

ASTRAL MINING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MARCH 31, 2011

Introduction

The following management discussion and analysis and financial review, prepared as at July 22, 2011, should be read in conjunction with the audited interim consolidated financial statements and related notes for the years ended March 31, 2011 and 2010 of Astral Mining Corporation (“Astral” or the “Company”). The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars. Additional information relevant to the Company can be found on the SEDAR website at www.sedar.com.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Company Overview

The Company was incorporated under the Company Act (British Columbia) on February 12, 2004 and was transitioned under the Business Corporations Act (British Columbia) on November 1, 2004. The Company completed its initial public offering, and on March 1, 2006, commenced trading on the TSX Venture Exchange (“TSXV”). On March 26, 2009 the Company completed a consolidation of its share capital on a one new for ten old basis. The Company’s trading symbol is “AA”. The Company is a reporting issuer in British Columbia, Alberta and Ontario.

The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company’s mineral property interests are currently located in Canada and Mexico. As of the date of this MD&A, the Company has not earned any production revenue, nor found any proved reserves on any of its properties.

Exploration Projects

Jumping Josephine Project, British Columbia

The “Jumping Josephine Project” is composed of 82 mineral claims acquired as four discrete, contiguous groups by option agreements dated between April 2006 and March 2010. The entire property covers 37,007Ha and measures some 29km x 25km at its’ widest point. The block’s easternmost extent is located 3km west of the city of Castlegar in Southern British Columbia. The property is bisected by the east-west Highway 3. The property size was reduced in late 2010 by 6,294Ha in 15 claims “CP Midas claims” due to Astral opting out of an amended option agreement with Kootenay Gold. The parties are negotiating a joint venture agreement on the core Jumping Josephine claims as discussed below. Two additional claims for 187Ha “Astral CP claims” were forfeited in early 2011.

Astral controls seven crown-granted claims covering of 91.9Ha which also form part of the project. Pre-existing crown-granted mineral claims not controlled by Astral are located within the perimeter of the Jumping Josephine property and form part of the historical Granville Mountain camp to cover approximately 385Ha. When taken into account, these claims bring the effective area of the combined Jumping Josephine claim group to 36,622Ha.

Component claim groups within the Jumping Josephine Project were added at different stages but share common boundaries, forming one large property and Astral has completed or is nearing completion of its obligations on many of these groups. For convenience and to avoid confusion, the agreements are grouped into two sub-categories, the “Joint Venture Properties” (Jumping Josephine and formerly the CP Midas groups) and the “Astral Properties”

(Blueberry, Ridge, Columbia Rossland and formerly Astral CP claim groups). The Joint Venture Properties consists of the original core of 24 Jumping Josephine Claims and formerly included the CP Midas claim group which Kootenay was to transfer to Astral upon fulfillment of an amended Jumping Josephine option agreement. Late in 2010 Astral elected not to continue with the option agreement to earn Kootenay's 40% share of the core 24 claims and 100% of the CP Midas claims and the project reverted to a 60/40 Joint Venture, with the details of the arrangement currently being negotiated. The CP Midas claims remain 100% controlled by Kootenay Gold. The Astral Properties includes groups of claims acquired by Astral from parties other than Kootenay Gold.

Joint Venture Properties

Jumping Josephine, British Columbia

In 2006 the Company entered into an option agreement with Kootenay Gold Inc. ("Kootenay Gold") and the Company has now earned a 60% undivided interest in the 11,667 hectare Jumping Josephine Claims located in the Nelson Mining Division of southern British Columbia. The Jumping Josephine Claims straddles Highway 3, north of the town of Rossland and west of Castlegar.

Astral and Kootenay Gold subsequently entered into an option agreement dated December 14, 2009 whereby Astral had the right to earn the remaining 40% interest in the Jumping Josephine Claims from Kootenay Gold. The agreement stated that in exchange for the right to increase its interest to 100%, Astral must, subject to TSXV approval, issue 4,000,000 shares of Astral to Kootenay Gold and incur \$2,000,000 in exploration expenditure over a two year period. Kootenay Gold also agreed to include as part of the option agreement a 61.04km² property ("CP Midas Property") contiguous with the Jumping Josephine Claims. The claims were subject to a 1% NSR royalty and upon any portion of the property going into production would trigger the issue of an additional 400,000 shares of Astral to Kootenay Gold. In June 2010 the Company received TSXV final approval and issued a total of 1,500,000 common shares to Kootenay Gold. Astral completed the first year's obligations under this agreement but based on disappointing results from extension drilling, elected to revert to a 60/40 joint venture arrangement with Kootenay. Astral informed Kootenay Gold of this decision and negotiations are underway as to the terms of the final JV agreement.

