

ASTRON RESOURCES CORPORATION
#804 – 750 West Pender Street
Vancouver, B.C.
V6C 2T7

MANAGEMENT DISCUSSION AND ANALYSIS

March 1, 2006

The following discussion and analysis should be read in conjunction with the Company's interim unaudited financial statements and the corresponding notes thereto for the quarter ended September 30, 2005. The interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Unless otherwise specified, all financial data is presented in Canadian dollars.

The Company was incorporated on June 16, 1999, under the Business Corporations Act of the Yukon as African Venture Corporation and changed its name to Astron Resources Corporation on July 23, 1999. The Company is classified as a "capital pool company" as defined in the TSX Venture Exchange (TSX-V). The Company was listed on the TSX-V on March 13, 2000 and was required to complete its Qualifying Transaction within eighteen months of listing. On October 4, 2002, trading of the Company's shares were suspended due to failing to complete its Qualifying Transaction within the eighteen months of listing. Effective February 18, 2004, the Company was transferred from the TSX-V to the NEX and re-instated for trading under the symbol, ARC.H.

Overall Performance

During the quarter the Company continued to investigate various projects as potential Qualifying Transactions.

Investment in Pak-It Technologies Inc.

On June 13, 2002 the Company announced that it signed a Letter of Intent ("LOI") dated June 3, 2002 with Pak-It Technologies Inc ("Pak-It") and a referral and introduction fee was payable to the finder.

On June 16, 2004, the Company and Pak-It Technologies Inc., executed a release and settlement agreement for the release of Pak-it's obligation under the terms of the Letter of Intent. As part of the consideration received by the Company for the release, the Company received its initial deposit advance of \$25,000 and 1,125,000 shares of Pak-It Technologies Inc., net 1,000,000 shares, after compensating a consulting firm with 125,000 shares as a consulting fee in assisting in negotiating and obtaining a positive settlement under the circumstances. In 2002, the Company had executed a Finder's Fee agreement for the referral and introduction of Pak-It Technologies Inc., to the Company. By an Amended Agreement on September 23, 2005, the Company and the Finder have settled the compensation under this finder's fee agreement by agreeing to make a cash payment of \$2,500 and transferring 100,000 shares of Pak-It Technologies Inc., to the Finder. In consideration, the Finder has given a full and unconditional release of the 2002 Finders' Fee agreement and September 23, 2005 Amended agreement. The 900,000 shares of Pak-It Technologies Inc. are recorded on the Company's Balance Sheet as an Investment of \$2,501.

Pak-It Technologies continues to work towards commercializing their packaging technology and are in discussions with prospective customers to consummate a purchase contract.

Performance

For the second quarter ended December 31, 2005, the Company incurred a net loss of \$12,078 (2004- loss of \$18,451). The reduced loss in the second quarter was mainly a result of a decrease in legal and accounting fees of \$5,846.

The company continues to employ its austerity program while it continues to investigate and complete a qualifying transaction. The Company intends to meet its obligations by advances from the directors and private placement financing.

Selected Annual Information

As at June 30

	2005	2004	2003
Administration expenses	\$ 46,867	\$ 29,172	\$ 41,013
Other (income)/expense items	-	-	186
Net loss for the year	46,867	24,072	40,827
Net loss per share	0.02	0.01	0.01
Total assets	61,576	4,312	30,016
Total liabilities	7,075	10,264	11,896

Results of Operations

Liquidity and Solvency

The accompanying interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its' assets and discharge its' liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its' ability to continue to raise adequate financing and to commence profitable operations in the future.

Quarter ending:	December 31, 2005	December 31, 2004
Deficit	\$ (425,488)	\$ (391,280)
Net Loss for the Period	\$ (12,078)	\$ (18,451)
Working capital (Deficiency)	\$ 33,274	\$ 69,925

Second Quarter Results

In the second quarter ended December 31, 2005, the Company incurred a net loss of \$12,078 (2004- loss of \$18,451). The Company's total general and administrative expenses in the quarter were \$12,078 as compare to \$18,451 in the same quarter in the previous year. The Company also eliminated its office rent expense and no longer incurs this overhead cost. The company's working capital position was \$33,274 as compared to a working capital of \$69,925 in the same quarter in the previous year.

