



ASIA NOW RESOURCES CORP.

(A Development Stage Company)

**Consolidated Financial Statements
(Expressed in Canadian Dollars)**

For the Years Ended December 31, 2010 and 2009

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Asia Now Resources Corp. (A Development Stage Company) were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 2 to the consolidated financial statements.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed)
Kaihui Yang
President

(signed)
Gaetan Chabot
Chief Financial Officer

April 25, 2011
Toronto, Canada

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Asia Now Resources Corp.

We have audited the accompanying consolidated financial statements of Asia Now Resources Corp. (A Development Stage Company), which comprise the consolidated balance sheets as at December 31, 2010 and 2009, and the consolidated statements of loss and comprehensive loss, statements of deficit, statements of cash flows, statements of shareholders' equity and statements of mineral properties and deferred exploration expenditures for the years then ended, and for the period from April 1, 1997 (date of inception of the development stage) to December 31, 2010, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Asia Now Resources Corp. as at December 31, 2010 and 2009 and the results of its operations and its cash flow for the years then ended in accordance with Canadian generally accepted accounting principles.

North York, Ontario
April 25, 2011

Stern & Lovrics LLP

Chartered Accountants
Licensed Public Accountants

ASIA NOW RESOURCES CORP.
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN CANADIAN DOLLARS)

As at December 31,	2010	2009
ASSETS		
Current		
Cash and cash equivalents	\$ 14,252,900	\$ 3,469,089
Prepaid and sundry receivables	91,295	73,051
	14,344,195	3,542,140
Mineral properties and deferred exploration expenditures (Note 5)	10,187,841	8,465,138
Capital assets (Note 6)	61,719	78,591
	\$ 24,593,755	\$ 12,085,869
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 506,425	\$ 740,646
SHAREHOLDERS' EQUITY		
Share capital (Note 7(b))	30,369,153	16,921,310
Contributed surplus	2,797,671	2,640,871
Deficit	(9,079,494)	(8,216,958)
	24,087,330	11,345,223
	\$ 24,593,755	\$ 12,085,869

Nature of Operations and Going Concern (Note 1)

Commitment (Note 14)

Subsequent event (Note 15)

APPROVED ON BEHALF OF THE BOARD:

Signed "Kaihui Yang" _____, Director

Signed "Gordon McCreary" _____, Director

See accompanying notes to consolidated financial statements.

ASIA NOW RESOURCES CORP.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)

For the years ended December 31,	2010	2009	Cumulative since inception on April 1, 1997 to December 31, 2010
Expenses			
Management and consulting fees (Note 9 and 12)	\$ 181,631	\$ 198,576	\$ 2,232,045
General and administration cost (1)	188,268	153,751	1,479,365
China office expenses (Note 9)	175,371	171,646	973,979
Investor relations (Note 9)	53,679	65,770	504,236
Listing and transfer agent fees	37,117	12,868	137,992
Directors fees	36,815	40,725	185,621
Stock-based compensation (Note 9)	91,654	125,145	818,951
Loss on joint venture advances	-	-	116,867
Loss on disposal of capital assets	-	2,859	5,918
Write-down of mineral properties	-	-	1,990,577
Foreign exchange loss (gain)	139,208	71,977	266,908
Amortization	24,752	22,064	109,898
	928,495	865,381	8,822,357
Net loss before the following	(928,495)	(865,381)	(8,822,357)
Other Income	65,959	-	65,959
Reverse take over costs in excess of cash	-	-	(148,164)
Net loss and comprehensive loss for the period	\$ (862,536)	\$ (865,381)	\$ (8,904,562)
Basic and fully diluted loss per share	\$ (0.01)	\$ (0.01)	
Weighted average number of shares outstanding	71,842,382	65,621,218	

(1) General and administration was offset by \$12,729 of interest income for the year ended December 31, 2010 (\$34,648 of interest income for the year ended December 31, 2009; cumulative since inception on April 1, 1997 to December 31, 2010 - \$271,130).

CONSOLIDATED STATEMENTS OF DEFICIT
(EXPRESSED IN CANADIAN DOLLARS)

For the years ended December 31,	2010	2009	Cumulative since inception on April 1, 1997 to December 31, 2010
Net loss for the period	\$ (862,536)	\$ (865,381)	\$ (8,904,562)
Deficit, beginning of period	(8,216,958)	(7,351,577)	(174,932)
Deficit, end of period	\$ (9,079,494)	\$ (8,216,958)	\$ (9,079,494)

See accompanying notes to consolidated financial statements.

ASIA NOW RESOURCES CORP.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)

For the years ended December 31,	2010	2009	Cumulative since inception on April 1, 1997 to December 31, 2010
CASH (USED IN) PROVIDED BY			
OPERATING ACTIVITIES			
Net loss for the period	\$ (862,536)	\$ (865,381)	\$ (8,904,562)
Adjustment for:			
Amortization	24,752	22,064	109,898
Stock-based compensation (Note 9)	120,058	167,012	1,408,243
Write-down of mineral properties	-	-	1,990,577
Loss on disposal of capital assets	-	2,859	5,918
Net change in non-cash working capital (Note 10)	(252,465)	(26,298)	233,604
	(970,191)	(699,744)	(5,156,322)
INVESTING ACTIVITIES			
Mineral properties and deferred exploration expenditures	(1,685,961)	(2,046,370)	(11,967,034)
Purchase of capital assets	(7,880)	(57,793)	(197,820)
Proceeds on disposal of capital assets	-	-	20,284
Transaction costs	-	-	(70,133)
Cash acquired on RTO	-	-	70,133
	(1,693,841)	(2,104,163)	(12,144,570)
FINANCING ACTIVITY			
Cash received from issuance of common shares, net of issuance costs	13,447,843	-	31,553,792
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,783,811	(2,803,907)	14,252,900
CASH AND CASH EQUIVALENTS, beginning of period	3,469,089	6,272,996	-
CASH AND CASH EQUIVALENTS, end of period	\$ 14,252,900	\$ 3,469,089	\$ 14,252,900
Cash and cash equivalents consist of:			
Cash	\$ 3,371,095	\$ 1,294,089	\$ 3,371,095
Short-term investments	10,881,805	2,175,000	10,881,805
	\$ 14,252,900	\$ 3,469,089	\$ 14,252,900
NON-CASH INVESTING ACTIVITIES			
Stock-based option compensation capitalized to mineral properties and exploration expenditures	\$ 36,742	\$ 54,115	\$ 157,269

See accompanying notes to consolidated financial statements.

ASIA NOW RESOURCES CORP.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	<u>Shares issued and subscribed</u>		<u>Warrants</u> <u>Value</u>	<u>Contributed</u> <u>Surplus</u>	<u>Accumulated</u> <u>Deficit</u>	<u>Total</u>
	<u># of Shares</u>	<u>Share Value</u>				
Balance at February 17, 2004	1,250,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Shares issued on initial public offering, net of issue costs	1,875,000	194,806	-	-	-	194,806
Valuation of stock options	-	-	-	14,375	-	14,375
Loss for the year	-	-	-	-	(32,911)	(32,911)
Balance at December 31, 2004	3,125,000	294,806	-	14,375	(32,911)	276,270
Loss for the year	-	-	-	-	(9,147)	(9,147)
Balance at December 31, 2005	3,125,000	294,806	-	14,375	(42,058)	267,123
Elimination of share capital of Phoenician Holdings Corp.	-	(294,806)	-	(14,375)	42,058	(267,123)
Shares issued to effect RTO	31,791,968	4,628,207	-	-	(2,408,064)	2,220,143
Value of warrants assumed on RTO	-	-	836,916	-	-	836,916
Value of stock options assumed on RTO	-	-	-	487,800	-	487,800
Shares issued on private placement, net of issue costs	10,320,020	4,747,202	-	-	-	4,747,202
Valuation of warrants issued	-	(856,562)	856,562	-	-	-
Value of stock options granted	-	-	-	90,691	-	90,691
Valuation of broker warrants issued	-	(103,029)	103,029	-	-	-
Exercise of warrants	2,612,500	979,688	-	-	-	979,688
Exercise of warrants - fair market valuation	-	251,581	(836,916)	585,335	-	-
Exercise of stock options	343,750	55,000	-	-	-	55,000
Fair value of net liabilities assumed on RTO	-	-	-	-	(174,932)	(174,932)
Loss for the year	-	-	-	-	(2,201,635)	(2,201,635)
Balance at December 31, 2006	48,193,238	\$ 9,702,087	\$ 959,591	\$ 1,163,826	\$ (4,784,631)	\$ 7,040,873

