

Date: 29th October 2010

QUARTERLY ACTIVITIES REPORT ENDING 30 SEPTEMBER 2010

HIGHLIGHTS

- Encouraging nickel results received for the Falcon Bridge Project.
- Second round of drilling at Falcon Bridge Project completed.
- Mt Watson VTEM survey results processed and have highlighted significant drill targets.
- Boomarra ground gravity results have been modeled and highlighted significant anomalies for drill testing.
- 100% owned exploration tenements in application in WA and SA has increased to 22 with a total area of over 9,000km². Target minerals include iron, gold, nickel, copper, lead, zinc, uranium and mineral sands.
- Negotiations with potential strategic Chinese partners are in progress.

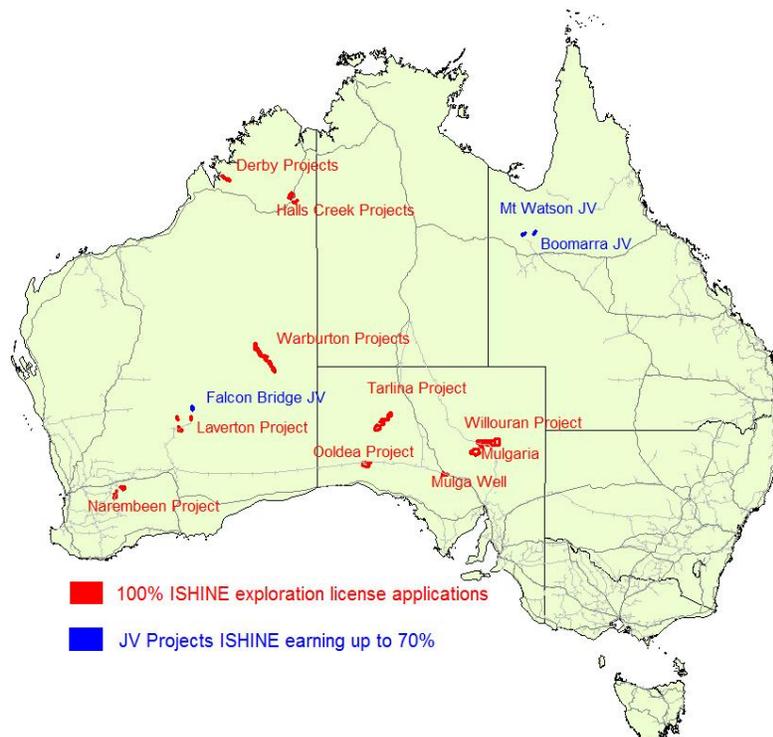


Figure 1 Ishine Project Locations

1. ENCOURAGING DRILLING RESULTS FROM FALCON BRIDGE JV NICKEL PROJECT

During the June Quarter Ishine's maiden drilling program included a total of 72 aircore holes for 3,459m across six east-west traverses at the Falcon Bridge Project 80km north of Laverton. Assays were received during the quarter and confirmed the ultramafic host rock was present, beneath transported cover, and up to 800m thick. It also highlighted several zones of interest anomalous in nickel, copper and MgO. Encouraging results included:

- **23m @ 0.41% Ni and 262ppm Cu from 51m in drill hole FBAC004**
- **33m @ 0.58% Ni and 125ppm Cu from 30m in drill hole FBAC017**
- **39m @ 0.41% Ni and 170ppm Cu from 36m in drill hole FBAC058**
- **3m @ 0.55% Ni and 280ppm Cu from 36m in drill hole FBAC041**

Aircore drill hole intersections with greater than 0.4% Ni are tabulated below.

