

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

MANAGEMENT DISCUSSION AND ANALYSIS

May 27, 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 March 31, 2006. 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" ("CPC") 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

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 \$1 since the market value of the PakIT shares is undeterminable.

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

Letter of Intent with Path Braodband Inc.,

On October 15, 2004 the Company announced that it had signed a Letter of Intent (the "LOI") dated August 30, 2004 with Path Broadband Inc., ("PATH"), a private company, pursuant to which the Company would acquire all of the issued and outstanding securities of PATH (the "Path Shares") in exchange for common shares in the capital of the Company. The acquisition of the Path Shares would represent a "Qualifying Transaction" (the "QT") in accordance with Exchange policy.

The terms of the transaction called for the Company to issue 9,400,000 common shares in the capital of the Company to be issued from treasury on the closing date to the shareholders of Path in exchange for all the common shares of Path

PATH is focused on providing broadband Internet services, targeted at the small office/home office (SOHO) market, homes that have multiple computers, and small-and medium-sized businesses. PATH delivers wireless broadband connectivity to our subscribers.

PATH provides high-speed, high-bandwidth, wireless Internet access and customized broadband content to its subscribers via a private, national Internet protocol (“IP”) network that the Company manages on an end-to-end basis to ensure peak performance. By utilizing multiple wireless broadband access technologies, including gigabit wireless and fibreless optical, PATH connects subscribers directly to its network.

Private Placement Funding: Both the Company and PATH acknowledge and agree that a private placement financing will be necessary to fund this transaction. It is the intent of the parties to do a private placement financing for proceeds of \$750,000 by the issuance of such number of common shares or units at a price to be determined by market conditions.

On November 11, 2004 the Company announced that it had terminated the Letter of Intent dated August 30, 2004 and would no longer be proceeding with the proposed arrangement with PATH.

Letter of Intent with 607792 British Columbia Ltd. (Pumpkin Hollow Copper Project)

On March 31, 2006 the Company announced that it had signed a Letter of Intent (the “LOI”) dated March 24, 2006 with 607792 British Columbia Ltd. (“607792 BC”), a British Columbia incorporated company, and its principal shareholders to confirm the essential terms and conditions of a proposed acquisition (the “Acquisition”) of 100% of the issued and outstanding shares of 607792 BC (the “607792 Shares”) from the shareholders of 607792 BC (the “Shareholders”) in exchange for 21,980,000 common shares of Astron (the “Transaction Shares”). Pursuant to an Option Agreement dated December 1, 2005, 607792 BC controls a 100% interest in a copper property in Nevada known as the Pumpkin Hollow Copper property, as more particularly described below, subject to satisfaction of certain payment and expenditure requirements.

The Parties have instructed their respective legal counsel to prepare a definitive purchase agreement containing the terms of the LOI containing representations and warranties, closing conditions and such other terms and agreements as are customarily contained in agreements of this nature which upon execution will replace and supersede the LOI.

Astron is defined as a “capital pool company” under the rules and policies (the “Policies”) of the TSX Venture Exchange (the “Exchange”). The Acquisition will represent Astron’s qualifying transaction (the “QT”) and is not a related party transaction under the Policies of the Exchange. All or a portion of the Transaction Shares to be issued to the Shareholders upon completion of the Acquisition may be subject resale restrictions and escrow requirements under applicable securities laws and the Policies of the Exchange, as applicable.

Working Capital Financing

On February 20, 2006, the Company announced a \$200,000 private placement (the “Working Capital Financing”) consisting of 1,000,000 common shares at a price of \$0.20 per share which will be used for working capital purposes and costs related to the Acquisition. the Company Astron wishes to announce that it has completed and closed the financing. The shares issued under the Working Capital Financing is subject to a hold period of four months until July 22, 2006.

Finder’s Fee

Subject to acceptance of the Exchange, in consideration for facilitating the Acquisition Pacific International Securities Inc. (“PCI”) will receive 300,000 common shares of the Company (the “Finder’s Fee Shares”) upon closing of the Acquisition. The Finder’s Fee Shares shall be subject to resale restrictions under applicable securities laws and the Policies of the Exchange, including a hold period of four months and a day from the date of issuance.