See accompanying notes to consolidated financial statements

ASIA NOW RESOURCES CORP.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	<u>Shares issued and subscribed</u>		<u>Warrants</u>	<u>Warrants</u>	<u>Contributed</u>	<u>Accumulated</u>	
	<u># of Shares</u>	<u>Share Value</u>	<u>Value</u>	<u>to be Issued</u>	<u>Surplus</u>	<u>Deficit</u>	<u>Total</u>
Balance at December 31, 2006	48,193,238	\$ 9,702,087	\$ 959,591	\$ -	\$ 1,163,826	\$ (4,784,631)	\$ 7,040,873
Shares issued on private placement, net of issue costs	1,058,986	524,825	-	-	-	-	524,825
Value of broker warrants to be issued	-	(18,638)	-	18,638	-	-	-
Exercise of stock options	1,000,000	200,000	-	-	-	-	200,000
Valuation of stock options exercised	-	119,000	-	-	(119,000)	-	-
Value of stock options previously granted	-	-	-	-	23,661	-	23,661
Value of stock options granted	-	-	-	-	394,759	-	394,759
Expired warrants	-	-	(959,591)	-	959,591	-	-
Loss for the year	-	-	-	-	-	(1,245,399)	(1,245,399)
Balance at December 31, 2007	50,252,224	10,527,274	-	18,638	2,422,837	(6,030,030)	6,938,719
Shares issued on private placement, net of issue costs	13,129,908	5,639,516	-	-	-	-	5,639,516
Valuation of broker warrants issued	-	-	18,638	(18,638)	-	-	-
Exercise of stock options	2,120,000	448,000	-	-	-	-	448,000
Valuation of stock options exercised	-	266,520	-	-	(266,520)	-	-
Value of stock options previously granted	-	-	-	-	187,726	-	187,726
Value of stock options granted	-	-	-	-	57,063	-	57,063
Loss for the period	-	-	-	-	-	(1,321,547)	(1,321,547)
Balance at December 31, 2008	65,502,132	16,881,310	18,638	-	2,401,106	(7,351,577)	11,949,477
Value of stock options previously granted	-	-	-	-	14,543	-	14,543
Value of stock options granted (Note 9)	-	-	-	-	206,584	-	206,584
Expired warrants (Note 8)	-	-	(18,638)	-	18,638	-	-
Share issued (Note 7(b))	266,666	40,000	-	-	-	-	40,000
Loss for the period	-	-	-	-	-	(865,381)	(865,381)
Balance at December 31, 2009	65,768,798	\$ 16,921,310	\$ -	\$ -	\$ 2,640,871	\$ (8,216,958)	\$ 11,345,223

See accompanying notes to consolidated financial statements

ASIA NOW RESOURCES CORP.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	<u>Shares issued and subscribed</u>		<u>Warrants</u>	<u>Warrants</u>	<u>Contributed</u>	<u>Accumulated</u>	
	<u># of Shares</u>	<u>Share Value</u>	<u>Value</u>	<u>to be Issued</u>	<u>Surplus</u>	<u>Deficit</u>	<u>Total</u>
Balance at December 31, 2009	65,768,798	\$ 16,921,310	\$ -	\$ -	\$ 2,640,871	\$ (8,216,958)	\$ 11,345,223
Value of stock options previously granted (Note 9)	-	-	-	-	153,600	-	153,600
Stock option modification	-	-	-	-	3,200	-	3,200
Shares issued on private placement , net of issue costs (Note 7(b))	45,242,000	13,447,843	-	-	-	-	13,447,843
Loss for the period	-	-	-	-	-	(862,536)	(862,536)
Balance at December 31, 2010	111,010,798	\$ 30,369,153	\$ -	\$ -	\$ 2,797,671	\$ (9,079,494)	\$ 24,087,330

See accompanying notes to consolidated financial statements

ASIA NOW RESOURCES CORP.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

(EXPRESSED IN CANADIAN DOLLARS)

	Ma Touwan	Beiya	Habo	Great Wall	Other	Total
Balance at December 31, 2006	\$ 418,235	\$ 685,344	\$ 781,259	\$ 434,622	\$ 36,505	\$ 2,355,965
<u>Exploration costs</u>						
Management and supervision	40,345	24,492	26,965	-	-	91,802
Geological and geophysical	177,437	101,220	125,328	85,565	-	489,550
Trenching and assays	45,661	15,472	115,655	-	-	176,788
Drilling	107,858	478,830	715,034	-	-	1,301,722
Field trip	32,912	21,354	32,548	16,917	-	103,731
General	51,620	24,653	32,681	31,800	-	140,754
	455,833	666,021	1,048,211	134,282	-	2,304,347
Balance at December 31, 2007	874,068	1,351,365	1,829,470	568,904	36,505	4,660,312
<u>Exploration costs</u>						
Management and supervision	10,481	5,927	6,881	-	-	23,289
Geological and geophysical	152,028	335,173	168,421	83,751	-	739,373
Trenching and assays	17,760	57,573	113,376	-	-	188,709
Drilling	973,125	(9,488)	382,245	-	-	1,345,882
Field trip	11,588	5,719	5,825	3,200	-	26,332
General	29,094	25,968	18,054	(973)	-	72,143
Write-downs	-	-	-	(654,882)	(36,505)	(691,387)
	1,194,076	420,872	694,802	(568,904)	(36,505)	1,704,341
Balance at December 31, 2008	\$ 2,068,144	\$ 1,772,237	\$ 2,524,272	\$ -	\$ -	\$ 6,364,653

See accompanying notes to consolidated financial statements

ASIA NOW RESOURCES CORP.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

(EXPRESSED IN CANADIAN DOLLARS)

	Ma Touwan	Beiya	Habo	Great Wall	Other	Total
Balance at December 31, 2008	\$ 2,068,144	\$ 1,772,237	\$ 2,524,272	\$ -	\$ -	\$ 6,364,653
<u>Exploration costs</u>						
Acquisition costs	350,662	-	-	-	-	350,662
Management and supervision	56,332	39,933	35,139	-	-	131,404
Geological and geophysical	130,987	29,827	83,308	-	-	244,122
Trenching and assays	28,798	236,997	316,944	-	-	582,739
Drilling	575,210	25	56,071	-	-	631,306
Field trip	18,855	6,028	6,629	-	-	31,512
General	17,692	44,324	66,724	-	-	128,740
	1,178,536	357,134	564,815	-	-	2,100,485
Balance at December 31, 2009	\$ 3,246,680	\$ 2,129,371	\$ 3,089,087	\$ -	\$ -	\$ 8,465,138
<u>Exploration costs</u>						
Management and supervision	134,160	78,708	67,332	-	-	280,200
Geological and geophysical	40,110	15,830	31,430	-	-	87,370
Trenching and assays	178	20,278	92,027	-	-	112,483
Drilling	825,350	219,318	(20,382)	-	-	1,024,286
Field trip	25,824	10,082	16,756	-	-	52,662
General	19,982	68,128	54,247	-	-	142,357
Site reclamation	23,345	-	-	-	-	23,345
	1,068,949	412,344	241,410	-	-	1,722,703
Balance at December 31, 2010	\$ 4,315,629	\$ 2,541,715	\$ 3,330,497	\$ -	\$ -	\$ 10,187,841

