u>2011</u>	<u>2010</u>
Risk-free interest rate	0.98 % - 2.31%	0.53% - 2.00%
Estimated volatility	108.7% - 129.26%	64.31% - 129.20%
Expected life	1 year - 3 years	1 year - 3 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

The weighted average fair value of all stock options granted during fiscal 2011 was \$0.17 (2010 - \$0.32) per option.

A summary of the Company's outstanding stock options at March 31, 2011 and 2010 and the changes for the years ending on those dates is as follows:

	<u>2011</u>		<u>2010</u>	
	Options Outstanding	Weighted Average Exercise Price \$	Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of year	535,195	0.34	73,500	4.84
Granted	938,500	0.20	535,195	0.34
Exercised	(100,000)	0.15	-	-
Expired	<u>(83,000)</u>	0.40	<u>(73,500)</u>	4.84
Balance, end of year	<u>1,290,695</u>	0.27	<u>535,195</u>	0.34

The following table summarizes information about the stock options outstanding and exercisable at March 31, 2011:

Number Outstanding	Number Exercisable	Exercise Price \$	Expiry Date
200,000	150,000	0.23	June 8, 2011
187,195	187,195	0.38	September 4, 2012
265,000	265,000	0.30	November 4, 2012
52,000	52,000	0.30	June 25, 2013
486,500	486,500	0.25	August 6, 2013
<u>100,000</u>	<u>100,000</u>	0.21	March 14, 2014
<u>1,290,695</u>	<u>1,240,695</u>		

See also Note 14.

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

7. CONTRIBUTED SURPLUS

Contributed surplus for fiscal 2011 and 2010 is comprised of the following:

	2011	2010
	\$	\$
Balance, beginning of year	635,844	483,507
Stock-based compensation on stock options	147,222	152,337
Stock-based compensation on agents' warrants	110,908	-
Stock-based compensation on guarantors' warrants	-	73,725
Reallocation on exercise of stock options	(15,529)	-
Reallocation on exercise of guarantors' warrants	-	(73,725)
	<u>878,445</u>	<u>635,844</u>
Balance, end of year	<u>878,445</u>	<u>635,844</u>

8. RELATED PARTY TRANSACTIONS

- (a) The President of the Company provides his services on a full-time basis under a contract with a private company controlled by the President of the Company for a current annual fee of \$110,000. During fiscal 2011 the Company was billed a total of \$110,000 (2010 - \$110,000) by the President. The contract also provides that, in the event the services are terminated without cause or upon a change in control of the Company, a termination payment would include three months or eighteen months, respectively, of compensation plus a bonus amount agreed to by the parties. As at March 31, 2011, \$9,167 (2010 - \$27,500) remained outstanding and is included in accounts payable and accrued liabilities.
- (b) Chase Management Ltd. ("Chase"), a private company owned by a director of the Company, provides accounting, administrative and management services to the Company at a rate of \$3,000 per month plus disbursements. Chase also provides additional services as required. During fiscal 2011 the Company was billed a total of \$65,800 (2010 - \$61,725) by Chase. As at March 31, 2011, \$8,200 (2010 - \$6,300) remained outstanding and is included in accounts payable and accrued liabilities.
- (c) During fiscal 2011 the Company was billed \$12,950 (2010 - \$15,000) for geological services provided by a director of the Company. As at March 31, 2011, \$8,450 (2010 - \$12,250) remained outstanding and is included in accounts payable and accrued liabilities.
- (d) During fiscal 2011 the Company was billed \$16,250 (2010 - \$nil) for geological services provided by an officer of the Company. As at March 31, 2011, \$2,600 (2010 - \$nil) remained outstanding and is included in accounts payable and accrued liabilities.
- (e) During fiscal 2011 the Company was billed a total of \$35,289 (2010 - \$61,100) for legal services provided by a law firm, of which the spouse of the President of the Company is a partner, in connection with the Company's equity financings and general legal services. As at March 31, 2011, \$1,149 (2010 - \$31,559) remained unpaid and is included in accounts payable and accrued liabilities.
- (f) See also Note 5(a).

