

Date: 28 April 2017

QUARTERLY ACTIVITIES REPORT – 31 March 2017

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

The Leonora project area 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.

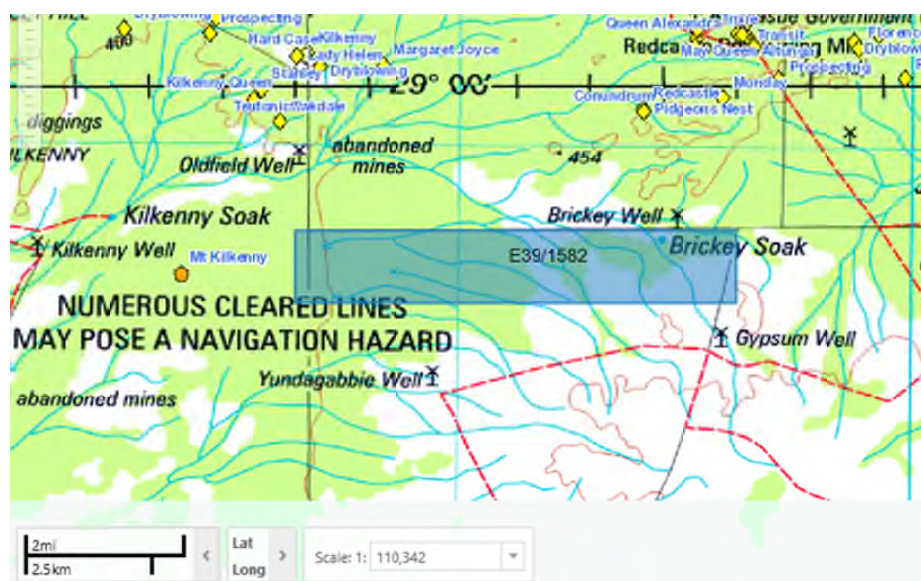


Figure 1 Tenement Location & Topography



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.

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.



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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.

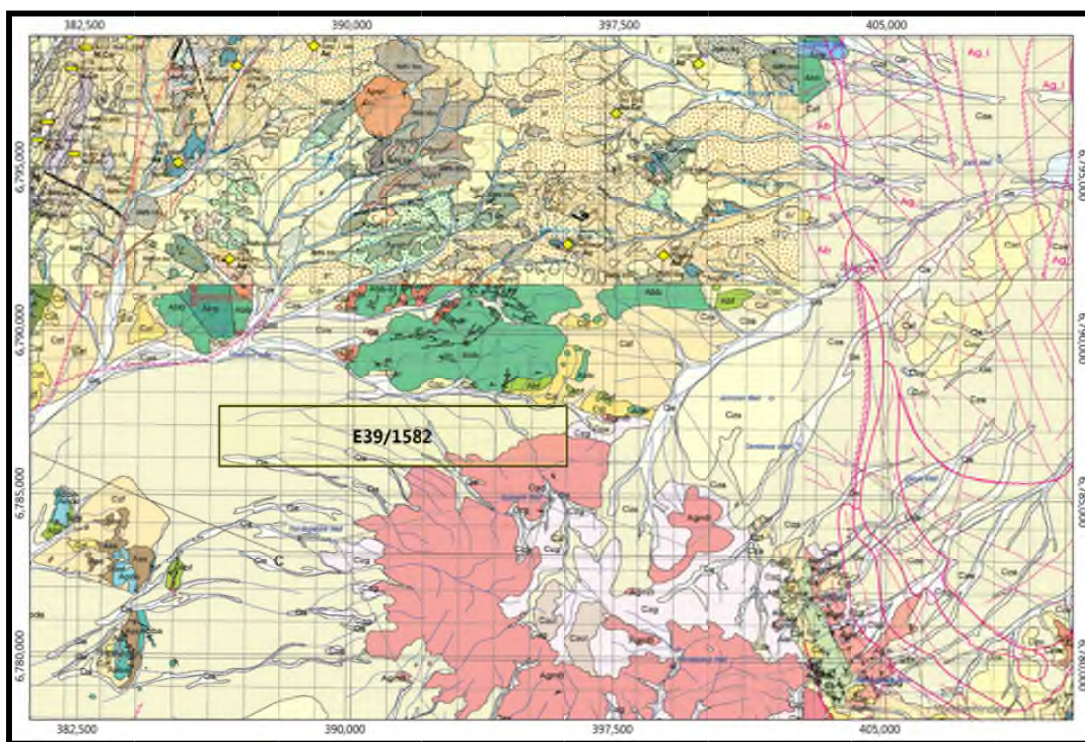


Figure 2 GSWA 1:100k Geology Map

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 in excess of 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 thrust faults within area are attractive targets that potentially could host gold deposit.