Private Placement totaling \$4,000,000

Subject to acceptance of the Exchange, it is contemplated that the Company intends to conduct a \$4,000,000 private placement (the "Acquisition Financing") on a brokered basis to be priced in accordance with the policies of the TSX Venture Exchange which is expected to close concurrent with the Acquisition. Upon the execution of an engagement letter with a brokering dealer, the Company will provide further details of such financing. The proceeds from the Acquisition Financing will be used in connection with the acquisition, exploration and development of the Pumpkin Hollow Copper property.

Closing Conditions for the Acquisition

Completion of the Acquisition is subject to a number of conditions including, without limitation: (a) completion of a due diligence review by each of the Company and 607792 BC, such reviews to be concluded within 10 business days following receipt of all requested due diligence materials by Astron or 607792, as applicable; (b) receipt of all approvals of the boards of directors of the Company and 607792 BC. and third party consents; (c) receipt by the Company of a technical report on the Pumpkin Hollow property in compliance with NI 43-101; (d) Exchange acceptance of the Acquisition, the Working Capital Financing and the Acquisition Financing; (e) approval of the Acquisition by a majority of minority shareholders of the Company by way of shareholder consents; (f) the Company meeting minimum listing requirements for a Tier 1 or Tier 2 issuer; and (g) certain other conditions. The Acquisition cannot close until and unless the Company has obtained the required shareholder approval for the Acquisition. There can be no assurance that the Acquisition will be completed as proposed or at all.

Description of Pumpkin Hollow Copper Project

The Pumpkin Hollow copper property is located 6 miles southeast of the well known Yerington open pit copper mine, in Lyon County, Nevada, some 50 miles southeast of Reno. The Pumpkin Hollow copper property covers 4.5 square miles (2,855 acres) of patented mining claims, private lands, and unpatented mining claims, and is 100% controlled by 607792 BC., subject to satisfaction of certain property payment obligations, royalties and exploration expenditure requirements.

U.S. Steel Corporation, Anaconda Corporation, Conoco Inc, Cyprus Metals Exploration Corporation and others carried out extensive drilling programs during the late 20th century at the Pumpkin Hollow copper property. Drilling data indicate potential for the discovery of copper-iron deposits in the district. There is also considered to be potential for defining smaller but much higher grade deposits which potentially could be mined by underground methods.

Private Placement by 607792 BC

607792 BC intends to undertake a non-brokered private placement to raise up to US\$600,000, to be used for general working capital purposes. The private placement is not a condition to completion of the Acquisition.

Principals of 607792 BC

The principal shareholders of 607792 BC are Brian Kirwin of Reno Nevada, Giulio Bonifacio of Vancouver, British Columbia, Joe Kircher of Reno, Nevada, and Foster Wilson of Reno, Nevada.

Overall Performance

For the nine months ended March 31, 2006, the Company incurred a net loss of \$42,924 as compared to the same quarter ended in the previous fiscal year of \$35,278. The increase in net loss was due primarily due to a write off of a settlement cost of \$2,500 paid to settle a finders fee agreement; increased accounting and legal fees related to the due diligence process for the Pumpkin Hollow Project. The Company had a deficit of \$449,815 at the end of the quarter ended March 31, 2006 (2005 – deficit of \$395,301).

The company's working capital position as of March 31, 2006 was \$211,454 as compared to a working capital of \$65,904 at the end of the same quarter in the previous fiscal year.

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:	March 31, 2006	March 31, 2005
Deficit	\$ (449,815)	\$ (395,301)
Net Loss for the Period	\$ (24,327)	\$ (4,472)
Working capital (Deficiency)	\$ 211,454	\$ 65,904

Third Quarter Results

For the third quarter ended March 31, 2006, the Company incurred a net loss of \$24,327 for the quarter (2005-loss of \$4,472). The increased net loss for the quarter was a result of a write off of a settlement cost of \$2,500 paid to settle a finders fee agreement; increased accounting and legal fees of \$19,178 (2005 – \$1,250) related to the due diligence process for the Pumpkin Hollow Project.