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

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

9. INCOME TAXES

The recovery of income taxes shown in the consolidated statements of loss and comprehensive loss and deficit differ from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

	2011 \$	2010 \$
Combined federal and provincial statutory tax rate	<u>28.0%</u>	<u>29.63%</u>
Expected income tax recovery	211,472	168,365
Effect of income tax rate changes	(73,021)	(33,252)
Non-deductible differences	(41,642)	(47,744)
Differences in foreign tax rates	1,195	1,424
Unrecognized benefits of income tax losses	(145,248)	(152,940)
Other	<u>47,244</u>	<u>64,147</u>
Future income tax recovery	<u>-</u>	<u>-</u>

The significant components of the Company's future income tax assets and liabilities are as follows:

	2011 \$	2010 \$
Future income tax assets:		
Operating loss carryforward	960,655	760,124
Financing costs and other	102,448	74,570
Investment tax credits	<u>34,437</u>	<u>34,379</u>
	1,097,540	869,073
Valuation allowance for future income tax assets	<u>(156,188)</u>	<u>(223,391)</u>
	941,352	645,682
Future income tax liabilities		
Mineral properties and deferred costs	<u>(941,352)</u>	<u>(645,682)</u>
Net future income tax liability	<u>-</u>	<u>-</u>

As at March 31, 2011 the Company has accumulated non-capital losses of approximately \$3,785,500 and cumulative resource and other tax pools of approximately \$1,684,700 carried forward for Canadian income tax purposes and are available to reduce taxable income of future years. The non-capital losses expire commencing in 2012 through 2031. The cumulative resource and certain other tax pools can be carried forward indefinitely.

The Company also has non-capital losses of approximately \$51,000 for Mexican income tax purposes and \$2,153,300 for US income tax purposes.

During fiscal 2011 the Company issued 5,447,000 flow-through common shares for gross proceeds of \$1,089,400 (see Note 5(a)(i)). Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. The Company has renounced this amount to its investors effective December 31, 2010. The renunciation of such expenditures was accounted for as a financing cost related to the flow-through issuance and resulted in a reduction in share capital with a corresponding increase in the Company's future income tax liability. As at March 31, 2011 the Company has a further commitment to spend approximately \$395,000 on eligible exploration activities.

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

10. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash activities were conducted by the Company during fiscal 2011 and 2010, as follows:

	2011 \$	2010 \$
Investing activities		
Accounts payable for mineral properties and deferred costs	(68,567)	(52,403)
Expenditures on mineral properties and deferred costs	68,567	(47)
Shares issued for mineral properties and deferred costs	<u>(472,300)</u>	<u>-</u>
	<u>(472,300)</u>	<u>(52,450)</u>
Financing activities		
Shares issued for mineral properties and deferred costs	472,300	52,450
Issuance of common shares for guarantors' warrants	-	73,725
Reallocation from contributed surplus on exercise of stock options	15,529	-
Common share issue costs	(110,908)	(73,725)
Contributed surplus - fair value of finders' warrants and options	110,908	-
Contributed surplus - options exercised	(15,529)	-
Share capital - future income tax adjustment	(305,000)	-
Future income tax liability	<u>305,000</u>	<u>-</u>
	<u>472,300</u>	<u>52,450</u>

11. SEGMENTED INFORMATION

The Company operates in one reportable segment, the exploration and development of unproven mineral resource interests. As at March 31, 2011 the Company's mineral resource interests are located in Canada and Mexico and its corporate assets are located in Canada. The Company is in the exploration stage and has no reportable segment revenues or operating results.

	2011		
	Canada \$	Mexico \$	Total \$
Current assets	880,307	30,895	911,202
Reclamation bonds	19,531	-	19,531
Equipment	3,345	-	3,345
Mineral properties and deferred costs	<u>4,972,000</u>	<u>111,160</u>	<u>5,083,160</u>
	<u>5,875,183</u>	<u>142,055</u>	<u>6,017,238</u>

As at March 31, 2010 all of the Company's mineral resource interests and corporate assets were located in Canada.

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Value of Financial Instruments

Section 3862, *Financial Instruments - Disclosures*, requires enhanced disclosure of financial instrument fair value measurements and liquidity risks. Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

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

Financial instruments measured at fair value on the consolidated balance sheet are summarized in levels of fair value hierarchy as follows:

	Level 1 \$	Level 2 \$	Level 3 \$
Cash	833,472	-	-
Reclamation bonds	-	19,531	-
	<u>833,472</u>	<u>19,531</u>	<u>-</u>

During fiscal 2011 there were no transfers between Level 1, Level 2 and Level 3 classified assets and liabilities.

The carrying value of amounts receivable and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial Risk Factors

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

Credit Risk

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

Liquidity Risk

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

Market Risk

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

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest Rate Risk

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

Foreign Currency Risk

The Company has operations in Canada and Mexico subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian Dollars, Mexican Pesos and US Dollars, and the fluctuation of the Canadian dollar in relation to these other currencies will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At March 31, 2011, 1 Canadian Dollar was equal to 12.267 Mexican Pesos and 1.029 US Dollars.