See accompanying notes to consolidated financial statements

ASIA NOW RESOURCES CORP.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES
(EXPRESSED IN CANADIAN DOLLARS)

Cumulative Mineral Properties and Deferred Exploration Expenditures:

	Ma Touwan	Beiya	Habo	Great Wall	Other	Total
<u>Exploration costs</u>						
Acquisition costs	\$ 453,144	\$ 146,505	\$ 187,028	\$ 50,130	\$ -	\$ 836,807
Management and supervision	256,653	168,574	162,493	13,680	-	601,400
Geological and geophysical	641,463	914,933	726,259	353,702	-	2,636,357
Trenching and assays	186,436	365,974	744,243	-	-	1,296,653
Drilling	2,527,886	688,685	1,180,138	43,200	-	4,439,909
Field trip	95,303	49,163	73,917	28,540	-	246,923
General	185,751	213,340	263,389	165,630	36,505	864,615
Option payment received	(54,352)	(5,459)	(6,970)	-	-	(66,781)
Site reclamation	23,345	-	-	-	-	23,345
Write down	-	-	-	(654,882)	(36,505)	(691,387)
Balance at December 31, 2010	\$ 4,315,629	\$ 2,541,715	\$ 3,330,497	\$ -	\$ -	\$ 10,187,841

See accompanying notes to consolidated financial statements

ASIA NOW RESOURCES CORP.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

1. NATURE OF OPERATIONS AND GOING CONCERN

Asia Now Resources Corp. (the "Company" or "Asia Now"), incorporated in the Province of Ontario, is in the development stage and is engaged principally in the acquisition and development of mineral properties in China. The recovery of the Company's investment in mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development and the future proceeds from the disposition of those reserves. The Company is a development stage entity as defined by the Canadian Institute of Chartered Accountants (the "CICA") Accounting Guideline 11.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. The Company's mining assets are located outside of Canada and are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and political uncertainty.

These consolidated financial statements have been prepared on the basis of a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as going concern as described in the following paragraph. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements.

The Company has a need for financing for working capital, and the exploration and development of its properties. The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The consolidated financial statements have been presented in accordance with Canadian generally accepted accounting principles. Summarized below are the significant accounting policies used in these consolidated financial statements:

(a) Principles of Consolidation

The consolidated financial statements, which are prepared in accordance with Canadian generally accepted accounting principles, include the accounts of Asia Now Resources Corp. (the "Company") and its wholly owned subsidiaries Asia Now Resources Limited and Asia Now Resources Shanghai Consultants Company Limited. On consolidation, all intercompany transactions and balances have been eliminated.

(b) Cash and Cash Equivalents

Cash and cash equivalents are comprised of highly liquid investments with maturity of 3 months or less at the date of original issue.

ASIA NOW RESOURCES CORP.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reported year. Significant areas where management's judgment is applied include the carrying value of mineral properties, accounts payable and accrued liabilities and fair value estimates for stock options and warrants. Actual results may differ from those estimates.

(d) Mineral Properties and Deferred Exploration Expenditures

The Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interest are either developed or the Company's mineral rights are allowed to lapse. All deferred mineral property expenditures are reviewed, on a property by property basis, to consider whether there are any conditions that may indicate impairment.

When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferral costs, provision is made for the impairment value.

The amounts shown for the acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs are depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by any undetected defect.

(e) Joint Ventures

The Company conducts its business in China through a number of sino-foreign cooperative joint venture limited liability companies established with Yunnan Geology and Mineral Resource Company Limited and Yunnan Non-Ferrous Resources Group Company Limited. All are state-owned exploration enterprises.

Although the various joint ventures operate through limited liability companies, they do not issue shares. Each party involved in these companies determines its profit and risk based upon their relative interest in the joint venture. This interest may vary over time as agreed by the parties. These consolidated financial statements reflect only the expenditures made by the Company for its proportionate interest in such joint ventures.

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2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

(f) Loss per Share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period. Diluted loss per share has not been presented as the effect of outstanding options and warrants would be anti-dilutive.

(g) Capital Assets

Office equipment and vehicles are recorded at cost and amortized using the declining-balance method at an annual rate of 30%. Leasehold improvements are recorded at cost and amortized over 2 years on a straight line basis.

(h) Foreign Currency Translation

The accounts of the Company's foreign operations have been translated into Canadian dollars. Monetary items are translated at the exchange rate in effect at the balance sheet date; non-monetary items are translated at historical exchange rates; revenue and expenses and exploration and development items at the average rate of exchange for the period. Gains and losses arising from this translation of foreign currency are included in net loss.

(i) Stock-Based Compensation

The Company has a stock option plan that is described in Note 9. The fair value of any stock options granted to directors, officers, consultants and employees is recorded as an expense or capitalized to mineral properties over the vesting period with a corresponding increase recorded to contributed surplus. The fair value of the stock-based compensation is determined using the Black-Scholes option pricing model and management's assumptions as disclosed in Note 9. Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

(j) Asset Retirement Obligations

Future costs to retire an asset including dismantling, remediation and ongoing treatment, and monitoring of the site are recognized and recorded as a liability at fair value. The liability is accreted, over time through periodic charges to earnings. In addition, asset retirement costs are capitalized as part of the asset's carrying value and amortized over the asset's useful life. The Company has no obligations relating to retirement of its assets as at December 31, 2010 and 2009 and no liability has been recognized.

(k) Impairment of Long-lived Assets

The Company assesses the impairment of long-lived assets, which consist primarily of mineral properties and deferred exploration expenditures, whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of a long-lived asset is then determined by a comparison of the carrying value of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the amount of the impairment is measured by the amount by which the carrying amount of the asset exceeds its fair value. Management believes that there has been no impairment of the Company's long-lived assets as at December 31, 2010 and 2009.

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2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

(l) Income Tax

The Company accounts for income taxes in accordance with the asset and liability method. The determination of future income tax assets and liabilities is based on the differences between the financial statement and the income tax bases of assets and liabilities, using substantively enacted tax rates in effect for the period in which the differences are expected to reverse. Future income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is more likely than not that they will be realized.

(m) Financial Instruments

Financial instruments are classified as one of the following: loans and receivables, held-to-maturity, held-for-trading, available-for-sale and other financial liabilities. Financial instruments are measured on the balance sheet at amortized cost or fair value depending on the classification. Loans and receivables, held-to-maturity and other financial liabilities are accounted for at amortized cost. Held-for-trading and available-for-sale financial instruments are recorded at fair value. Changes in fair value of held-for-trading financial instruments are recognized in operations while changes in fair value of available-for-sale financial instruments are initially recorded in other comprehensive income or loss.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value of such instruments.

