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QUARTERLY ACTIVITIES REPORT – 30 June 2017

Exploration: Leonora Project E39/1582 (100% ISH)

The Leonora project is located in the Eastern Goldfields Province of the Archaean-aged Yilgarn Craton of Western Australia. Rocks of this area are the most ancient on earth and commonly form the core of the world's major continents. Large nickel laterite deposits on mining leases M39/878, 879 are situated to the west of the project about 6Km away (Figure 1). Based on regional and local geological analysis, and reviews from historical and Ishine's previous exploration undertaken including data from surface geochemical sampling and shallow drilling programs, this project is prospective for nickel, cobalt and gold.

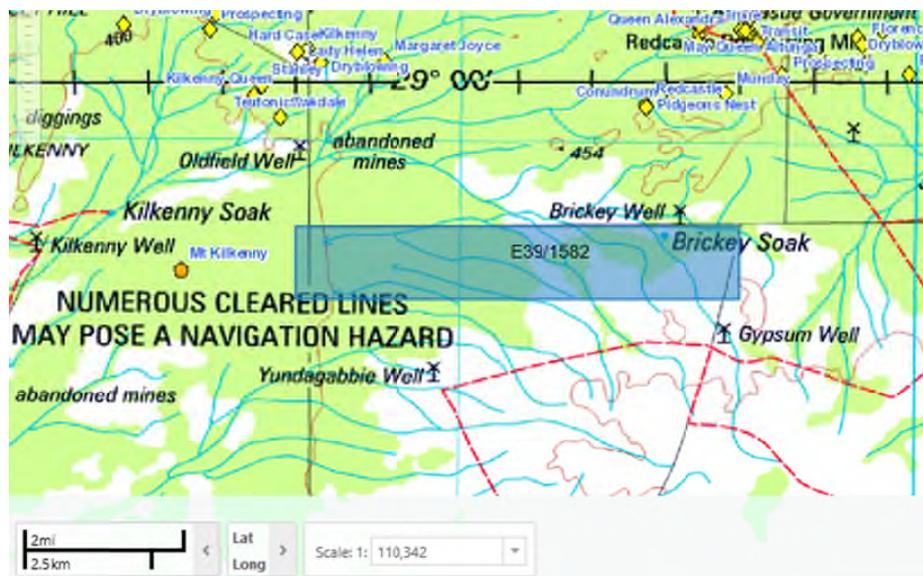


Figure 1 Tenement Location & Topography

Tenement and Access

Tenement E39/1582 is located 80 km SW of Laverton, and approximately 55km east southeast of the town Leonora. It is accessible by way of the Leonora to Laverton sealed main road, 40km east of the Leonora and thence 25km south via Minara road that runs approximately 3km to the north of the project. The Glenorn to Yundamindera road and numbers other unsealed truck allow easy access to the tenements.



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Geology

The project is located on the western side of the Murrin-Margaret Sector of the Eastern Goldfields Province within the Laverton 1:250 000 map sheet.

The Archaean rocks of the Yilgarn Craton are broadly subdivided into granites and greenstones. The granites form large, coalescing, ovoid-shaped regions up to several hundreds of kilometers in length and width, generally separated by narrow elongated 'greenstone belts' composed of ancient volcanic rocks and sediments that have subsequently been deformed and metamorphosed by complex tectonic and mineralizing events. Such processes are believed to have been responsible for the formation of major gold, nickel and base metal deposits in a wide variety of rock-types.

Greenstone successions of the Province are divided into elongate terranes based on the regional NNW-trending faults. The Greenstone terranes do not include widespread intrusive granites, and may be further divided into fault bounded domains. The faults and intrusions contribute to a pronounced regional structural trend. These boundary faults are poorly exposed but can be traced as lineaments or breaks, defined by large scale truncations of stratigraphy. The best known terrane is the Kalgoorlie Terrane.

E39/1582 lies on the eastern flank of a relatively open north-northeast plunging anticline that is composed of conformable mafic and ultramafic bodies. It is relatively low-lying with a gentle northeast south-west striking undulation.

The local geology of the project area comprises a basaltic package that has been intruded by differentiated mafic sill, comprising gabbro and dolerite, and felsic porphyry stocks and dykes. The host basaltic package may be pillowed and includes inter-bedded metasediment layers of dark "cherty" shale and slate. All rocks have been extensively weathered and lateritised thence the central and western sectors of the E39/1582 are almost completely covered by ferruginous colluvial sediments.