The JJ Main Zone represents the most advanced showing on the claims and comprises structurally-controlled quartz stockwork veining now intersected by drilling over a strike length of 2.25km and to vertical depths of up to 240m. Current information indicates the JJ Main Gold Zone has an estimated maximum true width of 12.6m as evidenced by Hole 13. Infill aeromagnetics, geological mapping and surface geochemistry had suggested the host structure for JJ Main's mineralized stockwork could extend for over three kilometres. Recent drilling intersections support this idea, quartz stockwork veining carrying anomalous gold values has been intersected along the trend over a length of 2.25km. In addition, drilling has also encountered mineralization possibly representing a parallel zone hidden under an area of no outcrop.

The Company completed two phases of drilling in 2007. The Phase I drill program started in the spring of 2007 and targeted JJ Main (20 holes for 1,431m), Bonanza Pass (2 holes for 643m) and Albion-Dubrovnik areas (9 holes for 553m). The Phase II drill program comprised 5,101m in 38 holes on the JJ Main Gold Zone. In 2008 the Company carried out a 34-hole 5,071m drill program and conducted a 40 line km 3D-IP survey as well as carrying out geological mapping and trenching.

Infill drilling at JJ Main in 2008 comprised 30 HQ diamond drill holes (08JD070-100, 08JD091 abandoned) for a total of 3,632.49m; all holes intersected quartz stockwork veining within and below the known JJ Main stockwork zone. The 2008 drilling provides better definition to the mineralized zone delineated in 2007 with significant assays including 4m grading 21.04 g/t gold from Hole 08JD092. Drilled intercept density within the higher-grade mineralized shoot underneath the surface discovery zone is now approximately 20m x 20m.

Other drilling completed in 2008 included testing of two selected IP chargeability anomalies (2 holes for 893.59m) and further work along trend (2 holes for 545.73m). Independent 43-101 reports detailing work on the Jumping Josephine Claims up to the end of 2009 have been completed by Apex Geoscience and are posted on SEDAR (www.sedar.com).

A multi-stage exploration program was recommended in the July 2009 43-101 report by Apex Geoscience, referred to above and much of the work was carried out during the 2009 field season. Phase IA included prospecting, stream sediment sampling and a large regional 5,000 point soil program over much of the northern part of the JJ Property.

The program was designed to identify gold and arsenic soil anomalies related to JJ Main type gold-bearing structures with associated arsenopyrite mineralization. Phase 1B included 136m of trenching at the Highway showing, located 1.5km southwest of the drilling carried out to date along the JJ Main structure. Details of the work are included in the Apex Geoscience updated 43-101 report, dated July 14, 2009 posted on SEDAR (www.sedar.com).

Astral's 2010 exploration program included a total of 644m of trenching at the Hillside (211m), Highway (222m), Big Sheep (165m) and Siren (46m) showings. Weakly anomalous results were returned from most trenches. Astral completed an additional 31 diamond drill holes for a total of 5054m during summer 2010. The program aimed to test for extensions and/or parallel mineralized zones at the JJ Main prospect. Three holes for 531m were drilled at the Big Sheep prospect area roughly 4.3km southwest of the JJ Main showing for no significant results. In addition, a late fall drilling program comprising five holes for 520m was completed in the newly identified Cedar zone prospect, a potential parallel zone of mineralization roughly 250m northwest of the JJ Main showing. Completed in December 2010, these holes were logged and analysed in early 2011.

Summer drilling in 2010 identified extensions of the JJ Main structure, which may be projected from JJ Main to the Highway showing, a total length of 2.25km. Results from the step out drilling were anomalous although high grade shoots such as the core of the JJ Main zone were not encountered. Best values from the 2010 drilling at JJ Main include 13.21m averaging 0.57g/t Au. Summer drilling also targeted a potential parallel zone 250m northwest of the JJ Main and returned best drill results of 0.5m averaging 2.90g/t Au and 1.73m averaging 1.60g/t from an area of no outcrop known as the "Cedar Zone". Drilling during late fall of that year at Cedar returned elevated silver concentrations compared to comparable intercepts from the JJ Main Zone. Best results from the late drilling included 1m averaging 3.17g/t Au and 138g/t Ag and 1.2m averaging 3.39g/t Au and 284g/t Ag.

