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ISHINE SIGNS AGREEMENT ON ITS MT WATSON PROJECT WITH THE 8TH INSTITUTE OF GEOLOGY & MINERAL EXPLORATION

Ishine International Resources Limited (ASX Code: ISH “Ishine” or the “Company”) is very pleased to announce the signing of a Heads of Agreement (“HoA”) with The 8th Institute of Geology and Mineral Exploration (“IGME”) in respect to copper exploration in the Mt Watson Project in north-west Queensland. IGME will spend up to \$1.7M to earn up to a 51% interest in this project.

Following IGME’s site visit, project due diligence and Chinese government approval, the Company and IGME has signed a farm-in agreement to allow IGME to earn an interest in this project with the key terms and conditions summarized below:

- **IGME will pay Ishine \$300,000 within 3 months of the effect date of the agreement**
- **IGME will spend not less than \$300,000 within the first 12 months for exploration in the Mt Watson project (two tenements)**
- **IGME will earn a 30% interest in the project if the above two requirements are met in the first 12 months.**
- **IGME cannot pull out within the first 12 months. If IGME terminates the agreement after 12 months, its interest will be reduced to 20%.**
- **IGME will pay Ishine \$250,000 within the first 3 months of the second year**
- **IGME will spend not less than \$300,000 within the second 12 months for exploration in the Mt Watson project (two tenements)**
- **IGME will earn a 51% interest in the project if its cash payment and exploration expenditure accumulate to \$1.7 million.**
- **Once IGME earns a 51% interest from Ishine, further investment into this project will be made by both Ishine and IGME on a pro-rata basis.**

The 8th Institute of Geology and Mineral Exploration, Shandong Province, is a PRC state-owned geological exploration unit. It provides services such as engineering surveying, hydrological engineering, mineral geology and drilling. The headquarters are located in Rizhao City, Shandong Province, and is equipped with a number of Grade “A” exploration qualifications.

Ishine, being listed on the Australian Securities Exchange on the 18th December 2009, has continued its focus on expanding the Company’s exploration portfolio by acquiring quality tenements and continues to explore its current projects.

Managing Director of Ishine, Dr Caigen Wang said, “the involvement of IGME in Ishine’s Mt Watson copper project enhances our technical and financial resources required to fast track the exploration and mineral resource definition of this highly prospective copper project. More importantly, IGME’s participation has paved a way for securing the follow-up funds required for future project development.”

Mt Watson Project Background

The Mount Watson Project is a Joint Venture with Kabiri Resources with Ishine earning up to a 70% interest through exploration expenditure of up to \$800,000 over 42 months. The project is comprised of two exploration licence EPM15933 and EPM15986, situated approximately 120km north of Mt Isa in northwest Queensland. Up to the 31st March 2011 Ishine had earned a 49% undivided interest in this Project.

The Mount Watson Project occurs on the Western Succession of the Mt Isa Inlier and is considered prospective for copper. The project area is adjacent to the nearby Mt Watson Copper Mine, which was originally operated by Matrix Metals Ltd before being taken over by Cape Lambert Resources Limited in August 2010. When in operation the Mt Watson Mine produced 8.08 million tonnes at an average grade of 0.9%. There are a number of other significant historic copper mines and prospects within the area near the Mt Watson tenements. These include the Hidden Treasure copper deposit with oxide mineral resources of 300,000 tonnes at an average grade of 1.3% Cu; as well as several other exploration prospects at Mt Earl, Tewinga, Mt Wonder, Anomaly P ranging from early stage to advanced.

In the past one and a half years, Ishine flew an airborne VTEM survey which identified the high to low order anomalies shown in Figure 1.