Hole ID	Easting	Northing	RL	Dip	Azimuth	Depth	From	To	Interval	Nickel %	Cu (ppm)
FBAC004	443000	6914300	500	-60	90	74	51	74	23	0.41%	262
FBAC005	442900	6914300	500	-60	90	44	27	39	12	0.44%	109
FBAC012	442500	6914600	500	-90	0	46	27	42	15	0.43%	39
FBAC016	442900	6914600	500	-60	90	53	33	53	20	0.57%	26
FBAC017	443000	6914600	500	-60	90	63	30	63	33	0.58%	125
FBAC023	442600	6914844	500	-90	0	63	54	57	3	0.41%	14
FBAC033	442600	6915200	500	-60	90	57	45	51	6	0.40%	23
FBAC041	443300	6915700	500	-60	90	64	36	39	3	0.55%	280
FBAC042	443200	6915700	500	-60	90	42	30	42	12	0.44%	58
FBAC048	442600	6915700	500	-90	0	38	33	36	6	0.51%	30
FBAC049	442500	6915700	500	-90	0	45	36	45	6	0.42%	34
FBAC053	443000	6915900	500	-60	90	38	33	38	5	0.53%	33
FBAC058	443050	6914600	500	-60	90	83	36	75	39	0.41%	170
FBAC064	442450	6915700	500	-60	90	59	51	57	6	0.63%	45
FBAC068	443250	6915700	500	-60	90	51	36	51	15	0.69%	56
FBAC072	442650	6915200	500	-60	90	37	33	37	4	0.51%	55

Table 1 Significant Aircore intercepts >0.4% Ni

In order to follow up these anomalous results, Ishine proposed and executed a round of RC drilling which included eight holes for 1,199m. These holes were designed to test the more interesting results beneath the base of weathering and, where possible, test along the interpreted basal contact position. Results from this program are pending and are expected during the next quarter.

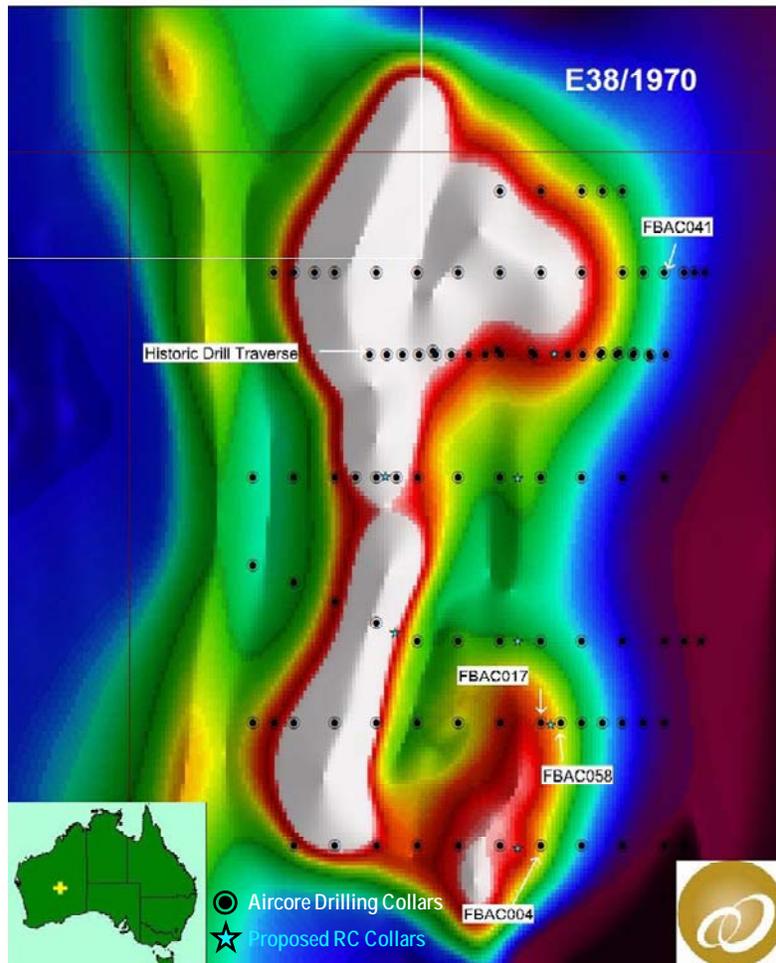


Figure 2 Falcon Bridge Aircore and RC collar positions over TMI image.