An application for bulk testing at the JJ Main Discovery Zone has been granted provisional approval pending the nomination of a suitably licensed ore treatment facility. The extraction of up to a 10,000 tonne bulk sample will provide a reconciled head grade for JJ Main Zone, useful in determining the effectiveness of assay methods where coarse gold is present. The Company has also completed a preliminary metallurgical test program on samples from JJ Main to assess the amenability of the mineralized material to modern processing methods. The results of this testwork were favourable, giving an initial indication that the JJ mineralised material would be amenable to a gravity/leach processing stream.

An infill and extension aeromagnetic and EM survey was completed over the greater JJ area. The 2,751 line kilometre helicopter borne survey was conducted by Aeroquest International Limited and complements earlier work done by Astral on the Jumping Josephine Claims and Kootenay Gold on the CP Midas claims. The new survey data has been merged with existing data and reprocessed.

In June 2011 Astral reported a gold resource for the core JJ Main discovery area. Apex Geoscience of Edmonton, Alberta completed a 43-101 compliant resource calculation on a 400m long portion of the mineralized zone at JJ Main. The resulting report was filed with SEDAR and is available on Astral's website. Apex calculated the current resource at 363,000 tonnes averaging 2.95g/t Au for 34,000 ounces **indicated category** and 448,000 tonnes averaging 2.08g/t Au for 30,000 ounces Au **inferred category**. The report dated June 24, 2011 is the most recent technical report on JJ and is posted on SEDAR (www.sedar.com).

All drill core samples from Astral's programs were from NQ or HQ diameter core halved by diamond saw. Given the occurrence of visible gold often observed in the mineralized zone, a large 1,000 gram portion of each pulverized sample was analyzed for gold by the Screen Fire assay method. All reported analyses from 2007-09 were carried out by ALS Chemex in North Vancouver B.C. ALS-Chemex is an internationally-recognized analytical service provider compliant with ISO 9001:2000 for the provision of assay and geochemical services. The Vancouver laboratory has also been accredited to ISO 17025 standards for specific laboratory procedures by the Standards Council of Canada. The 2010 analytical work was completed by Eco-Tech Laboratory Ltd, owned by The Stewart Group Global and fully accredited to ISO 9001-2008 and is currently working towards 17025 accreditation. In addition to laboratory standards, the Company has included independently prepared standards into the sample sequence to assure proper quality assurance/quality control (QA/QC).

The exploration work at the Jumping Josephine Claims was completed under the supervision of the Company's V.P. Exploration, Dale Brittliffe, B.Sc., P.Geo. a Qualified Person as defined in National Instrument 43-101 (a "Qualified Person").

Astral Properties

Blueberry Property, British Columbia

On July 4, 2007 the Company entered into an agreement with Mineworks Ventures Inc. (“Mineworks”), a private Canadian company, to acquire a 100% interest in the 7,000 hectare Blueberry property located immediately east of the JJ Property. The Agreement was amended on June 8, 2009. The property is considered strategic due to its location. A total of 313 soil samples and 37 stream silt samples were collected on the Blueberry property during summer 2009. Soil sampling identified the Siren area on the southernmost line with maximum gold in soil value of 0.55 grams per tonne. Silts returned several anomalous values including a high of 0.535 grams per tonne gold. Surface work completed in 2010 included two small trenches for a total of 50m and no significant results in addition to infill and extension soil sampling and rock grab sampling. Recent logging activities in the Siren area have exposed additional faces and follow-up sampling is yet to be returned and compiled by Astral.

During 2010 the Siren prospect area saw additional soil sampling and limited trenching. A total of eight trench samples were collected for no significant results. No strong geochemical response was returned from the additional work though many of the component claims are considered strategic due to proximity to known mineralization.

Astral has now earned the right to 100% of all of the groups comprising the Astral Properties. At the time of writing titles to the Blueberry group of claims have not been transferred into Astral’s name. Final payments have been made and the vendor is expected to transfer ownership shortly. Mineworks retains a 2.5% NSR. The Company has the right to purchase 2.0% of the NSR for a total of \$2 million.