The Company's total general and administrative expenses in the quarter were \$21,827 as compare to \$4,472 in the same quarter in the previous year. The increased General and Administration expenses was a result of a write off of a settlement cost of \$2,500 paid to settle a finders fee agreement; increased accounting and legal fees of \$17,928 related to the negotiation and due diligence process for the Pumpkin Hollow Project.

Financings, Principal Purposes and Milestones

During the quarter ended March 31, 2006:

The Company completed a private placement of 1,000,000 common shares at a price of \$0.20 per share for gross proceeds of \$200,000. The funds were placed in the general working capital of the Company.

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.

The Company continues to finance its activities from private placements and advances from directors.

Summary of Quarterly Results

	<u>31Mar06</u>	<u>31Dec05</u>	<u>30 Sept05</u>	<u>30June05</u>	<u>31Mar05</u>	<u>31Dec04</u>	<u>30Sept04</u>	<u>30Jun04</u>
Total revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss for the period	24,327	12,078	6,518	11,589	4,021	18,451	12,806	11,272
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	Contributed Surplus
Authorized			
Unlimited common shares, without par value			
Issued			
As at June 30, 2003 and 2004	2,678,000	\$ 354,072	\$ -
Cancellation of escrow shares	(1,078,000)	(107,800)	107,800
Issued for private placement	1,600,000	96,000	-
Issued for exercise of stock options	<u>56,600</u>	<u>11,320</u>	<u>-</u>
As at June 30, 2005	3,256,600	\$ 353,592	\$ 107,800
Issued for private placement	<u>1,000,000</u>	<u>200,000</u>	<u>-</u>
Balance Mar 31/ 06 & May 17/ 06	<u>4,256,600</u>	<u>\$ 553,592</u>	<u>\$ 107,800</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

* Members of the Audit Committee

Subsequent Events

The Company executed an Amending Agreement to amend the Letter of Intent (LOI) dated March 24, 2006, for the purpose of converting the Letter of Intent to the definitive agreement with the same terms and conditions of the LOI.

The Company, executed an Engagement Letter with Pacific International Securities Inc. (PI) for the purpose of retaining PI to provide the Company with a brokered best efforts private placement for gross proceeds of \$4,000,000 to close concurrent to the closing of the Company's qualifying transaction with 607792 British Columbia Ltd.

The Company continues the process of its due diligence and obtaining all the necessary documentation to complete the Filing Statement for approval of its Qualifying Transaction to acquire all the outstanding shares of 607792 British Columbia Ltd. The Company will require the approval of the Acquisition by a majority of minority shareholders of the Company by way of shareholder consents.

On Behalf of the Board of Directors
of ASTRON RESOURCES CORPORATION

"Dwayne Yaretz"

President

ASTRON RESOURCES CORPORATION

FINANCIAL STATEMENTS

Nine Months Ended

March 31, 2006

(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 March 31, 2006

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ASTRON RESOURCES CORPORATION
STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE NINE MONTHS ENDED MARCH 31

	Three Months Period Ended		Nine Months Period Ended	
	March 31, 2006	March 31, 2005	March 31, 2006	March 31, 2005
EXPENSES				
Amortization	7	-	27	72
Office and Miscellaneous	131	-	999	1,614
Professional fees	19,178	1,250	28,289	22,399
Rent & Utilities		500		1,500
Shareholder Communications			867	
Transfer & Filing Fees	2,146	2,722	9,877	9,693
Telephone	365	-	365	
Total Expenses	<u>\$ 21,827</u>	<u>\$ 4,472</u>	<u>\$ 42,924</u>	<u>\$ 35,278</u>
Other Items:				
Add: Settlement Cost	2,500	-	2,500	-
Deduct: Expense recovered		451	-	-
Net Loss for the Period	<u>(\$ 24,327)</u>	<u>(\$ 4,021)</u>	<u>(\$ 42,924)</u>	<u>(\$ 35,278)</u>
Deficit- beginning of the period	<u>(425,488)</u>	<u>(391,280)</u>	<u>(406,891)</u>	<u>(360,023)</u>
Deficit- end of the period	<u>(\$ 449,815)</u>	<u>(\$ 395,301)</u>	<u>(\$ 449,815)</u>	<u>(\$ 395,301)</u>
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 NINE MONTHS ENDED MARCH 31