2. DRILLING TARGETS IDENTIFIED FROM MT WATSON VTEM

During the reporting quarter, Ishine received the results of data processing and geophysical modelling from the Mt Watson VTEM survey flown recently. The results indicate significant zones of conductivity along strike of the Mt Watson mineralisation (8.01mt @ 0.9% Cu) within the Surprise Creek sediments. A number of high to low order anomalies were generated from this survey, several of which will be drilled next quarter.

Presently a heritage survey is underway and drilling is anticipated for early November over three of the strongest anomalies shown in Figure 3 and Figure 4.

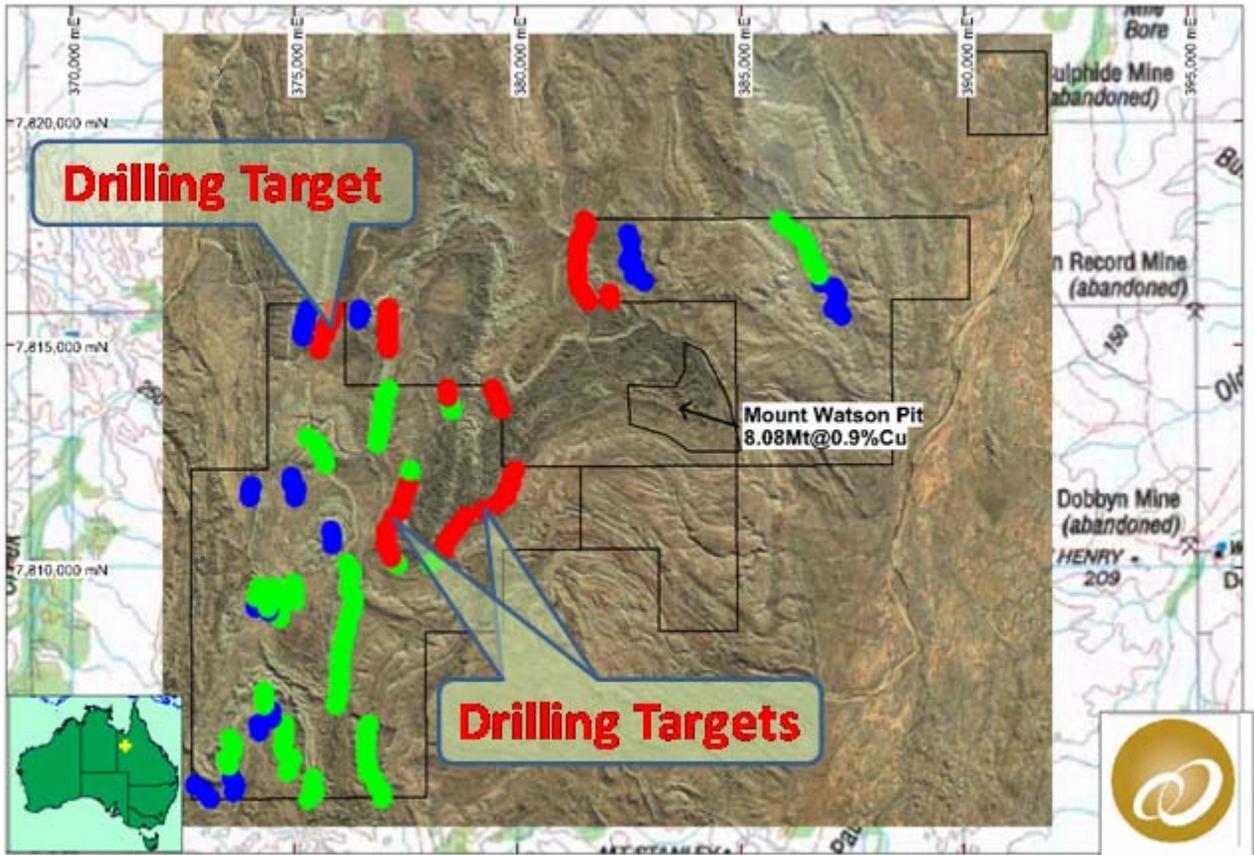


Figure 3 Strong anomalies from VTEM at the Mt Watson JV project

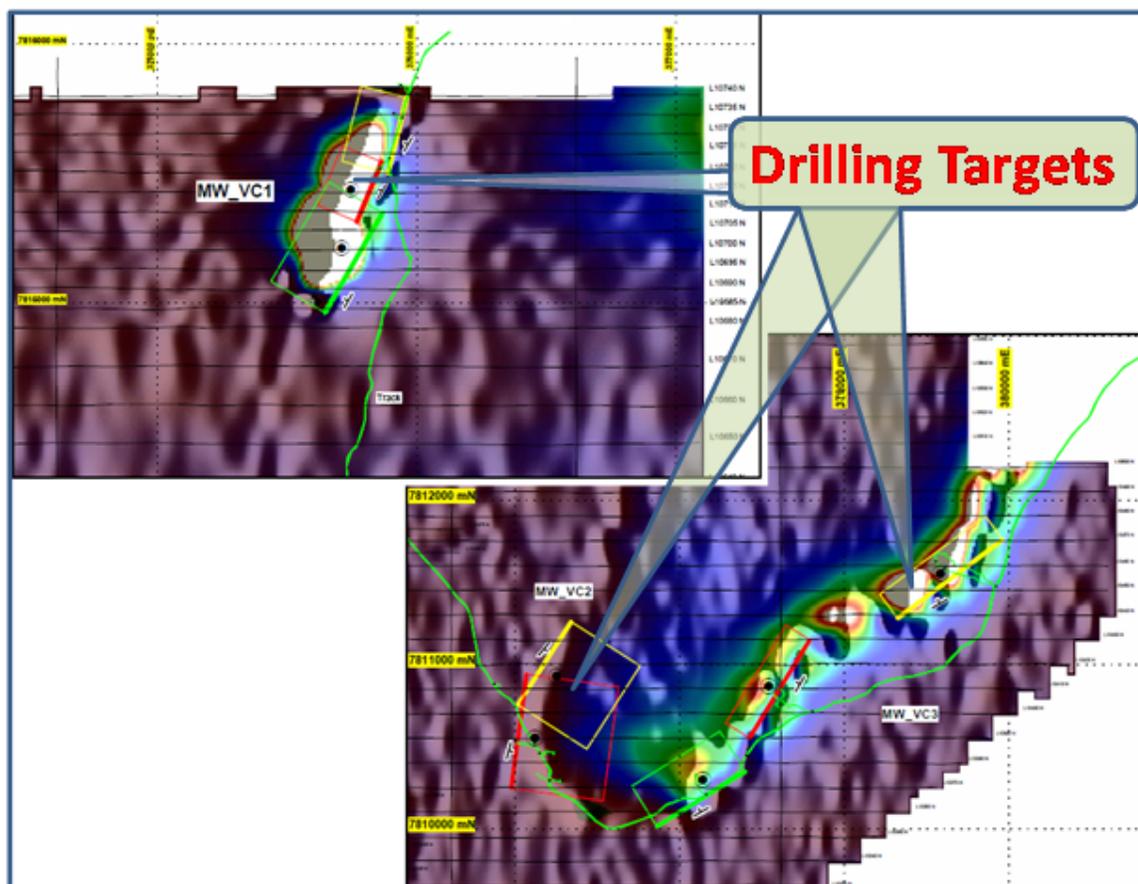


Figure 4 Drilling targets defined from strong VTEM anomalies at the Mt Watson JV project

3. GRAVITY ANOMALY FOUND FOR THE BOOMARRA PROJECT

During the quarter, Ishine received the results of modelling of the gravity survey which was carried out in May. The detailed survey included 1,555 stations and has been effective in generating several drill targets associated with coincident or nearby areas of magnetic anomalism. Heritage clearances are currently underway prior to a drilling program scheduled for next quarter.