Columbia-Rossland Property, British Columbia

On June 20, 2008 the Company announced it entered into an agreement with Mineworks to acquire a 100% interest in mineral claims known as the Columbia-Rossland claims. The claims consist of 15,000 hectares and are adjacent to the Company’s Blueberry and Jumping Josephine claims.

During the summer of 2009 the company collected 481 stream silt samples from streams on the Columbia-Rossland claims. Major drainages were targeted due to the large size of the property. A maximum value of 0.23 grams per tonne was returned from the Columbia Rossland Claims. Anomalous zones in both Blueberry and Columbia-Rossland warranted follow up work during the 2010 field season. Details of the silt sampling program are contained within the Apex Geoscience 43-101 report dated March 29, 2010, available on SEDAR (www.sedar.com).

During the 2010 field season Astral conducted 53 contour soil samples in areas close to anomalous stream sediment samples. No significant results came from these soil samples.

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

Ridge Property, British Columbia

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

The Ridge claims are considered strategic due to their location.

Honeymoon Property, British Columbia

On November 12, 2010, Astral signed an Option Agreement giving the right to acquire a 100% controlling interest in the Honeymoon Property, located 85km northeast of Kamloops, southern British Columbia. The claim group consists of 41 BC Mineral claims totalling 18,761 hectares and is situated on the western side of Adams Lake. To earn a 100% interest in the Honeymoon Property, Astral must issue 300,000 common shares, make cash payments

totaling \$135,000 in increments over five years and incur exploration expenditures of \$1,000,000 over 4 years. The vendor will retain a 0.5% NSR which may be purchased in its entirety at any time by Astral for \$1,500,000.

The Honeymoon Property is within the Kootenay Terrane, underlain by rocks of the Palaeozoic Eagle Bay Assemblage and intruded by phases of the mid-cretaceous Baldy Batholith. The property contains numerous mineralized showings, soil geochemical anomalies and limited historical trenching and drilling. Parts of the property were optioned by Teck Corporation in May 1999. Exploration during that year targeted a large vein system exposed at the Cam Gloria showing which returned best trench results of 2m averaging 9.26 g/t Au and diamond drill results including 1m grading 9.57 g/t Au and 128.4 g/t Ag (BC Assessment report No 26215).

Astral is compiling all publicly available data and additional geochemical data provided by the vendor in order to plan exploration activities for fall 2011.

Barriere Ridge, British Columbia

On January 27, 2011, Astral signed a Letter of Intent giving it the right to a three month exclusive due diligence period on the Barriere Ridge Property, southern British Columbia. Following a desktop study and data compilation Astral signed an option agreement on March 2, 2011. By the terms of the option agreement, Astral has the right to acquire a 100% controlling interest in the Barriere Ridge Property, 80km northeast of Kamloops, southern British Columbia. The claim group consists of 20 BC Mineral claims totalling 8,308 hectares and is situated between North and East Barriere Lakes. To earn a 100% interest in the Barriere Ridge Property, Astral must issue 300,000 common shares, make cash payments totaling \$70,000 in increments over five years and incur exploration expenditures of \$1,000,000 over five years. The vendor will retain a 0.5% NSR which may be purchased in its entirety at any time by Astral for \$1,500,000.

The property is underlain by Eagle Bay Assemblage rocks and is prospective for polymetallic Ag-Pb-Zn veins and VMS mineralization. Historical showings within the project boundaries returned significant silver and lead anomalism. A small crown granted claim remains on the property, "White Rock" Minfile#082M066 was the focus of prospecting and drilling in the past. Once composed of 9 connected 2-post claims, the property is now reduced to approximately 18ha in a single crown granted claim held by a third party. The "Silver Minnow" Minfile#082M069 was the subject of a field visit by government geologists in 1925 and was described in that year's Report of the Minister of Mines. Reported mineralization was veining within altered limestones of the Eagle Bay Assemblage rocks and a galena rich vein returned 0.61m averaging 50% Pb, 925.7 g/t Ag and 0.69g/t Au. This particular showing has been lost though the expected location sits within a broad anomalous trend to be covered by systematic exploration through the area. A program of surface geochemistry and geophysics is being planned and will cover the main trends in the vicinity.