	Three Months Period Ended		Nine Months Period Ended	
	<u>March 31, 2006</u>	<u>March 31, 2005</u>	<u>March 31, 2006</u>	<u>March 31, 2005</u>
CASH FLOWS PROVIDED BY (USED IN):				
OPERATING ACTIVITIES:				
Net income (loss) for the period	(\$ 24,327)	(\$ 4,021)	(\$ 42,924)	(\$ 35,278)
Adjustments for items not involving cash:				
Write-off settlement cost	2,500			
Amortization	7		27	72
Changes in non-cash working capital items				
(Increase) decrease in accounts receivable	(114)	863	(668)	40
Increase (decrease) in pre-pays	670		1,194	(615)
Increase (decrease) in accounts payable	12,594	15	5,705	(9,713)
Net cash used in operating activities	<u>(\$ 8,670)</u>	<u>(\$ 3,143)</u>	<u>(\$ 36,666)</u>	<u>(\$ 45,494)</u>
Investing Activities:				
Financing Activities:				
Issuance of shares for cash	200,000	-	200,000	107,320
Change in cash position during the period	<u>\$ 191,330</u>	<u>(\$ 3,143)</u>	<u>\$ 163,334</u>	<u>\$ 61,826</u>
CASH, BEGINNING OF PERIOD	31,533	68,691	59,529	3,722
CASH and CASH EQUIVALENTS, END OF PERIOD	<u>\$ 222,863</u>	<u>\$ 65,548</u>	<u>\$ 222,863</u>	<u>\$ 65,548</u>

Supplemental disclosure with respect to cash flows

There were no significant non-cash financing or investing activities for the period ended March 31, 2006.

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, 2003, 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.

Acquisition of Pumpkin Copper Project

On March 31, 2006, the Company announced that it had signed a Letter of Intent (the "LOI") dated March 24, 2006 with 607792 British Columbia Ltd. ("607792 BC"), a British Columbia incorporated company, and its principal shareholders to confirm the essential terms and conditions of a proposed acquisition (the "Acquisition") of 100% of the issued and outstanding shares of 607792 BC (the "607792 Shares") from the shareholders of 607792 BC (the "Shareholders") in exchange for 21,980,000 common shares of Astron (the "Transaction Shares"). Pursuant to an Option Agreement dated December 1, 2005, 607792 BC controls a 100% interest in a copper property in Nevada known as the Pumpkin Hollow Copper property, as more particularly described below, subject to satisfaction of certain payment and expenditure requirements.

The Acquisition will represent the Company's qualifying transaction (the "QT") and is not a related party transaction under the Policies of the Exchange. All or a portion of the Transaction Shares to be issued to the Shareholders upon completion of the Acquisition may be subject resale restrictions and escrow requirements under applicable securities laws and the Policies of the Exchange, as applicable.

Working Capital Financing

In March the Company completed a \$200,000 private placement (the "Working Capital Financing") consisting of 1,000,000 common shares at a price of \$0.20 per share which will be used for working capital purposes and costs related to the Acquisition. The shares issued under the Working Capital Financing is subject to a hold period of four months until July 22, 2006.

Finder's Fee

Subject to acceptance of the Exchange, in consideration for facilitating the Acquisition Pacific International Securities Inc. ("PCI") will receive 300,000 common shares of Astron (the "Finder's Fee Shares") upon closing of the Acquisition. The Finder's Fee Shares shall be subject to resale restrictions under applicable securities laws and the Policies of the Exchange, including a hold period of four months and a day from the date of issuance.