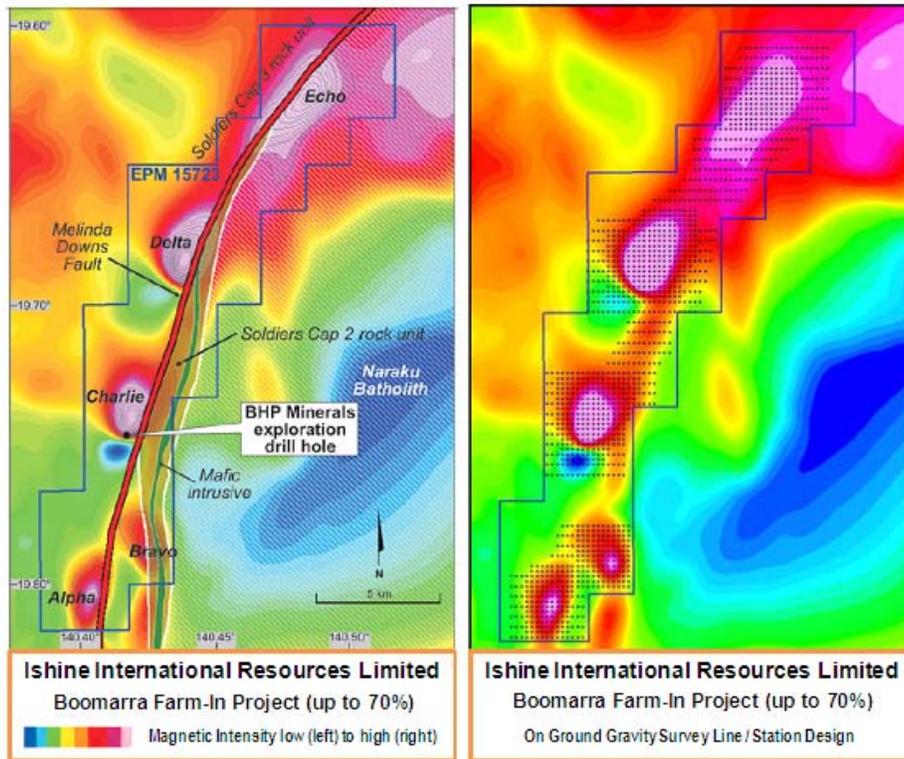


Figure 5 Gravity survey stations defined over magnetic anomalies in Boomarra JV project