Los Crestones, Mexico

The 4,196 hectare Los Crestones Property is located within the prolific Sierra Madre gold-silver belt 100km north of the Sinaloa state capital, Culiacan, Mexico. Never drilled, the property hosts numerous mineralized showings and small scale workings and is prospective for vein and breccia-hosted low sulphidation epithermal gold and silver. In December 2010 Astral signed a Letter of Intent with the claim owners whereby it can earn 100% of the property for a total of US \$750,000 in bi-annual, staged payments. On completion, the owners will retain a 0.5% NSR royalty purchasable at any time by the Company for US \$400,000.

In November 2010 Astral geologists visited the property and collected a total of 18 representative chip samples from exposed veins and historical workings. Encouraging results include 1m grading 26.9g/t gold and 56g/t silver from sample #986104, 3m grading 13.7g/t gold from #986107 and up to 649g/t silver from a three metre chip sample #986116. Analytical results for all 18 samples are tabulated below; all are chip samples collected over representative widths from epithermal vein and breccia outcrops.

Mineralization at Los Crestones is observed in a series of north-south trending vein sets outcropping on both flanks of an east-west trending ridge in the southern half of the property. Three obvious veins have been identified to date. Astral has named these "Corona", "Bohemia" and "El Indio" and they are primary targets for initial exploration work. Veins and associated breccia zones are sub parallel, trending between 3450 and 3600 and dipping between 60-70 degrees to the east. Silicified breccia and vein material is often observed as erosion resistant ribs protruding from the hillside. Presently, the potential mineralized corridor is approximately 400m wide and close to 5km long

as evidenced by historical surface sampling data which indicate additional mineralized veins along the trend up to 1.3km south and 3.6km north of the main showings visited by Astral in 2010.

Early 2011 saw surface geochemistry, geological mapping and prospecting over the Los Crestones property. Six hundred and two soil samples were collected, returning spot highs of 2.17g/t Au, 22.3g/t Ag, 0.4% Cu, 0.19% Pb and 0.24% Zn. The soils were collected on 25m spaced stations on 14 lines 100m apart. Numerous multi-point anomalies were identified. Anomalies tend to define elongate north-south trending zones and display correlation with observed vein and breccia mineralization. Astral is conducting a staged exploration program for Los Crestones over the course of 2011.

Drill-pad and road construction permitting is ongoing and Astral hopes to be drill test the main targets in late summer 2011. Astral recognizes community involvement as key to exploration success at Los Crestones and is working with said communities to build a framework of cooperative agreement with local stakeholders.

Selected Financial Information

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

	Years Ended March 31,		
	2011 \$	2010 \$	2009 \$
Operations:			
Interest and other income	1,141	20,415	50,753
Net loss	(450,258)	(568,224)	(2,244,905)
Basic and diluted loss per share	(0.03)	(0.14)	(0.92)
Dividends per share	Nil	Nil	Nil
Balance Sheet:			
Working capital (deficiency)	733,925	(183,491)	108,193
Total assets	6,017,238	3,902,448	3,360,670
Total long-term liabilities	Nil	Nil	Nil

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

	Fiscal 2011				Fiscal 2010			
	Mar. 31 2011 \$	Dec. 31 2010 \$	Sep. 30 2010 \$	Jun. 30 2010 \$	Mar. 31 2010 \$	Dec. 31 2009 \$	Sep. 30 2009 \$	Jun. 30 2009 \$
Operations:								
Interest and other income	1,038	86	17	Nil	1,415	3,537	8,076	7,387
Net income (loss)	23,950	(139,349)	(201,977)	(132,882)	(105,604)	(199,362)	(163,077)	(100,181)
Basic and diluted income (loss) per share	(0.00)	(0.01)	(0.01)	(0.02)	(0.00)	(0.04)	(0.06)	(0.04)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital (deficiency)	733,925	337,074	555,917	637,826	(183,491)	(124,450)	(285,445)	8,607
Total assets	6,017,238	5,564,235	5,624,912	5,144,493	3,902,448	3,832,996	3,490,078	3,339,004
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended March 31, 2011 Compared to Three Months Ended March 31, 2010

During the three month period ended March 31, 2011 (the "2011 Quarter") the Company reported consolidated income of \$23,950 compared to a loss of \$105,604 for the three month period ended March 31, 2010 (the "2010 Quarter"), a decrease in loss of \$129,554. The decrease in loss in the 2011 Quarter was mainly due to a \$305,000 future income tax recovery recorded as a result of the application of future income tax assets against the future income tax liability which occurred as a result of the flow-through share tax renouncement in February 2011. The

Company did not have any future income tax amounts during the 2010 Quarter. The decrease in loss was partially offset by increases in:

- corporate development and investor relations of \$20,422;
- general exploration of \$15,504;
- professional fees of \$92,308; and
- stock-based compensation costs of \$35,567.