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), It indicated and inferred resources for the GME managed Mt Kikenny project area 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

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

Recent Exploration/Studies

Ishine conducted further desktop studies for potential minerals during the quarter. The recent success of NiWest Nickel/Cobalt project provides a new direction for EL39/1582.

(1) Adjacent Successful Project – Niwest Nickel/Cobalt

NiWest Limited, a wholly owned subsidiary of GME Resources Ltd, holds the NiWest Nickel Cobalt Project. The Project is in the North Eastern Goldfields of Western Australia and is comprised of seven separate deposits located on mining leases. E39/1582 is about 30 to 70 kilometres to the Niwest Nickel/Cobalt project.

Subsection of the project is tabled below:

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Table 3 The subsection of NiWest Nickel Cobalt Project

Subsection	Tenement ID		
Mertondale	M37/591		
Waite Kauri	M37/1216		
Murrin Northe	M39/758		
Wanbanna	M39/460		
Hepi	M39/717	M39/718	M39/819
Mt Kilkenny	M39/878	M39/879	E39/1831
	E39/1873		
Eucalyptus	M39/313	M39/802	M39/666
	M39/430	M39/568	M39/674
	M39/744	M39/289	M39/344

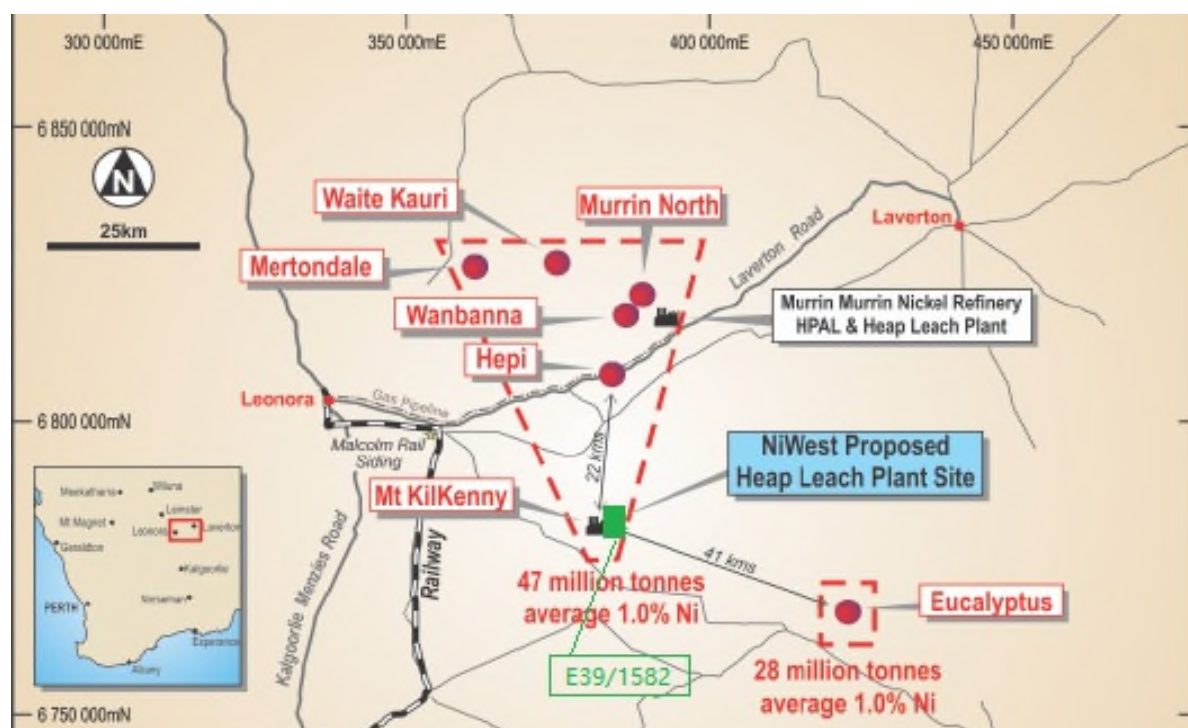


Figure 4 Regional Tenement Location

During the 2016-17 period, GME Resources Ltd updated its Mineral Resource Estimate with JORC 2012 standards.

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The resource update highlights the significance of nickel-copper sulphide accompanied cobalt mineralisation in Laverton area. The current resource of NiWest Nickel-Cobalt is estimated to contain 830,000 tonnes of nickel metal and 52,000 tonnes of cobalt (Refer Table 4). The project is at an advanced stage and hosts one of the largest undeveloped Nickel and Cobalt resources in Australia.