Under these standards, the Company designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Sundry receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

(n) Goodwill and Intangible Assets

Effective January 1, 2009, the Company adopted CICA Section 3064, "Goodwill and Intangible Assets" which replaces CICA Sections 3062, "Goodwill and Other Intangible Assets" and 3450 "Research and Development Costs", as well as EIC-27, "Revenues and Expenditures During the Pre-operating Period", and part of Accounting Guideline 11, "Enterprises in the development stage". Under previous Canadian standards, a greater number of items were recognized as assets than are recognized under International Financial Reporting Standards ("IFRS"). The provisions relating to the definition and initial recognition of intangible assets reduce the differences with IFRS in the accounting for intangible assets. The objectives of CICA 3064 are: 1) to reinforce the principle-based approach to the recognition of assets; 2) to establish the criteria for asset recognition; and 3) to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing assets items that do not meet the recognition criteria is eliminated. The standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The portions in the standard relating to goodwill remain unchanged.

The adoption of this standard had no impact on the Company's presentation of its financial position or results of operations as at December 31, 2010 and 2009.

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2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

(o) Fair Value

At December 31, 2010 and December 31, 2009, the carrying values of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities approximated their fair values due to the short period to maturity of those financial instruments.

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about the financial instruments.

The CICA established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that is observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data.

The Company's carrying value and fair value of cash and cash equivalents under the fair value hierarchy is measured using Level 1 inputs. As at December 31, 2010 and 2009, the Company has no other financial instruments that required disclosure under the fair value hierarchy.

(p) Future Accounting Pronouncements

International Financial Reporting Standards ("IFRS")

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian generally accepted accounting principles with IFRS for Canadian enterprises with public accountability. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. The Company will be required to have prepared, in time for its first quarter of fiscal 2011 filing, comparative financial statements in accordance with IFRS for the three months ended March 31, 2010. Accordingly, the Company will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended March 31, 2011. The Company's 2011 interim and annual financial statements will include comparative 2010 financial statements, adjusted to comply with IFRS.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011.

Section 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 - Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

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3. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company considers its capital to be equity, comprising share capital, warrants, contributed surplus and deficit which at December 31, 2010 totalled \$24,087,330 (2009 - \$11,345,223). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, and acquire or dispose of assets to adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including but not limited to source and use of capital and general industry conditions.

The Company expects its current capital resources will be sufficient to carry out its exploration, development and investment plans and operations through fiscal 2011.

4. PROPERTY AND FINANCIAL RISK FACTORS

(a) Property risk

The Company's major mineral properties are Ma Touwan, Beiya and Habo. Unless the Company acquires or develops additional material properties, the Company will be mainly dependant upon these three projects. If no additional major mineral exploration properties are acquired by the Company, any adverse development affecting these three projects would have a material adverse effect on the Company's financial condition and results of operations.

(b) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents and sundry receivables. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of guaranteed investment certificates, which have been invested with reputable financial institutions, from which management believes the risk of loss to be minimal. Sundry receivables consist of harmonized sales tax due from the Federal Government of Canada and accrued interest. Sundry receivables of \$49,156 are in good standing as of December 31, 2010 and represent the maximum credit exposure. Management believes that the credit risk concentration with respect to sundry receivables is minimal.

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4. PROPERTY AND FINANCIAL RISK FACTORS (Continued)

(b) Financial risk (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at December 31, 2010, the Company had cash and cash equivalents of \$14,252,900 (December 31, 2009 - \$3,469,089) to settle current liabilities of \$506,425 (December 31, 2009 - \$740,646). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

(i) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

(ii) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars and Chinese renminbi ("RMB"). The Company funds major exploration expenses in China. The Company maintains Chinese RMB bank accounts in China. Management does not hedge its foreign exchange risk.

(iii) Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, copper, silver, lead, zinc and molybdenum to determine the appropriate course of action to be taken by the Company.

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4. PROPERTY AND FINANCIAL RISK FACTORS (Continued)

(c) Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

Cash equivalents include deposits at call which are at variable rates. As at December 31, 2010, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the year ended December 31, 2010 would have been approximately \$109,000 higher/lower, as a result of lower/higher interest income from cash equivalents. Similarly, as at December 31, 2010, reported shareholders' equity would have been approximately \$109,000 lower/higher as a result of lower/higher interest income from cash equivalents due to a 1% decrease/increase in interest rates.

The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents, sundry receivables and accounts payable and accrued liabilities that are denominated in Chinese RMB. As at December 31, 2010, had the Chinese RMB dollar weakened/strengthened by 5% against the Canadian dollar with all other variables held constant, the Company's loss for the year ended December 31, 2010 would have been approximately \$563,000 higher/lower as a result of foreign exchange losses/gains on translation of non-Canadian dollar denominated financial instruments. Similarly, as at December 31, 2010, reported shareholders' equity would have been approximately \$563,000 lower/higher had the Chinese RMB dollar weakened/strengthened by 5% as a result of foreign exchange losses/gains on translation of non-Canadian dollar denominated financial instruments.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of gold, copper, silver, lead, zinc and molybdenum. Gold, copper, silver, lead, zinc and molybdenum prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of gold, copper, silver, lead, zinc and molybdenum may be produced in the future, a profitable market will exist for them. As of December 31, 2010, the Company was not a gold, copper, silver, lead, zinc and molybdenum producer. As a result, gold, copper, silver, lead, zinc and molybdenum price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

(a) Ma Touwan Properties

On January 17, 2004, the Company entered into an agreement with the Yunnan Non-Ferrous Geology and Mineral Resources Limited ("YNGM"), a China state-owned exploration enterprise. The resulting joint venture - Yunnan Dong Xin Mineral Exploration Company Limited was approved for a term of thirty years beginning May 31, 2004. This joint venture is involved in the exploration for base and precious metals in the Dongchuan and Ma Touwan areas of Yunnan Province, China.

In December 2006, the Company, based on exploration results, decided not to pursue further exploration activities in the Dongchuan area and to write-off exploration expenditures incurred to date.

In March 2007, the Company and its joint venture partner amended its previous agreements in Dong Xin. Accordingly, the joint venture holds nine exploration licenses (with a total area of 228.06 km²) in the Ma Touwan area and all contributed capital on the Dongchuan project will be treated as exploration capital for purposes of calculating the Company's earned interest on the Ma Touwan project. If the Company contributes to the registered capital and to the total investment in accordance with the joint venture agreement, the Company will be able to hold up to 72% of the joint venture. The Company may contribute a total of US\$4,100,000 for the first phase of exploration on the properties in two phases over a five year period until the completion of the feasibility study.

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5. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

(a) Ma Touwan Properties (continued)

The Company and its joint venture partner Yunnan Non-Ferrous Geology and Mineral Resources Limited ("YNGM") in Yunnan Dong Xin Mineral Exploration Company Limited agreed to amend their agreement. YNGM was to contribute nine exploration licenses. To date only 2 exploration licenses (80.72 km²) have been transferred to the joint venture company. Based on surface exploration programs completed on the other six exploration licenses, no significant mineralization was identified and therefore those exploration licenses will be excluded from the original contract. The Company's original contribution of US\$4,100,000 has been reduced to US\$2,242,700. To date the Company had contributed US\$4,990,020 and earned a 72% interest in the Ma Touwan project.

(b) Beiya and Habo

On April 4, 2004, the Company entered into an agreement with the Yunnan Geology and Mineral Resource Co. Ltd., a China state-owned exploration enterprise. The resulting joint venture - Yunnan Now Mineral Exploration Company Limited was approved for a term of twenty years beginning on September 28, 2004. This joint venture is involved in the exploration for base and precious metals in the Habo and Beiya areas of Yunnan Province, China. If the Company contributes to the registered capital and to the total investment in accordance with the joint venture agreement, the Company will be able to hold up to 70% of the joint venture. The Company may contribute a total of US\$7,800,500 for the first phase of exploration of these properties. To date the Company had contributed US\$4,400,000.