Year Ended March 31, 2011 Compared to Year Ended March 31, 2010

During the year ended March 31, 2011 (the “fiscal 2011”), the Company reported a consolidated loss of \$450,258 (\$0.03 per share), a decrease in loss of \$117,966, from the consolidated loss of \$568,224 (\$0.14 per share) for the year ended March 31, 2010 (the “fiscal 2010”). The decrease in loss in fiscal 2011 is primarily attributed to a \$305,000 future income tax recovery recorded as a result of the application of future income tax assets against the future income tax liability which occurred as a result of the flow-through share tax renouncement in February 2011. During fiscal 2011 the Company issued 5,447,000 flow-through common shares for gross proceeds of \$1,089,400. During fiscal 2010 the Company did not have equity financing of flow-through shares issuance.

Excluding stock-based compensation, the Company’s operating expenses for fiscal 2011 were \$601,683 compared to \$428,407 for fiscal 2010, an increase of \$173,276. Significant expenditures were incurred in the following categories:

- corporate development and investor relations expenses of \$103,105 were incurred during fiscal 2011 compared to \$44,534 during fiscal 2010, an increase of \$58,571. The increase experienced during fiscal 2011 was due to \$27,987 for media programs, \$35,756 for investor relations, and \$39,362 for shareholder communications costs due to an increase in the level of news dissemination of financings and exploration activities compared to fiscal 2010. During fiscal 2010 the Company incurred \$24,534 for shareholder communications costs, \$20,000 for investor relations and did not conduct any media programs;
- rent and office expenses of \$46,753 were incurred during fiscal 2011 compared to \$53,384 during fiscal 2010. The decrease in fiscal 2011 reflected the change in office premises;
- during fiscal 2011 the Company recorded a total of \$45,000 (2010 - \$35,000) for directors’ fees. As at March 31, 2011, \$52,000 was outstanding;
- general exploration costs of \$18,532 (2010 - \$32,198); and
- professional fees of \$156,088 were incurred during fiscal 2011 compared to \$39,963 during fiscal 2010, an increase of \$116,125. The main factors attributed to the increase were; (i) a decrease of \$8,021 in audit fees from \$31,074 for fiscal 2010 to \$23,053 for fiscal 2011; (ii) an increase of \$11,522 in legal fees from \$494 for fiscal 2010 to \$12,016 for fiscal 2011; and (iii) an increase of \$112,624 in professional fees from \$8,395 for fiscal 2010 to \$121,016 for fiscal 2011. The increase in legal fees and professional fees in fiscal 2011 was primarily due to increased level of reviewing, evaluating and acquiring projects.

During fiscal 2010 the Company recorded interest and other income of \$20,415 of which \$20,213 was from recoveries of administration costs related to property joint venture partner funding exploration programs. Interest income derived from cash held on deposits in fiscal 2011 was \$1,141 (2010 - \$202).

During fiscal 2011 the Company granted 938,500 (2010 - 535,195) stock options to its directors, employees and consultants and recorded a non-cash stock-based compensation expense of \$147,222 (2010 - \$152,337). The calculation is based on the fair value of stock options granted by the Company using the Black-Scholes option pricing model which uses estimates and assumptions. It does not necessarily provide a reliable measure of the fair value of the Company’s stock options.

During fiscal 2011 the Company issued a total of 1,607,500 common shares of the Company at a total ascribed value of \$472,300 for various properties.