The Company continues to employ its austerity program while it continues to search for a Qualifying Transactions.

Financings, Principal Purposes and Milestones

There were no financing activities in the second quarter.

For year end June 30, 2005

On August 16, 2004 the Company completed a private placement funding by issuing 1,600,000 shares at a price of \$0.06 for proceeds of \$96,000. The proceeds will be used to extinguish the Company's payables and for general working capital purposes.

On September 30, 2004 a director of the Company exercised 56,600 options at a price of \$0.20 for proceeds of \$11,320. The funds were placed in the general working capital of the Company.

Summary of Quarterly Results

	31Dec05	30 Sept05	30June05	31Mar05	31Dec04	30Sept04	30Jun04	31Mar04
Total revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss for the period	12,078	6,518	11,589	4,021	18,451	12,806	11,272	5,199
Loss per share	\$0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01

There were no changes in the accounting principles used in the current fiscal year to prepare the related financial information.

Related Party Transactions

There were no related party transactions in the period.

Other MD&A Requirements

Summary of shares issued and outstanding:

Authorized: Unlimited common shares, without par value

On February 18, 2004, the Company's common shares were listed for trading on the NEX under the symbol ARC.H.

Issued and outstanding:

	Number of shares	Amount
Balance, June 30, 2003 and 2004	2,678,000	\$ 354,072
Escrow shares cancelled	(1,078,000)	(107,800)
Private Placement	1,600,000	96,000
Exercise of stock option	<u>56,600</u>	<u>11,320</u>
Balance June 30 & Dec 31, 2005 & Mar 1, 2006	<u>3,256,600</u>	<u>\$ 353,592</u>

Summary of options outstanding: Nil

Warrants outstanding Nil

Shares held in escrow or subject to pool:

Held in Escrow 56,600

Investor Relations

The Company has not entered into any agreements for investor relations activities during or subsequent to the year.

List of Directors and Officers

Dwayne Yaretz – Director and CEO
Pat Deveaux – Director and CFO
Tom Kennedy – Director
Wayne Koshman – Director

Subsequent Events

There are no subsequent events

On Behalf of the Board of Directors
of ASTRON RESOURCES CORPORATION

“Dwayne Yaretz”

President

ASTRON RESOURCES CORPORATION

FINANCIAL STATEMENTS

Six Months Ended

December 31, 2005

(Un-audited and Prepared by Management)

In accordance with National Instrument 51-102 released by the Canadian Securities Administration, the Company discloses that its auditors have not reviewed these interim unaudited financial statements for the period ended December 31, 2005

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ASTRON RESOURCES CORPORATION
STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE SIX MONTHS ENDED DECEMBER 31

	Three Months Period Ended		Six Months Period Ended	
	Dec 31, 2005	Dec 31, 2004	Dec 31, 2005	Dec 31, 2004
REVENUE				
Interest	\$ -	\$ -	\$ -	\$ -
EXPENSES				
Amortization	10	-	20	72
Office and miscellaneous	763	1,373	869	2,065
Professional fees	4,661	10,507	9,110	21,149
Rent & Utilities	-	750	-	1,000
Shareholder communications	867	-	867	-
Transfer & Filing Fees	5,777	5,821	7,730	6,970
Total Expenses	12,078	18,451	18,597	31,256
Other Items:				
Net Loss for the Period	(12,078)	(18,451)	(18,597)	(31,256)
Deficit- beginning of the period	(413,410)	(372,829)	(406,891)	(360,024)
Deficit- end of the period	(425,488)	(391,280)	(425,488)	(391,280)
Loss per share	(\$ 0.01)	(\$ 0.01)	(\$ 0.01)	(\$ 0.01)