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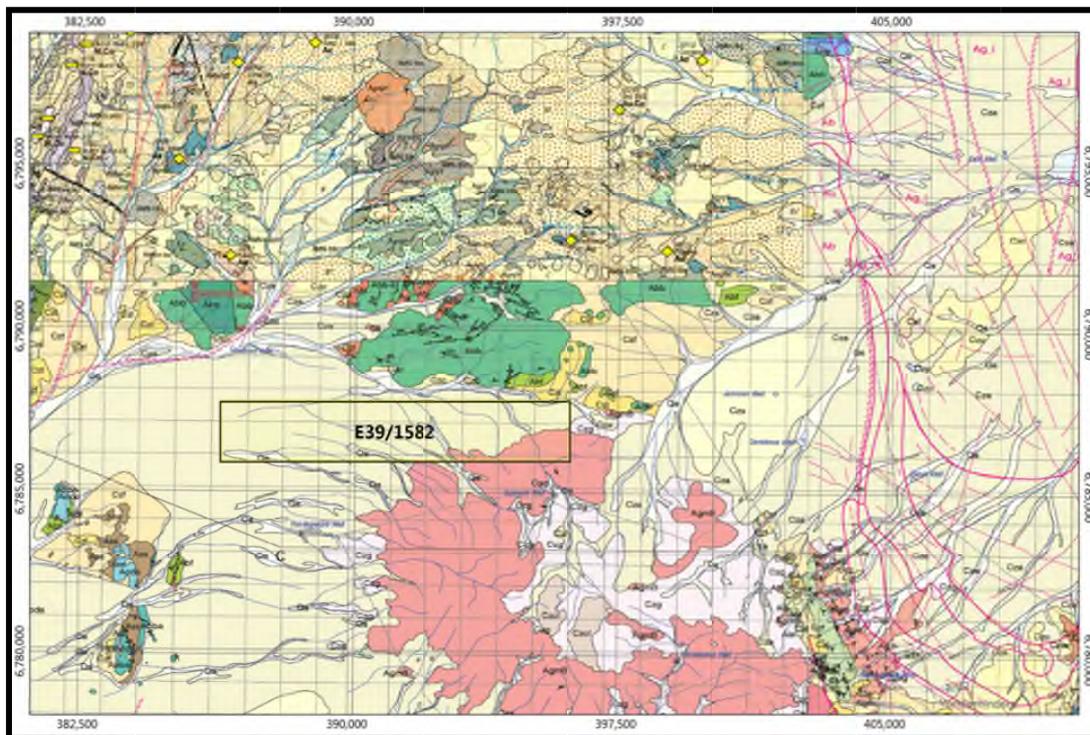


Figure 2 GSWA 1:100k Geology Map

Mineralisation

The Leonora-Laverton region is second only to Kalgoorlie-Kambalda in Western Australia for its number and size of economic gold and nickel deposits. Known gold resources (including historic production), total around 35 million ounces within nine deposits containing greater than 1 million ounces of gold including two deposits more than 5 million ounces. Gold mineralisation is associated with pyritic, chloritic and quartz veined tonalite and basalt. Although no significant (> 100,000 Oz) gold mineralisation is known in the area, the occurrence of felsic porphyry dykes close to the margin of Granodiorite and the extensive network of linked trust faults within area are attractive targets that potentially could host gold mineralisation.

Adjacent to the very west of the project, GME Resources reported in 2007 significant defined lateritic nickel – cobalt resources within tenement E39/1107 (Figure 1), indicated and inferred resources for the GME managed Mt Kilkenny project as stated by Sullivan (2006) are:

- Indicated 13.73MT at 1.29% Ni, 0.10% Co
- Inferred 1.38MT at 1.14% Ni, 0.07% Co



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With widely distributed Archaean-aged mafic and ultramafic rock suits across the tenement area, combined with significant mineralization zones to the west of the project. It warrants further exploration for Nickel, Cobalt and Gold mineralization.

Recent Exploration/Studies

During the quarter, Ishine conducted further studies of regional geology and reviewed recent and previous exploration outcomes from surrounding projects. The most relevant finding is the ultramafic unit associated mineralisation at Mt Kilkenny Project. The Mt Kilkenny Project is about six kilometres in length with nickel laterite mineralisation at the north. The ultramafic units are located 50-60 metres below surface. The ultramafic units underlying the mineralisation represented by serpentinite, olivine minerals rich komatiites that host large bodies of disseminated nickel sulphides of Mt Keith type and the massive nickel sulphide bodies of Kambalda type.