Beiya

The Company has 4 exploration rights over 43.26 km². Two major mineralization zones have been identified within 70 km². Chinese mining law requires the Company to conduct exploration activities on all of its exploration rights every year. The Company continuously reviews its holdings to reduce areas with low prospectivity and to focus its efforts in areas of high potential.

Habo

This project covers an area of 59.74 km². Major mineralization has been identified within an area of 50 km². Chinese mining law requires the Company to conduct exploration activities on all of its exploration rights every year. The Company continuously reviews its holdings to reduce areas with low prospectivity and to focus its efforts in areas of high potential.

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6. CAPITAL ASSETS

	2010	2009
Office equipment and leaseholds - at cost	\$ 109,586	\$ 101,706
Vehicles - at cost	39,941	39,941
Less: accumulated amortization	(87,808)	(63,056)
	\$ 61,719	\$ 78,591

7. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares

(b) Common shares issued

	Number of Shares	Amount
Balance, December 31, 2008	65,502,132	\$ 16,881,310
Common shares issued (1)	266,666	40,000
Balance, December 31, 2009	65,768,798	\$ 16,921,310
Common shares issued, net of issue costs (2)	45,242,000	13,447,843
Balance, December 31, 2010	111,010,798	\$ 30,369,153

- (1) On July 21, 2009, the Company issued 266,666 common shares at a price of \$0.15 to settle a debt of \$40,000 in respect of services rendered by a consultant to the Company.
- (2) On November 12, 2010, the Company closed a non-brokered private placement and issued 42,400,000 new common shares to China Gold Pte. Ltd. ("China Gold") and 2,842,000 new common shares to Prime Orient Investments Limited ("Prime Orient") at a price of \$0.30 per common share for gross proceeds of approximately \$13,572,600 (the "Private Placement"). Approval for the Private Placement was obtained from disinterested shareholders of the Corporation at the special meeting held on October 27, 2010. The TSXV has also issued its final approval for the Private Placement. The Company incurred share issue costs of \$124,757 which resulted in net proceeds of \$13,447,843.

As a result of the Private Placement, China Gold has become a new "Control Person" of Asia Now, as such term is defined in the TSX Venture Exchange Corporate Finance Manual. Immediately after closing of the Private Placement, China Gold holds approximately 49.9% of all issued and outstanding common shares of Asia Now on an undiluted basis and approximately 47.7% on a fully diluted basis. Immediately after closing of the Private Placement, Prime Orient holds approximately 2.6% of all issued and outstanding common shares of Asia Now on an undiluted basis and approximately 2.4% on a fully diluted basis.

In accordance with applicable securities legislation and the TSX Venture Exchange Corporate Finance Manual, the shares issued to China Gold are subject to a "hold period" expiring on March 13, 2011. In accordance with applicable securities legislation, the shares issued to Prime Orient are also subject to a "hold period" expiring on March 13, 2011.

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8. WARRANTS

The following table reflects the continuity of warrants for the years ended December 31, 2010 and 2009:

	Number of Warrants	Fair Value	Weighted Average Exercise Price
Balance, December 31, 2008	105,899	\$ 18,638	\$0.55
Expired	(105,899)	(18,638)	0.55
Balance, December 31, 2009 and 2010	-	\$ -	\$ -

9. STOCK OPTIONS

The Company implemented a stock option plan available to employees, directors, senior officers and consultants of the Company and any of its subsidiaries. The participants in the plan may be granted options to purchase common shares of the Company. The total number of shares which may be reserved for issuance under the stock option plan may not exceed 9,600,000 common shares. The maximum number of shares which may be reserved for issuance to any one person in any 12 month period under the plan shall be 5% of the shares issued and outstanding at the time of the grant.

The following table reflects the continuity of stock options for the years ended December 31, 2010 and 2009:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2008	2,650,000	\$0.61
Cancelled/Expired	(50,000)	0.75
Options granted (1)	3,350,000	0.25
Balance, December 31, 2009	5,950,000	0.40
Cancelled/Expired	(850,000)	0.51
Balance, December 31, 2010	5,100,000	\$0.39

(1) On September 10, 2009, 3,350,000 stock options were issued to directors, officers, employees and consultants of the Company. The stock options can be exercised for \$0.25 per share and expire on September 10, 2014. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield, 0%, risk-free interest rate, 2.56%, volatility, 124.40% and an expected life of 5 years. The value attributed to the 3,350,000 stock options was \$371,850. During the year ended December 31, 2010, 350,000 of these options were cancelled. During the year ended December 31, 2010 \$36,742 (2009 - \$49,333) was charged to mineral properties and deferred exploration expenditures, \$3,200 (2009 - \$nil) was charged to investor relations, \$25,205 (2009 - \$32,105) was charged to management and consulting fees and \$91,654 (2009 - \$125,145) was charged to stock-based compensation and credited to contributed surplus. The remaining value of the outstanding options of \$9,250 will be expensed or capitalized as the stock options vest. These options vest as to 25% immediately, 25% after six months, 25% after twelve months and 25% after eighteen months.

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9. STOCK OPTIONS (Continued)

Details of the stock options outstanding at December 31, 2010 are as follows:

Fair Value Exercisable Options	Weighted Average Remaining Contractual Life (years)	Exercisable Options	Number of Options	Exercise Price	Expiry Date
\$ 6,490	0.46	200,000	200,000	0.28	June 16, 2011
26,800	2.33	200,000	200,000	0.50	April 30, 2013 (1)
45,000	2.33	300,000	300,000	0.33	April 30, 2013 (1)
37,600	1.33	200,000	200,000	0.33	April 30, 2012
348,450	1.59	1,150,000	1,150,000	0.75	August 1, 2012
37,350	2.01	150,000	150,000	0.75	January 3, 2013
238,650	3.70	2,175,000	2,900,000	0.25	September 10, 2014
\$ 740,340	2.85	4,375,000	5,100,000		

(1) During the year ended December 31, 2010, the Company extended its agreement with a consultant that provides investor and financial relations services to the Company. As a result, the Company extended the options for an additional three years to April 30, 2013.

The fair value of the extended options was estimated using the Black-Scholes pricing model using the following assumptions: dividend yield 0%; expected volatility 119%; risk free interest rate 2.42% and expected average life of 3 years. The resulting incremental fair value of \$3,200 associated with the modification of the options was recorded against the investor relations expense.

10. CHANGE IN NON-CASH WORKING CAPITAL

	2010	2009
Prepaid and sundry receivables	\$ (18,244)	\$ 96,433
Accounts payable and accrued liabilities	(234,221)	(122,731)
	\$ (252,465)	\$ (26,298)

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11. INCOME TAXES

(a) As at December 31, 2010, the Company had approximately \$5,913,733 of non-capital losses carried forward which expire at dates as described below, and \$12,055,710 of mineral property expenditures and \$120,789 of share issue costs all of which, under certain circumstances, may be utilized to reduce taxable income in future years. The Company has not recorded any of the benefits associated with these future tax assets.

To the extent unutilized to reduce taxable income in future years, the non-capital losses carried forward expire as follows:

2014	\$ 440,552
2015	480,926
2026	1,409,220
2027	1,081,837
2028	621,328
2029	897,314
2030	<u>982,556</u>
	<u>\$ 5,913,733</u>

(b) The Company's future income tax assets are summarized as follows:

	2010	2009
Non-capital losses carried forward	\$ 1,774,120	\$ 1,726,618
Mineral property expenditures	560,361	628,522
Capital assets	27,073	20,817
Share issue costs	51,237	92,397
Net future income tax assets	2,412,791	2,468,354
Valuation allowance	(2,412,791)	(2,468,354)
Net future income tax asset recorded	\$ -	\$ -

The Company has recorded a full valuation allowance for all of its net future income tax assets because management believes that the future income tax assets in respect of such losses are not, more likely than not, to be realized in the carryforward period.