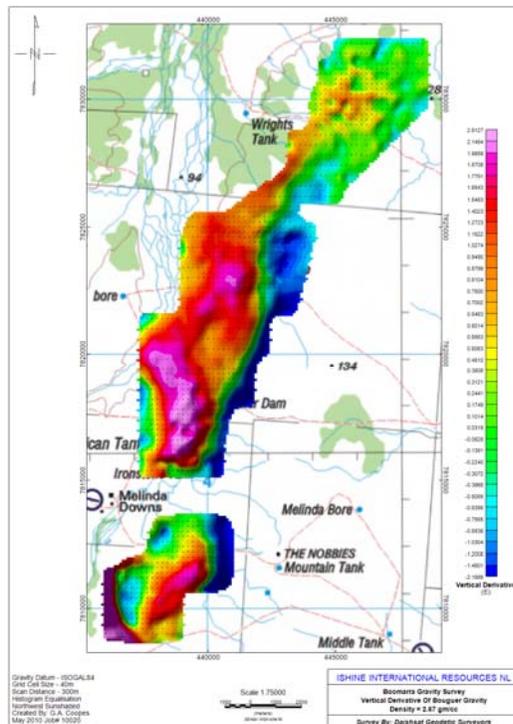


Figure 6 Boomarra Gravity anomalies overlapping with magnetic anomalies

4. NEW EXPLORATION LICENCE APPLIED

The Company continued its effort in securing 100% owned exploration tenements through aggressive search for quality ground in Australia. Eight new exploration licence applications were lodged during the report period to the Western Australian Department of Mines and Petroleum and the South Australian Department of Primary Industry and Resources. By the end of September 2010, the Company has secured twenty-two 100% owned exploration licences in application with a total area of over 9,000km². Target minerals cover iron, gold, nickel, copper, lead, zinc, uranium and mineral sands etc. The size, location and target minerals in each of the exploration tenements applied are presented in Table 2 below.

Table 2 Ishine's New Exploration Tenements Applied before 30 September 2010

State	Tenement Number	Date Applied	Size, km ²	Locality	Target Minerals
WA 3,542km ²	E38/2435	9-Apr-10	71	Laverton	Ni, Au
	E70/3880	15-Apr-10	225	Narembeen	Au
	E77/1786	19-Apr-10	225	Merredin, Narembeen and Yilgarn	Fe
	E80/4448	18-May-10	496	Halls Creek	Zinc, Lead
	E04/2031	18-May-10	261	Derby	Copper, Lead, Zinc
	E80/4450	14-Jun-10	132	Halls Creek	Ni, Cu, Co
	E37/1073	24-Jun-10	106	Laverton	Ni, Au
	E39/1582	24-Jun-10	90	Laverton	Ni, Au
	E37/1074	24-Jun10	84	Laverton	Ni, Au
	E69/2810	24Jun10	644	Gunbarrel	Cu, Ni
	E69/2811	24-Jun-10	631	Gunbarrel	Cu, Ni
	E69/2812	24-Jun-10	451	Gunbarrel	Cu, Ni
E80/4478	21-Sep-10	126	Halls Creek	Ni, Cu, Co	
SA 5,527 km ²	E196/10	28-Jun-10	699	Tarlina	Cu, Ni, Pb, Zinc, Mineral Sand
	EL197/10	29-Jun-10	648	Tarlina	Cu, Ni, Pb, Zinc, Mineral Sand
	EL198/10	1-Jul-10	218	Ooldea Range	Cu, Ni, Pb, Zinc, Mineral Sand
	EL234/10	28-Jul-10	340	Mulga Wells	Au, Co, U
	EL239/10	4-Aug-10	992	Mulgaria	U
	EL252/10	18-Aug-10	218	Willouran Ranges	U
	EL259/10	25-Aug-10	969	Willouran Ranges	U
	EL260/10	25-Aug-10	690	Willouran Ranges	U
	EL261/10	25-Aug-10	753	Willouran Ranges	U
Summary	21 Tenements		9,062	WA and SA	Fe, Cu, Ni, Au, Pb, Zn, Co, U, Mineral Sand

5. NEGOTIATION WITH POTENTIAL STRATEGIC PARTNERS

The Company has been in vigorous discussions with potential strategic Chinese partners for long term growth and in a preparation for undertaking mineral exploration over large area of tenements under application.

The Company also continued its effort in searching for and evaluating advanced exploration projects for possible acquisition.

Caigen Wang
Managing Director

Ishine International Resources Limited

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The information in this announcement that relates to Exploration Progress has been prepared by Mr Martin Dormer, who is a member of the Australian Institute of Mining and Metallurgy, and a full time employee of Ishine International Resources Ltd. Mr Dormer has sufficient relevant experience in the techniques being reported and styles of mineralisation and types of deposit under consideration, and in the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code), and consents to the inclusion of the information in the form and context in which it appears.

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