ASTRON RESOURCES CORPORATION

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

1. NATURE AND CONTINUANCE OF OPERATIONS (con't)

Private Placement totaling \$4,000,000

Subject to acceptance of the Exchange, it is contemplated that the Company intends to conduct a \$4,000,000 private placement (the "Acquisition Financing") on a brokered basis to be priced in accordance with the policies of the TSX Venture Exchange which is expected to close concurrent with the Acquisition. Upon the execution of an engagement letter with a brokering dealer, the Company will provide further details of such financing. The proceeds from the Acquisition Financing will be used in connection with the acquisition, exploration and development of the Pumpkin Hollow Copper property.

Closing Conditions for the Acquisition

Completion of the Acquisition is subject to a number of conditions. There can be no assurance that the Acquisition will be completed as proposed or at all.

Description of Pumpkin Hollow Copper Project

The Pumpkin Hollow copper property is located 6 miles southeast of the well known Yerington open pit copper mine, in Lyon County, Nevada, some 50 miles southeast of Reno. The Pumpkin Hollow copper property covers 4.5 square miles (2,855 acres) of patented mining claims, private lands, and unpatented mining claims, and is 100% controlled by 607792 BC., subject to satisfaction of certain property payment obligations, royalties and exploration expenditure requirements.

U.S. Steel Corporation, Anaconda Corporation, Conoco Inc, Cyprus Metals Exploration Corporation and others carried out extensive drilling programs during the late 20th century at the Pumpkin Hollow copper property. Drilling data indicate potential for the discovery of copper-iron deposits in the district. There is also considered to be potential for defining smaller but much higher grade deposits which potentially could be mined by underground methods.

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.

ASTRON RESOURCES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED MARCH 31, 2006

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 \$1. The fair value of the shares is not determinable.

4. EQUIPMENT

	March 31 2006			June 30 2005		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 569	\$ 447	\$ 122	\$ 569	\$ 420	\$ 149

ASTRON RESOURCES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED MARCH 31, 2006

5. CAPITAL STOCK

	Number of Shares	Amount	Contributed Surplus
Authorized			
Unlimited common shares, without par value			
Issued			
As at June 30, 2003 and 2004	2,678,000	\$ 354,072	\$ -
Cancellation of escrow shares	(1,078,000)	(107,800)	107,800
Issued for private placement	1,600,000	96,000	-
Issued for exercise of stock options	56,600	11,320	-
As at June 30, 2005	3,256,600	\$ 353,592	\$ 107,800
Issued for private placement	1,000,000	200,000	-
Balance Mar 31/ 06 & May 17/ 06	4,256,600	\$ 553,592	\$ 107,800

During the year ended June 30, 2005, the Company:

- completed a private placement of 1,600,000 common shares at a price of \$0.06 per share for gross proceeds of \$96,000.
 - cancelled and returned to treasury 1,078,000 escrow shares at a capitalized value of \$107,800.
- As at June 30, 2005, 56,600 shares were held in escrow.

During the quarter ended March 31, 2006, the Company:

- completed a private placement of 1,000,000 common shares at a price of \$0.20 per share for gross proceeds of \$200,000.
- As at March 31, 2006, 56,600 shares were held in escrow.

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 March 31, 2006, 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	(70,964)		
Balance June 30, 2005 & March 31, 2006	-		

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.

ASTRON RESOURCES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED MARCH 31, 2006

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 executed an Amending Agreement to amend the Letter of Intent (LOI) dated March 24, 2006, for the purpose of converting the Letter of Intent to a definitive agreement with the same terms and conditions of the LOI.

The Company, executed an Engagement Letter with Pacific International Securities Inc. (PI) for the purpose of retaining PI to provide the Company with a brokered best efforts private placement for gross proceeds of \$4,000,000 to close concurrent to the closing of the Company's qualifying transaction with 607792 British Columbia Ltd.

The Company continues the process of its due diligence and obtaining all the necessary documentation to complete the Filing Statement for approval of its Qualifying Transaction to acquire all the outstanding shares of 607792 British Columbia Ltd. The Company will require the approval of the Acquisition by a majority of minority shareholders of the Company by way of shareholder consents.