(c) The Company's provision for income taxes differ from the amounts computed by applying the basic rates to losses for the year before taxes, as shown below:

	2010	2009
Statutory rate applied to loss for the year before income taxes (2010 - 30%, 2009 - 33%)	\$ (258,761)	\$ (285,575)
Non-deductible stock based compensation	36,017	55,114
Share issue expenses deductible	(70,188)	(68,971)
Amortization	7,426	7,281
Change in Canadian future income tax rates	26,559	-
Unrecognized benefits on non-capital losses	258,947	292,151
Future income tax recovery	\$ -	\$ -

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12. RELATED PARTY TRANSACTIONS

The Company incurred the following related party transactions during the period ended December 31, 2010 and 2009:

- \$180,000 (December 31, 2009 - \$180,000) was accrued or paid to a company controlled by the President.
- \$nil (December 31, 2009 - \$8,000) was accrued or paid to a company that provides the services of Corporate Secretary.
- \$54,000 (December 31, 2009 - \$57,000) was accrued or paid to a company controlled by the Chief Financial Officer.
- \$36,815 (December 31, 2009 - \$40,725) in director fees were paid or accrued.
- Effective June 25, 2009, a partner of a legal firm became an officer of the Company. Fees for legal services provided by the firm amounted to \$147,679 (December 31, 2009 - 27,497) was included in legal fees and share issue costs.
- The President, in addition to amounts listed above, was paid \$18,710 during 2010 (2009 - \$19,878) by the joint venture companies in China to act as their general manager.

These transactions are in the normal course of operations and are measured at the exchange amounts, which are the amounts of consideration established and agreed to by the parties.

Accounts payable and accrued liabilities include \$32,110 (2009 - \$nil) due to the legal firm where a partner of the legal firm is an officer of the Company.

13. SEGMENT DISCLOSURE

December 31, 2010	Canada	China	Consolidated
Current assets	\$ 13,007,934	\$ 1,336,261	\$ 14,344,195
Mineral properties and deferred exploration expenditures	-	10,187,841	10,187,841
Capital assets	2,231	59,488	61,719
	\$ 13,010,165	\$ 11,583,590	\$ 24,593,755

December 31, 2009	Canada	China	Consolidated
Current assets	\$ 2,362,384	\$ 1,179,756	\$ 3,542,140
Mineral properties and deferred exploration expenditures	-	8,465,138	8,465,138
Capital assets	3,188	75,403	78,591
	\$ 2,365,572	\$ 9,720,297	\$ 12,085,869

14. COMMITMENT

Joint Venture

As part of additional disclosures in Note 5, the Company is committed to fund its joint venture company, Yunnan Now Mineral Exploration Company Limited, US\$3,400,500 as at December 31, 2010.

ASIA NOW RESOURCES CORP.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

15. SUBSEQUENT EVENT

On February 17, 2011, the board of directors approved an amendment to its existing stock option plan to increase the number of common shares available for issuance under its stock option plan, (including options already issued and outstanding) to 11,100,000, which represents approximately 10% of the Asia Now's issued and outstanding shares. The amended incentive stock option plan will be put forth to shareholders for consideration and approval at its next meeting of shareholders.

The Company, pursuant to its amended stock option plan, granted options to purchase an additional 2,075,000 common shares of the Company at \$0.30 for a period of five years to directors, officers, employees and consultants of the Company.

All options granted are subject to shareholder and regulatory approval and may not be exercised until such approvals are obtained. The options granted will vest according to the provisions of the stock option plan, namely $\frac{1}{4}$ vesting immediately and $\frac{1}{4}$ of the options vesting every six months thereafter.

Management Discussion and Analysis
Audited Consolidated Financial Statements
For the year ended: December 31, 2010

Asia Now Resources Corp.

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ASIA NOW RESOURCES CORP.

MANAGEMENT DISCUSSION & ANALYSIS

December 31, 2010

This Management Discussion and Analysis ("MD&A") of Asia Now Resources Corp. ("Asia Now" or the "Company") is dated April 25, 2011, and provides an analysis of the Company's performance and financial condition for the year ended December 31, 2010 as well as an analysis of future prospects. The Board of Directors carries out its responsibility for review of this disclosure principally through its audit committee, comprised of independent directors. The audit committee reviews this disclosure and recommends its approval by the Board of Directors.

This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2010, including the related note disclosure, both of which are prepared in accordance with generally accepted accounting principles in Canada. All amounts are in Canadian dollars unless otherwise specified. The financial statements and additional information, including the Company's Certifications of Annual and Interim Filings and press releases, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

OVERALL PERFORMANCE

Principal Business and Corporate History

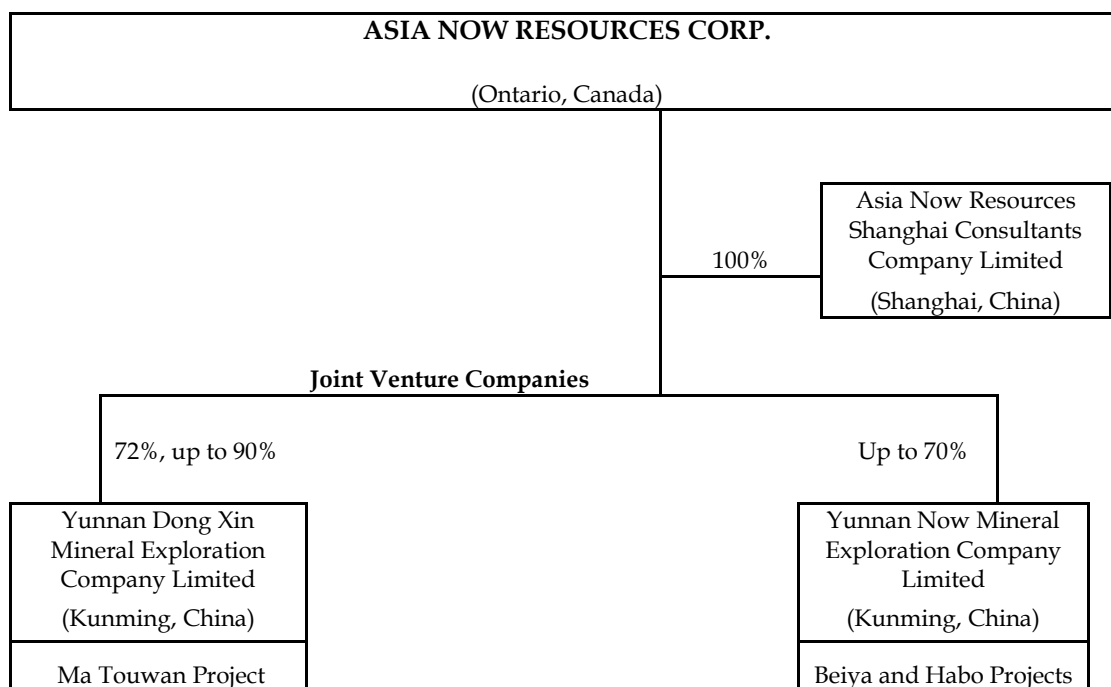
The principal business of Asia Now is the acquisition, exploration and development of mineral resources. The Company's name was changed from Millennium Minerals Corp. to Asia Now Resources Limited in June of 2002.

On February 27, 2006, Asia Now Resources Limited closed a business combination with Phoenician Holdings Corp ("PHC") (the "Amalgamation"), a capital pool company listed on the TSX Venture Exchange and a predecessor company of Asia Now. On closing, Asia Now Resources Limited amalgamated with a wholly-owned subsidiary of PHC; PHC changed its name to Asia Now Resources Corp. and the Company's shares resumed trading on the TSX Venture Exchange under the symbol "NOW".