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

ASTRON RESOURCES CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31

	Three Months Period Ended		Six Months Period Ended	
	Dec 31, 2005	Dec 31, 2004	Dec 31, 2005	Dec 31, 2004
CASH FLOWS PROVIDED BY (USED IN):				
OPERATING ACTIVITIES:				
Net income (loss) for the period	(12,078)	(\$ 18,451)	(18,597)	(\$ 31,256)
Adjustments for items not involving cash:				
Amortization	10		20	72
Changes in non-cash working capital items				
(Increase) decrease in accounts receivable	152	459	(555)	(823)
Increase (decrease) in pre-paids	(228)	(615)	525	(615)
Increase (decrease) in accounts payable	(10,000)	(6,313)	(6,889)	(9,729)
Net cash used in operating activities	<u>(22,144)</u>	<u>(\$ 24,920)</u>	<u>(25,496)</u>	<u>(\$ 42,351)</u>
Investing Activities:				
Payment of finders fee	-	-	(2,500)	-
Financing Activities:				
-				
Issuance of Shares for Cash	-	-	-	107,320
Change in cash position during the period	<u>(22,144)</u>	<u>(\$ 24,920)</u>	<u>(27,996)</u>	<u>\$ 64,969</u>
CASH, BEGINNING OF PERIOD	53,677	93,611	59,529	3,722
CASH and CASH EQUIVALENTS, END OF PERIOD	<u>\$ 31,533</u>	<u>\$ 68,691</u>	<u>\$ 31,533</u>	<u>\$ 68,691</u>

Supplemental disclosure with respect to cash flows

There were no significant non-cash financing or investing activities for the period ended December 31, 2005.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated on June 16, 1999, under the Business Corporations Act of the Yukon as African Venture Corporation and changed its name to Astron Resources Corporation on July 23, 1999. The Company is classified as a Capital Pool Company ("CPC") as defined by the policies of the TSX Venture Exchange ("TSX-V"). The Company was listed on the TSX-V in August 1999 and is required to complete its Qualifying Transaction within eighteen months of listing. On October 4, 2002, trading of the Company's shares was suspended due to failing to complete its Qualifying Transactions within eighteen months of listing. Effective February 18, 2004, the Company was transferred from the TSX-V to the NEX and re-instated for trading.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an investment in properties, assets or businesses. Such an acquisition will be subject to shareholder and regulatory approval. In addition, the continuing operations of the Company are dependant upon its ability to continue to raise adequate financing in the future.

To date, the Company has not earned significant revenues and is considered to be in the development stage.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates.

Deferred acquisition costs

Costs such as legal, accounting, due diligence, sponsorship, finders fees and filing fees relating to potential business acquisitions are deferred and applied towards the cost of the acquisition when completed. Such costs are expensed if the potential acquisition is no longer considered viable by management.

Equipment

Computer equipment is recorded at cost. Amortization is calculated on a declining balance basis at a rate of 30% per annum.

Income taxes

The Company uses the asset and liability method of accounting for income taxes whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

ASTRON RESOURCES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED DECEMBER 31, 2005

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the years presented, this calculation proved to be anti-dilutive.

Loss per share is calculated using the weighted-average number of shares outstanding during the year.

3. INVESTMENTS

The Company holds 900,000 common shares of Pak-It Technologies Inc. ("Pak-It"), a private federally incorporated company, which are carried at a nominal value of \$2,501. The fair value of the shares is not determinable.

4. EQUIPMENT

	December 31 2005			June 30 2005		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 569	\$ 440	\$ 129	\$ 569	\$ 420	\$ 149

5. CAPITAL STOCK

Authorized

Unlimited common shares, without par value

	December 31, 2005		June 30, 2005	
	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning of period	3,256,600	\$ 461,392	2,678,000	\$ 354,072
Cancellation of Escrow shares			(1,078,000)	-
Issued for Private Placement			1,600,000	\$ 96,000
Issued for exercise of stock options			56,600	\$ 11,320
Balance at end of period	3,256,600	\$ 461,392	3,256,600	\$ 461,392

ASTRON RESOURCES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED DECEMBER 31, 2005

Stock options

The Company follows the policies of the TSX-V and NEX under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the policy, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

As at December 31, 2005, the following stock options were exercisable and outstanding:

	Number of Shares	Exercise Price	Expiry Date
Balance, June 30, 2004	127,564	\$ 0.20	September 30, 2004
Exercised	(56,600)	\$ 0.20	
Cancelled	<u>(70,964)</u>		
Balance June 30 & December 31, 2005	-		

In accordance with the rules for a CPC, any shares issued on the exercise of options held by directors and officers must be held in escrow until completion of the Company's Qualifying Transaction.

6. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

7. SEGMENTED INFORMATION

The Company currently conducts substantially all of its operations in Canada in one business segment.

8. SUBSEQUENT EVENT

The Company had no subsequent events to report