During fiscal 2011 the Company incurred \$1,340,033 (2010 - \$827,479) of expenditures to the JJ Project. During fiscal 2011 the Company received \$158,661 British Columbia Mining Exploration Tax Credit. During fiscal 2010 the Company received \$202,197 from Kootenay Gold for its share of costs on the JJ Claims. During fiscal 2011 the Company incurred \$30,641 (2010 - \$nil) of expenditures on the Honeymoon claims, \$18,816 (2010 - \$nil) on the

Barriere Ridge claims and \$111,160 (2010 - \$nil) on the Los Crestones property. See "Exploration Projects" section above for further discussion.

During fiscal 2011 the Company completed private placements of 7,053,000 non-flow-through units and 5,447,000 flow-through units for total gross proceeds of \$2,500,000. A further \$15,000 was received from the exercise of stock options.

Financial Condition / Capital Resources

As at March 31, 2011, the Company had working capital of \$733,925, had not yet achieved profitable operations, had accumulated losses of \$5,031,265 since inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. For the ensuing year, the Company plans to focus its exploration activities on the Los Crestones Property and on the Jumping Josephine and nearby projects. The Company anticipates that it will need to raise further financings to enable it to continue with planned exploration activities, property payments and its ongoing corporate overhead requirements. In addition, exploration activities may change due to ongoing results and recommendations or the Company may acquire additional mineral properties, which may entail significant funding or exploration commitments. The Company has relied solely on equity financing to raise the requisite financial resources. While it has been successful in the past there can be no assurance that the Company will be successful in raising future financings should the need arise. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheet. The consolidated financial statements do not give effect to any adjustments that might be necessary if the Company were unable to meet its obligations or continue operations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

A detailed summary of all the Company's significant accounting policies is included in Note 2 to the March 31, 2011 audited consolidated financial statements.

Changes in Accounting Policies

Future Accounting Policies

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

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

Section 1582 replaces Section 1581, *Business Combinations*, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3, *Business Combinations*. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600, *Consolidated Financial Statements*. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, *Consolidated and Separate Financial Statements*, and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

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

International Financial Reporting Standards

In January 2006, the Canadian Accounting Standards Board adopted a strategic plan, which includes the decision to move financial reporting for Canadian publicly accountable enterprises to a single set of globally accepted high-quality standards, namely, International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board. The effective implementation date of the conversion from Canadian generally accepted accounting principles (“Canadian GAAP”) to IFRS is April 1, 2011, with an effective transition date of April 1, 2010 for financial statements prepared on a comparative basis.

At this point, the Company’s IT accounting and financial reporting systems are not expected to be significantly impacted. Further, the Company has in place internal and disclosure control procedures to ensure continued effectiveness during this transition period.

Based on the review undertaken, the Company believes that IFRS will have limited impact on its current financial position. At the same time, IFRS will likely require more extensive disclosure and analysis of balances and transactions in the notes to the financial statements. The specific accounting areas the Company has focused its analysis on are outlined below together with the more salient issues under each area.

Key Area	Canadian GAAP (as currently applied)	IFRS	Analysis and Preliminary Conclusions
Equipment	Equipment is recorded at historical cost.	Equipment can be recorded using the cost (on transition to IFRS, the fair value can be deemed to be the cost) or revaluation models.	Equipment will likely continue to be recorded at its historical cost due to the complexity and resources required to determine fair values on an annual basis.
	Depreciation is based on their useful lives after due estimation of their residual values.	Depreciation must be based on the useful lives of each significant component within equipment.	Based on an analysis of the equipment’s significant components and its useful life, it is unlikely that changes to their useful lives and, therefore, depreciation rates and expenses, will be required.
Mineral Resource Properties	Exploration, evaluation and development costs directly relating to unproven mineral interests are deferred until the mineral interest in which they relate is placed into production, sold or abandoned	IFRS has limited guidance with respect to these costs and currently allows exploration and evaluation costs to be either capitalized or expensed.	The existing accounting policy is likely to be maintained.
Asset Retirement Obligations (“ARO”)	Canadian GAAP limits the definition of ARO’s to legal obligations.	IFRS defines ARO’s as legal or constructive obligations.	The broadening of this definition is unlikely to cause a significant change in current estimates.
	ARO is calculated using a current credit-adjusted, risk-free rate for upward adjustments, and the original credit-adjusted, risk-free rate for downward revisions. The original liability is not adjusted for changes in current discount rates.	ARO is calculated using a current pre-tax discount rate (which reflects current market assessment of the time value of money and the risk specific to the liability) and is revised every reporting period to reflect changes in assumptions or discount rates.	No impact on the Company’s financial statements as there are no ARO amounts on transition.