Table 4 Mineral Resource Estimate by subsection area at 0.8% Ni Cut-off Grade

JORC Category	Million Tonnes	Ni Grade %	Co Grade %	Ni Metal (kt)	Co Metal (kt)
Eucalyptus	13.3	1.19	0.07	158.7	9.7
Measured	3.3	1.19	0.07	38.9	2.42
Indicated	5.0	1.18	0.07	58.9	3.60
Inferred	5.0	1.21	0.08	60.9	3.78
Mt Kilkenny	12.7	1.24	0.08	158.3	10.1
Measured	10.9	1.25	0.08	137.4	9.00
Indicated	1.2	1.19	0.06	14.8	0.8
Inferred	0.5	1.15	0.06	6.1	0.3
Wanbanna*	5.1	1.19	0.08	60.6	4.0
Measured	-	-	-	-	-
Indicated	4.8	1.19	0.08	56.9	3.7
Inferred	0.3	1.16	0.08	3.7	0.3
Hepi	1.5	1.33	0.07	20.6	1.1
Measured	1.0	1.40	0.07	14.6	0.8
Indicated	0.4	1.22	0.07	5.3	0.3
Inferred	0.1	1.08	0.04	0.7	0.03
Murrin North	1.25	1.14	0.07	14.0	0.9
Measured	1.24	1.14	0.07	14.2	0.89
Indicated	0.01	1.04	0.04	0.1	0.01
Inferred	-	-	-	-	-
Waite Kauri	0.58	1.23	0.08	7.0	0.46
Measured	0.52	1.25	0.09	6.49	0.45
Indicated	0.06	1.08	0.02	0.65	0.01
Inferred	-	-	-	-	-
Mertondale	0.7	1.14	0.07	7.9	0.46
Measured	-	-	-	-	-
Indicated	0.7	1.14	0.07	7.9	0.46
Inferred	-	-	-	-	-
Total	35.1	1.21	0.08	427	27
Measured	17.0	1.24	0.08	212	14
Indicated	12.1	1.18	0.07	144	9
Inferred	6.0	1.20	0.07	71	4

(2) Geological Features and Relationship to Potential of E39/1582

The most comparative highlight was the ultramafic unit at Mt Kilkenny Project (M39/878). At least six kilometres in length of nickel laterited mineralisation is present in the northern zone of M39/878. The ultramafic unit is 50-60 metres below the surface. These ultramafic units represent serpentinised, olivine rich komatiites that host large bodies of disseminated nickel sulphides of Mt Keith type and the massive nickel sulphide bodies of Kambalda type.