Balances are as follows:

	Mexican Pesos	US Dollars	CDN \$ Equivalent
Cash	238,307	183,253	197,511
Amounts receivable	140,696	-	11,469
Accounts payable and accrued liabilities	<u>(103,996)</u>	<u>(16,000)</u>	<u>(24,026)</u>
	<u>275,007</u>	<u>167,253</u>	<u>184,954</u>

Based on the net exposures as of March 31, 2011 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the Mexican Peso and US Dollar would result in an increase or decrease of approximately \$18,000.

13. CAPITAL MANAGEMENT

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

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

ASTRAL MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

14. SUBSEQUENT EVENTS

- (a) Subsequent to March 31, 2011 the Company completed a non-brokered private placement of 1,430,000 units, at a price of \$0.21 per unit for gross proceeds of \$300,300. Each unit comprised one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share exercisable for three years at a price of \$0.30 per common share. The Company paid finders' fees totalling \$4,300 cash. Directors and officers of the Company purchased 641,953 units for \$134,810. As at March 31, 2011 the Company had received \$137,480 on account of the private placement.
- (b) Subsequent to March 31, 2011 the Company paid \$15,000 and issued 4,000 common shares and acquired a 100% interest in the Blueberry Claims.
- (c) On April 4, 2011 the Company entered into an agreement whereby the Company has been granted an option to acquire a 100% undivided interest in nine concessions (the "San Juan Property"), comprising approximately 1,843 hectares located in Sinaloa State, Mexico. In order to earn the interest in the San Juan Property the Company is required to make semi-annual cash payments totalling US \$500,000 (US \$5,000 paid) by March 18, 2016. Upon exercise of the option the vendor will retain a 0.5% NSR, which the Company may purchase for US \$400,000.
- (d) Stock options to purchase 200,000 common shares of the Company expired on June 8, 2011 without exercise.
- (e) Subsequent to March 31, 2011 the Company paid the US \$45,000 option payment for Los Crestones Property which was due on July 12, 2011.
- (f) See also Note 5(a)(iv).

SCHEDULE I

ASTRAL MINING CORPORATION
CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES AND DEFERRED COSTS
FOR THE YEARS ENDED MARCH 31

	2011				2010	
	Jumping Josephine Project \$	Honeymoon Claims \$	Barriere Ridge Claims \$	Los Crestones Property \$	Total \$	Total \$
BALANCE - BEGINNING OF YEAR	3,741,171	-	-	-	3,741,171	3,115,889
EXPENDITURES DURING THE YEAR						
EXPLORATION COSTS						
Assays	114,469	496	-	9,877	124,842	116,164
Drilling	408,520	-	-	-	408,520	-
Geophysics	15,760	-	-	-	15,760	357,502
Metallurgy	-	-	-	-	-	18,015
Office and other	19,763	-	-	411	20,174	19,224
Reclamation work/environmental	23,550	-	-	1,645	25,195	11,518
Road building and trenching	14,240	-	-	-	14,240	8,600
Salaries and contractors	199,381	10,034	5,494	42,900	257,809	64,100
Soil sampling	-	-	-	-	-	120,279
Supplies and equipment	9,100	-	-	438	9,538	1,528
Surveying	-	-	-	-	-	6,943
Transportation	43,786	288	848	4,972	49,894	7,194
Recoveries	(158,661)	-	-	-	(158,661)	(202,197)
	<u>689,908</u>	<u>10,818</u>	<u>6,342</u>	<u>60,243</u>	<u>767,311</u>	<u>528,870</u>
ACQUISITION COSTS						
Option payments	466,800	14,000	11,500	50,917	543,217	80,650
Claim maintenance fees	24,664	5,823	974	-	31,461	15,762
	<u>491,464</u>	<u>19,823</u>	<u>12,474</u>	<u>50,917</u>	<u>574,678</u>	<u>96,412</u>
BALANCE BEFORE WRITE-OFF	4,922,543	30,641	18,816	111,160	5,083,160	3,741,171
WRITE-OFF OF MINERAL PROPERTIES	-	-	-	-	-	-
BALANCE - END OF YEAR	<u><u>4,922,543</u></u>	<u><u>30,641</u></u>	<u><u>18,816</u></u>	<u><u>111,160</u></u>	<u><u>5,083,160</u></u>	<u><u>3,741,171</u></u>