The Company conducts its business through two sino-foreign cooperative joint venture limited liability companies (each a "CJV") established with two state-owned exploration enterprises: Yunnan Dong Xin Mineral Exploration Company Limited ("Yunnan Dong Xin") being the CJV with Yunnan Non-Ferrous Resources Group Company Limited ("YNRG") and Yunnan Now Mineral Exploration Company Limited ("Yunnan Now") being the CJV with Yunnan Geology and Mineral Resource Company Limited ("YGMR", now changing into a new name "Yunnan Gold Mines Group").

Asia Now Resources Shanghai Consultants Company Limited ("Asia Now Consultants"), a wholly-owned subsidiary of the Company, was formed in 2004 to provide management and technical services to the Company's CJV companies in China and to carry out the investigation of new potential projects and the setup of new CJV companies in various provinces.

The consolidated financial statements, which are prepared in accordance with Canadian generally accepted accounting principles, include the accounts of Asia Now Resources Corp. (the "Company") and its wholly owned subsidiaries Asia Now Resources Limited and Asia Now Resources Shanghai Consultants Company Limited. On consolidation, all intercompany transactions and balances have been eliminated.



Financing Developments

On November 12, 2010, the Company closed a non-brokered private placement and issued 42,400,000 new common shares to China Gold and 2,842,000 new common shares to Prime Orient at a price of \$0.30 per common share for gross proceeds of approximately \$13,572,600 (the "Private Placement"). Approval for the Private Placement was obtained from disinterested shareholders of the Corporation at the special meeting held on October 27, 2010. The TSXV has also issued its final approval for the Private Placement.

As a result of the Private Placement, China Gold has become a new "Control Person" of Asia Now, as such term is defined in the TSX Venture Exchange Corporate Finance Manual. Immediately after closing of the Private Placement, China Gold holds approximately 49.9% of all issued and outstanding common shares of Asia Now on an undiluted basis and approximately 47.7% on a fully diluted basis. Immediately after closing of the Private Placement, Prime Orient holds approximately 2.6% of all issued and outstanding common shares of Asia Now on an undiluted basis and approximately 2.4% on a fully diluted basis.

In accordance with applicable securities legislation and the TSX Venture Exchange Corporate Finance Manual, the shares issued to China Gold are subject to a "hold period" expiring on March 13, 2011. In accordance with applicable securities legislation, the shares issued to Prime Orient are also subject to a "hold period" expiring on March 13, 2011.

Pursuant to the subscription agreements entered into between the Company and each of China Gold and Prime Orient, on September 7, 2010 and amended on September 29, 2010, China Gold has the right to nominate and have elected four directors and Prime Orient has the right to nominate and have elected one director to Asia Now's board of directors, which is currently fixed at eight directors.

Recent Project Developments

The Company's two current exploration projects are the Beiya Project, which consists of the Ma Touwan properties and the Beiya properties, and the Habo Project. For a detailed review of exploration activity on the Company's projects, refer to "Resource Properties".

Beiya (Including Ma Touwan and Beiya) gold properties

The Company is now drilling to define a resource at the Beiya North high-grade gold/silver and base metal zone at the Beiya project. This project has been classed as one of the top 10 high-potential prospects in China by the China Geological Survey. To date, the Company has focused on the Yujiapo block of Beiya North where 47 holes were drilled on a grid of 160 meters by 80-160 meters, and 39 of them intersected multi-layered gold/silver and base metal mineralized zones, including some high-grade intercepts containing up to 23.5 g/t gold, 928 g/t silver, 4.15% copper and 35.3% combined lead and zinc. Recent drilling results have confirmed the continuity of the main mineralized zone over 1,360 meters long by 350 to 620 meters wide, and it remains open.

The drilled area is a part of a 13 kilometer long by 2 kilometer wide gold belt, two-thirds of which belongs to the Company's joint venture, and one-third of which belongs to an adjacent open-pit mine producing 200,000 oz gold per year. In Q4/10, the Company continued to drill high-grade gold-silver and base metal zones. Assay results indicate that the thick (up to 270 m) gold and base metal mineralization zone extends at least 1,200 meters from the mining lease of the Beiya Gold Mine.

The Company has accelerated its drilling program by mobilizing 20 rigs to Beiya North to focus on locating high-grade zones and to define the extent of a NI43-101 compliant resource. For further information, refer to the Press Releases dated February 7, 22, March 3 and 9, and April 21, 2011, filed on SEDAR.

The Beiya Project involves properties referred to as Ma Touwan and Beiya, initially covering an area of 586 square kilometers in two CJs: Yunnan Now and Yunnan Dong Xin. Asia Now has earned a 72% interest in the Ma Touwan gold property and has the option of increasing to 90% its interest in the Beiya North property where the Company is currently drilling.

Habo copper-gold-molybdenum properties

At the Habo Project, the Company's work previously focused on Habo South, one of four major gold-copper-molybdenum soil anomalies identified on the Habo property. Assay results there have indicated a subsurface, high-grade copper-molybdenum-silver zone within the 2.6 km by 1.3 km copper-gold-molybdenum mineralization system. Recent work has focused on anomalies in the northern part of the company's tenements, where results indicate three new mineralized centers. In Q4/10, surface exploration programs have been carried out to test the three new mineralized zones.

SELECTED ANNUAL AND QUARTERLY INFORMATION

The following tables show selected financial information related to the Company for the periods indicated. The information contained in these tables should be read in conjunction with the Company's financial statements. An analysis of the information contained in these tables is set out below under "Results of Operations" and "Liquidity and Capital Resources".

Selected Annual Information:

	Year ended Dec. 31, 2010 (\$)	Year ended Dec. 31, 2009 (\$)	Year ended Dec. 31, 2008 (\$)
Total Revenues ⁽¹⁾	12,729	34,648	73,158
Other Income ⁽²⁾	65,959	-	-
Net Loss	862,536	865,381	1,321,547
Loss per share ⁽³⁾	0.01	0.01	0.02
Cash	14,252,900	3,469,089	6,272,996
Total Assets	24,593,755	12,085,869	12,852,854
Total Liabilities	506,425	740,646	903,377
Shareholders' Equity	24,087,330	11,345,223	11,949,477

Notes: (1) Interest income included as a reduction of General and Administrative expenses

(2) Receipt of funds from a wind power company utilizing lands on a project written off in a prior year

(3) Basic and fully diluted

Factors Affecting Annual Results:

Annual variances occur mainly due to administrative costs and fees related to new property acquisitions, business partnerships and combinations, levels of exploration activities and foreign exchange fluctuations between the Canadian dollar and China's renminbi.

During 2008, the Company wrote down its mineral properties by \$691,387.

During 2008, the Company completed a non-brokered private placement financing with China Gold Pte. Ltd. ("China Gold"), for gross proceeds of \$5,733,160. During 2010, the Company completed a non-brokered private placement financing with China Gold and with Prime Orient Investments Limited ("Prime Orient") for gross proceeds of \$13,572,600.