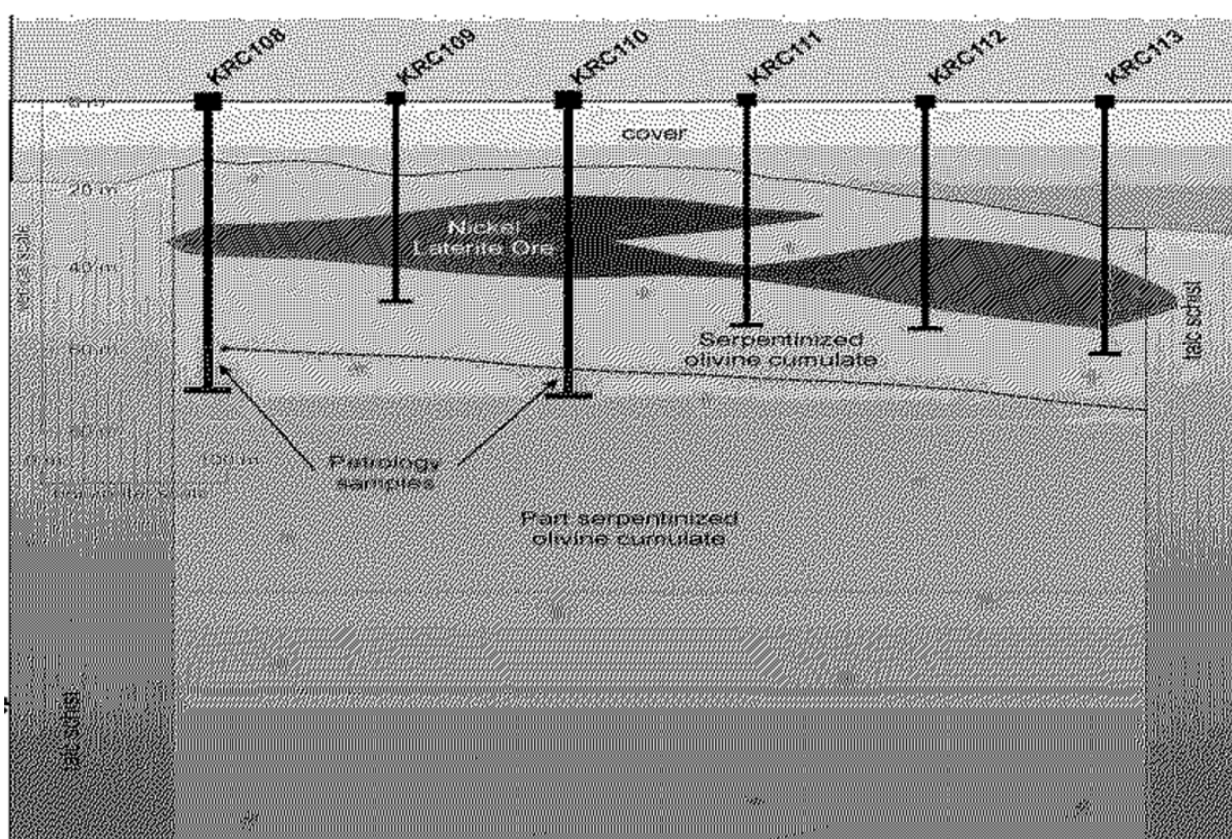


Figure 5 Mineralization Cross Section (M39/878)



Ishine believes that geological settings at E39/1582 are similar to M39/878. This region is characterised by the north-norther east trending Kilkenny Syncline and the western margin of the north-northwest trending Keith-Kilkenny tectonic zone. The Archaean rocks of the basement had undergone low-grade metamorphism, with prehnite-pumpellyite to greenschist facies mineralogy with good preservation of both sedimentary and igneous textures. The nickel and cobalt mineralization is closely related to the lithology in conjunction with paleo stream channel development. Host rocks for the deposit in Mt Kilkenny or other deposits of Niwest in the same area are all ultramafic or high magnesium rock types.

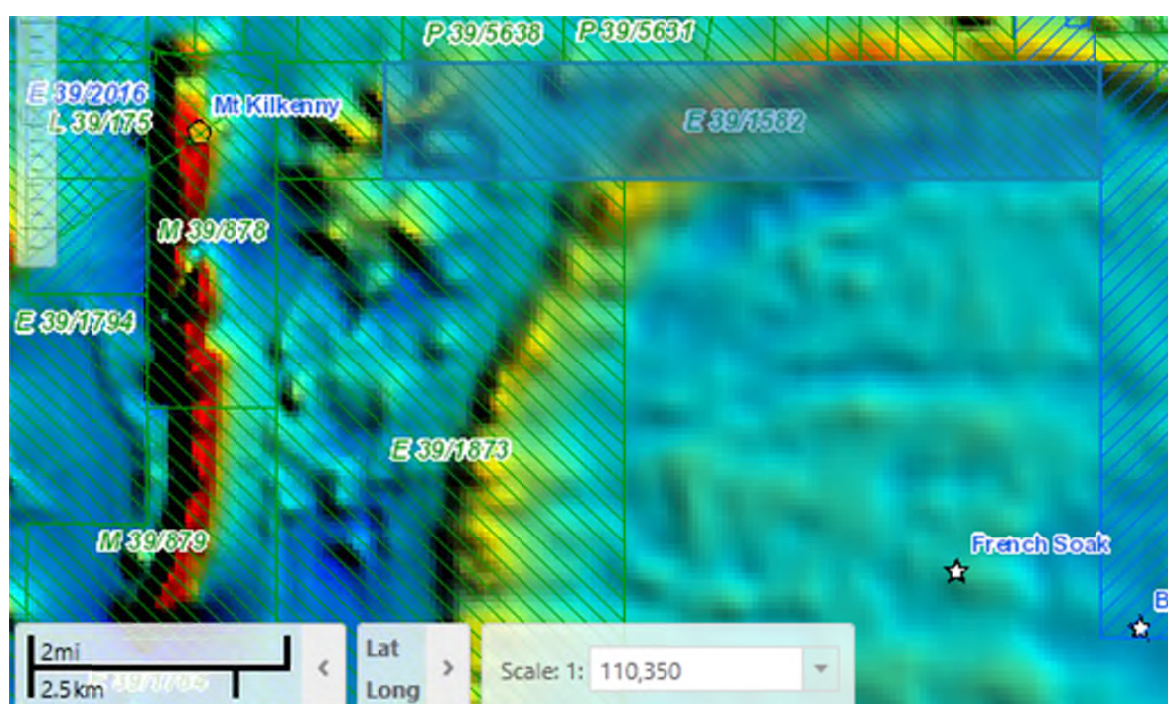


Figure 6 Magnetic Anomaly of E39/1582

Table 5 Resource Recorded in Minedex of DMP – M39/878(Mt Kilkenny)

Commodity *	Code *	Grade *	Contained Commodity *	Cutoff Grade
Nickel (Ni)	Ni	1.051 %	126.961 kt	0.8 %
Cobalt	Co	0.07 %	8456 t	%

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During the quarter, a field trip was organised, however due to heavy rains, all access roads were closed. Below are a few pictures showing road closures during a site visit in March 2017. The Company will conduct new field surveys next quarter, and based field results, will plan for further exploration programs.



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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