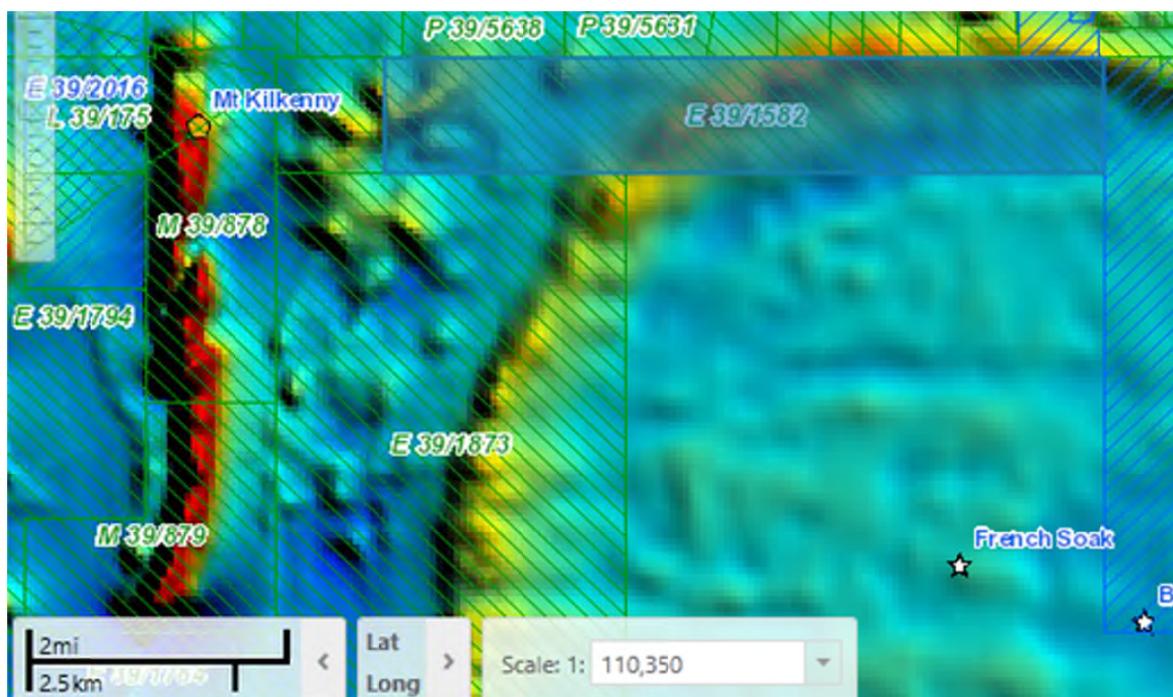


Figure 3 Location of Mt Kilkenny and E39/1582

Ishine believes that this type of geological setting at Mt Kilkenny project applies to the settings at western area of Exploration Licence E39/1582. Regional structure is characterised by the north-northeast trending Kilkenny Syncline, and at the western margin the structure is controlled by the north-northwest trending Keith-Kilkenny tectonic zone. The Archaean rocks of the basement had undergone low-grade metamorphism,



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with prehnite-pumpellyite to greenschist facies mineralogy with good preservation of both sedimentary and igneous textures.

The nickel and cobalt mineralization is closely associated to the lithology with paleo stream channel development. The deposit in Mt Kilkenny in the same area all occur close to the ultramafic or high magnesium rock types. During previous site visit Ishine noticed the outcrop in Mt Kilkenny deposit was extensively weathered and laterised with coverage of ferruginous colluvial sediments.

The typical mineralization at Mt Kilkenny project lays between 5 metres to 50 metres under surface. Geophysical exploration of shallow drilling programs can be considered for further exploration.

A new 5 years extension of terms has been lodged for approval.

Corporate

Aside from existing mineral exploration activities, the company is actively searching and evaluating new project opportunities that can bring significant returns to shareholders.

For further information please contact:

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Tenement Information as at 31 December 2016

State	Tenement Number	Date Applied	Size, km ²	Locality	Status	Target Minerals
WA	E39/1582	24-Jun-10	18	Laverton	Granted	Ni, Au
Summary	1 Tenement		18 km ²	WA		Ni, Au