Key Area	Canadian GAAP (as currently applied)	IFRS	Analysis and Preliminary Conclusions
Impairment of Long Lived Assets	Impairment tests of its long-term assets are considered annually based on indications of impairment.	Impairment tests of “cash generating units” are considered annually in the presence of indications of impairment.	Assets will continue to be grouped under the Company’s various mining operations. Currently, there are no indications of impairment and, therefore, no impairment test has been performed.
	Impairment tests are generally done on the basis of undiscounted future cash flows.	Impairment tests are generally carried out using the discounted future cash flow.	Impairment tests using discounted values could generate a greater likelihood of write downs in the future.
	Write-downs to net realizable values under an impairment test are permanent changes in the carrying value of assets.	Write downs to net realizable values under an impairment test can be reversed if the conditions of impairment cease to exist.	Potential significant volatility in earnings could arise as a result of the difference in the treatment of write-downs.
Stock-Based Compensation	Stock-based compensation is determined using fair value models (e.g. Black-Scholes) for equity-settled awards and the intrinsic model for cash-settled awards.	Stock-based compensation is determined using fair value models for all awards. However, upon settlement, cash-settled awards are adjusted to the value actually realized (intrinsic model).	The determination of the value of stock-based compensation for share appreciation rights and deferred share units, both cash-settled awards, will change and likely be more volatile under a Black-Scholes model until the awards are settled.
Income Taxes	There is no exemption from recognizing a deferred income tax for the initial recognition of an asset or liability in a transaction that is not a business combination. The carrying amount of the asset or liability acquired is adjusted for the amount of the deferred income tax recognized.	A deferred income tax is not recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction affects neither accounting profit nor taxable profit.	The Company does not expect the difference in recognition of deferred income tax to have any significant change in the future.
	All deferred income tax assets are recognized to the extent that it is “more likely than not” that the deferred income tax assets will be realized recognized.	A deferred tax asset is recognized if it is “probable” that it will be realized.	“Probable” in this context is not defined and does not necessarily mean “more likely than not”. The Company is in the final stages of quantifying the impact of this difference.

The above comments should not be considered as a complete list of changes that will result from the transition to IFRS as the Company’s analysis is still in progress and no final determinations have been made where choices of accounting policies are available. In addition, the accounting bodies responsible for issuing Canadian and IFRS accounting standards have significant ongoing projects that could impact the Company’s financial statements as at March 31, 2011 and in subsequent years, including projects regarding income taxes, financial instruments and joint venture accounting. In addition, there is an extractive industries project currently underway that will lead to more definitive guidance on the accounting for exploration and evaluation expenditures, but this is still in the discussion paper stage and may not be completed for some time. The Company is continuing to monitor the development of these projects and will assess their impact in the course of its transition process to IFRS.

Transactions with Related Parties

- (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 (March 31, 2010 - \$31,559) remained unpaid and is included in accounts payable and accrued liabilities.
- (f) During fiscal 2011 the Company completed a number of private placements under which certain directors and officers of the Company and family members purchased a total of 1,550,000 units for \$311,600. As at March 31, 2011, \$12,200 remained outstanding from the President of the Company. Subsequent to March 31, 2011 the amount was paid in full.

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

Risks and Uncertainties

The Company’s operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess.

Investor Relations Activities

On June 9, 2010 the Company entered into an investor relations agreement with AXINO AG (“AXINO”) to provide investor relations services and represent the Company in Europe. Under the terms of the agreement the Company agreed to pay AXINO EUR 7,500 on a quarterly basis commencing July 2010. The arrangement with AXINO was terminated in June 2011. During fiscal 2011 the Company paid \$30,756 to AXINO for investor relations services.

The Company also maintains a web site at www.astralmining.com.

Outstanding Share Data

The Company’s authorized share capital is unlimited common shares with no par value. As at July 22, 2011, there were 21,689,400 issued common shares and 1,090,695 stock options outstanding, at exercise prices ranging from

\$0.21 to \$0.38 per share, 17,284,149 warrants outstanding, at exercise prices ranging from \$0.25 to \$0.75 per share and a finder's option for 250,000 units at an exercise price of \$0.20 per unit.