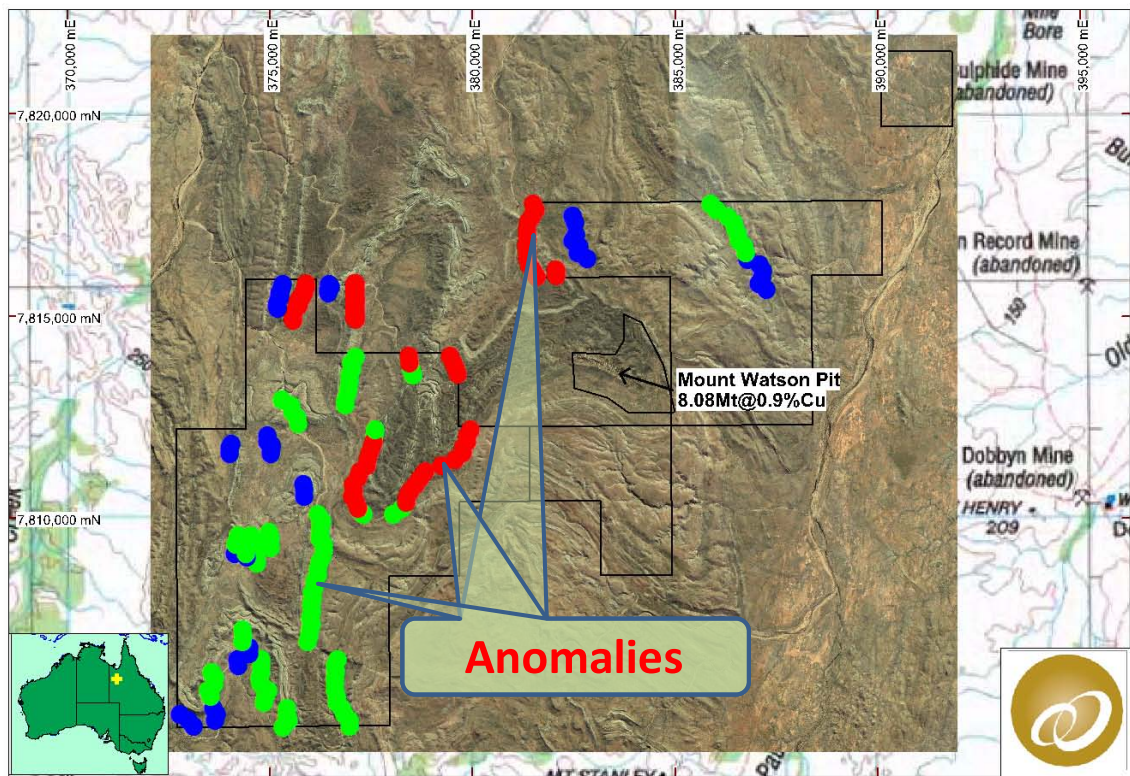


Figure 1 Strong anomalies from VTEM at the Mt Watson JV project

The Company undertook a RC drilling program in late 2010 targeting the six anomalous areas shown in Figure 2 and Figure 3.

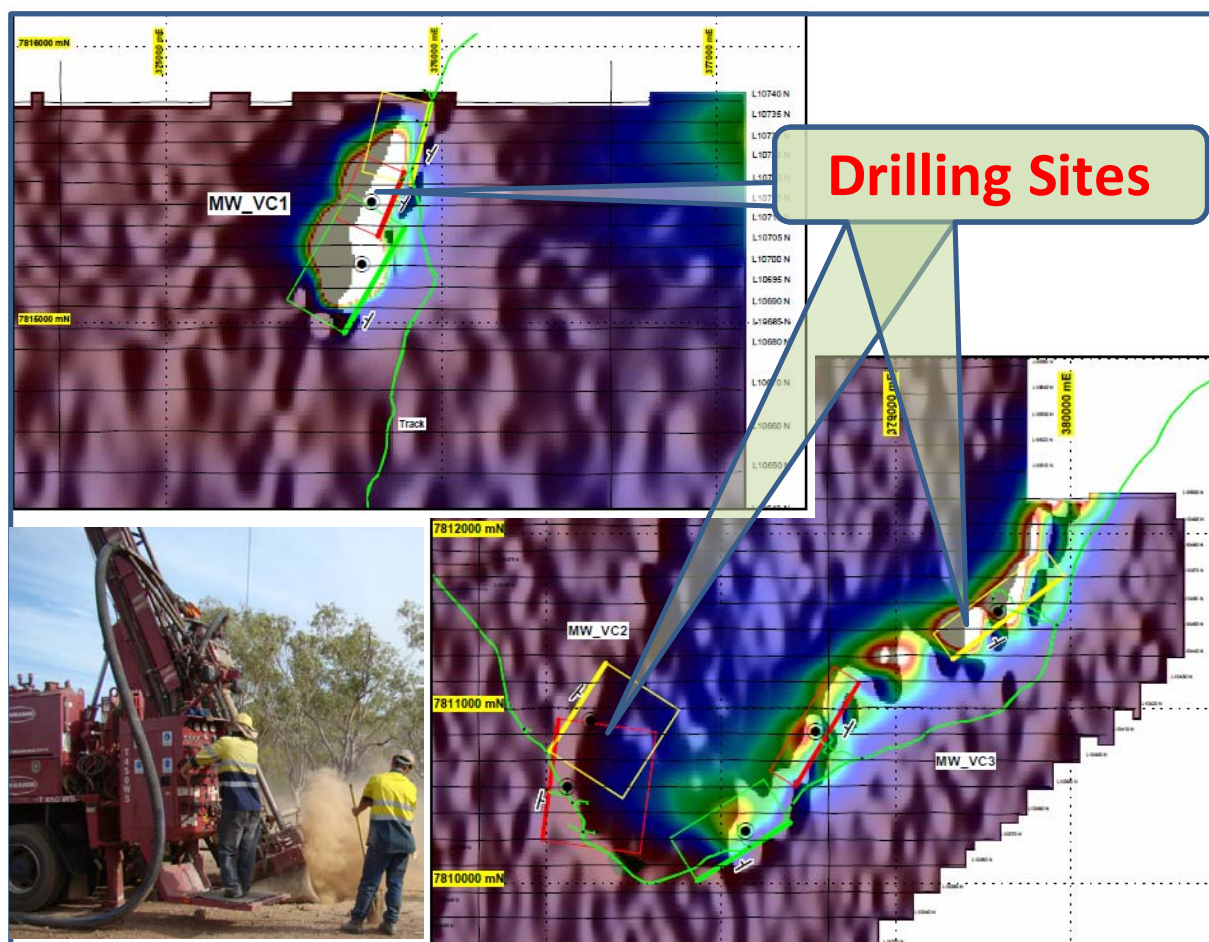


Figure 2 Drilling sites defined from strong VTEM anomalies at the Mt Watson JV project

Eleven (11) holes were drilled for a total of 1,199 metres. Assay results for the Project's maiden drilling program revealed a broad, highly anomalous copper zone which was discovered in drill hole MWRC007 with intersections of:

*90m @ 0.21% Cu from 18m including 2m @ 0.73% Cu from 36m, and
8m @ 0.40% Cu from 46m*

The intersection is within a sulphidic black shale unit of the Surprise Creek Formation being the same stratigraphy as the copper mineralisation at Mount Watson. Disseminated sulphides including chalcopyrite and chalcocite were recorded from logging of the RC chips. The rock unit otherwise had a geochemical background of around 30ppm copper. Several other lower order anomalous zones were recorded in several of the other drill holes including:

- *2m @ 214ppm Cu from 106m in MWRC003 (end of hole anomaly)*
- *46m @ 356ppm Cu from surface in MWRC004*
- *16m @ 218ppm Cu from surface in MWRC005*
- *6m @ 230ppm Cu from 106m in MWRC008*
- *22m @ 538ppm Cu from 8m in MWRC009*
- *20m @ 296ppm Cu from 36m in MWRC009*

Whilst the Mt Watson mine was an oxide ore body, Ishine's exploration efforts are focused on the primary zone of sulphide mineralisation at depth. The Company plans to continue drilling to further delineate the anomalous zones from the first program, and also to test a number of the other VTEM targets in late 2011.

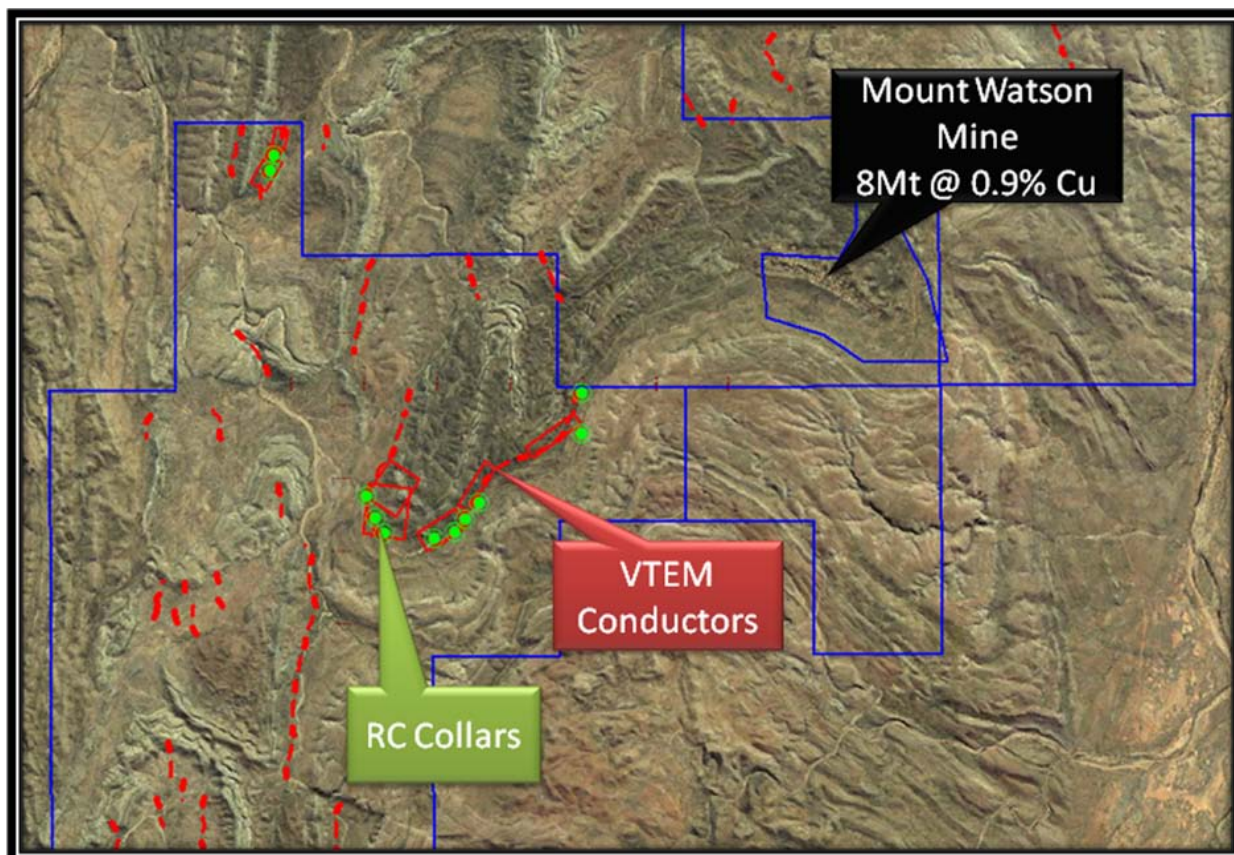


Figure 3 RC hole collar positions on a small portion of VTEM Conductors

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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