Selected Quarterly Information:

Quarter Ended	Net Revenue ⁽¹⁾	Net Loss and Comprehensive Loss		Cash	Working Capital
		Total	Per Share ⁽²⁾		
Dec. 31, 2010	\$ 4,535	\$ 297,943	\$ 0.00	\$ 14,252,900	\$ 13,837,770
Sept. 30, 2010	8,154	204,008	0.00	1,635,357	1,402,298
June 30, 2010	(3,622)	149,725	0.00	2,124,673	1,743,131
Mar. 31, 2010	3,662	210,860	0.00	2,903,954	2,215,347
Dec. 31, 2009	5,328	249,877	0.00	3,469,089	2,801,494
Sept. 30, 2009	4,964	254,417	0.00	4,392,649	4,093,193
June 30, 2009	7,060	211,310	0.00	4,938,183	4,676,845
Mar. 31, 2009	17,296	149,777	0.00	5,538,996	5,222,914

Notes: (1) Interest income included as a reduction of General and administrative expenses

(2) Basic and fully diluted

Factors Affecting Quarterly Results:

Quarterly variances occur mainly due to seasonal factors, administrative costs and fees related to new property acquisitions, business partnerships and combinations, levels of exploration activities and foreign exchange fluctuations between the Canadian dollar and China's renminbi.

During the 3rd quarter ended September 30, 2008, the Company completed a non-brokered private placement financing with China Gold Pte. Ltd. ("China Gold"), for gross proceeds of \$5,733,160. During the 4th quarter ended December 31, 2010, the Company completed a non-brokered private placement financing with China Gold and with Prime Orient for gross proceeds of \$13,572,600.

RESULTS OF OPERATIONS

The Company has no revenue or operating cash flow other than interest income. As a result of its activities, the Company continues to incur net losses. For the 3 months ended December 31, 2010, the Company's net loss and comprehensive loss was \$297,943 versus a net loss of \$249,877 for the 3 month period ended December 31, 2009. For the year ended December 31, 2010, the Company's net loss and comprehensive loss was \$862,536 compared to a net loss of \$865,381 in the previous year ended December 31, 2009.

The main components of this loss were:

	3 Months Ended December 2010	3 Months Ended December 2009	Year Ended December 2010	Year Ended December 2009
Management and consulting fees	\$ 41,362	\$ 52,991	\$ 181,631	\$ 198,576
General and administration	35,306	47,407	188,268	153,751
China office expenses	50,108	48,223	175,371	171,646
Investor relations	11,867	11,004	53,679	65,770
Listing and transfer agent fees	17,173	858	37,117	12,868
Directors fees	3,825	9,919	36,815	40,725
Directors stock option compensation	8,404	50,875	91,654	125,145
Foreign exchange loss (gain)	124,071	16,797	139,208	71,977
Other (income) expenses	(300)	-	(65,959)	-

Q4/10

Management and consulting fees have decreased by \$11,359 in Q4/10 as compared to Q4/09. Stock option compensation on options granted in a previous quarter that vested during Q4/10 was \$2,311 as compared to stock option compensation on options granted during Q4/09 of \$13,992.

Listing and transfer agent fees increased by \$16,215 during the quarter ended December 31, 2010 when compared to the 3 months ended December 31, 2009. Fees to the TSX to review and approve three new directors amounted to \$14,200 during the current quarter.

Director's fees decreased by \$6,094 during Q4/10 from Q4/09 primarily due to the resignation of the previous Chairman of the Board.

Stock based compensation on options granted to directors in previous quarters that vested during 2010 amounted to \$8,404 as compared to stock option compensation on options granted during Q4/09 of \$50,875, a decrease of \$42,471.

Foreign exchange (loss) gain was caused by the conversion of monetary assets held in China due to the fluctuation of the Canadian dollar versus China's renminbi ("RMB").

Annual

Management and consulting fees decreased by \$16,945 during fiscal 2010 from the comparable 2009 period. Fees to the CFO decreased by \$3,000 and stock option compensation decreased by \$11,700.

During the year ended December 31, 2010, investor relations expenses decreased by \$12,091 as compared to the twelve months ended December 31, 2009. The negotiation of a new contract with the service provider resulted in a decrease in fees of \$12,000.

Listing and transfer agent fees increased by \$24,249 during fiscal 2010 when compared to the 12 months ended December 31, 2009. Fees to the TSX to review and approve five new directors amounted to \$18,300 and fees for the mailing of the management information for the special meeting of shareholders amounted to \$2,000 during the current year.

Stock based compensation on options granted to directors during 2009 that vested during fiscal 2010 amounted to \$91,654 as compared to compensation of \$125,145 on options granted during fiscal 2008 and 2009 that vested during the year ended December 31, 2009.

Foreign exchange loss was caused by the conversion of monetary assets held in China due to the fluctuation of the Canadian dollar versus China's RMB.

Other income relates to receipt of funds from a wind power company utilizing lands on a project written off in a prior year.

General and administration

General and administration expenses for the Company can be further broken down as:

	3 Months Ended December 2010	3 Months Ended December 2009	Year Ended December 2010	Year Ended December 2009
General and office expenses	\$ 3,848	\$ 2,574	\$ 9,826	\$ 7,361
Legal fees	3,031	10,289	60,443	38,170
Accounting fees	5,955	14,275	24,045	32,135
Audit fees	12,000	12,000	45,308	47,105
Insurance	8,577	8,125	32,954	32,150
Interest expense (income)	(4,535)	(5,329)	(12,729)	(34,649)
Rent	4,650	5,248	17,397	20,991
Conferences and trade shows	-	-	3,725	-
Shareholder communications	14	-	463	4,301
Filing fees	1,766	225	6,836	6,187
Total General and administration	\$ 35,306	\$ 47,407	\$ 188,268	\$ 153,751

Q4/10

Legal fees decreased by \$7,258 during Q4/10 as compared to Q4/09. Q4/09 fees relate to the review of tentative private placement agreements.

Accounting fees decreased by \$8,320 for the 3 months ended December 2010 from the comparable period in 2009. Fees for the preparation of year end file were accrued in 2009 but will be invoiced in Q1/11.

There were no significant variations in the other general and administration expenses between Q4/10 and Q4/09.

Annual

The increase of \$22,273 in legal fees for the year ended December 31, 2010 from the comparable 2009 period is due to assistance in the preparation of the Management Information Circular for the special shareholders meeting and to the review of potential financing documents.

Accounting fees decreased by \$8,090 for fiscal 2010 from the comparable period in 2009 as explained above.

Interest income decreased by \$21,920 for the year ended December 31, 2010 as compared to the prior year and is due to lower cash balances available for short term investments and to a decrease in interest rates.

Conferences & trade show expenses increased by \$3,725 during 2010 compared to 2009. The Company sponsored a two-day seminar on global mining and exploration during the Annual Conference of Prospectors and Developers Association of Canada (PDAC). The seminar was developed in response to a direct request to Asia Now by mainland Chinese private investors.

Shareholder communications decreased by \$3,838 during the 12 months ended December 31, 2010 from the comparable period due to a decrease in printing costs.

There were no significant variations in the other general and administration expenses between the year ended December 31, 2010 and the comparable 2009 period.

Deferred exploration expenditures

As a result of its exploration activities, the Company had deferred \$10,187,841 (December 2009 - \$8,465,138) of exploration expenditures as at December 31, 2010. Exploration expenditures during 2010 amounted to \$1,722,703 (2009 - \$2,100,485). The deferred expenses were mostly on the Beiya projects (with Yunnan Dong Xin and Yunnan Now) and Habo, and consisted of geological mapping, geophysical surveys, geochemical sampling, trenching, tunnelling, drilling and efforts to identify anomalies and mineralization zones. For further information, refer to the "*Mineral Properties*" section below.

LIQUIDITY AND CAPITAL RESOURCES

The Company had \$13,837,770 in working capital as at December 31, 2010 (December 2009 - \$2,801,494). The increase in working capital of \$11,036,276 is due to closing of a private placement for gross proceeds of \$13,572,600 during November 2010 less exploration expenditures of \$1,722,703 during the 12 month period ended December 31, 2010 and corporate administrative expenses.

In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. There is no assurance that such additional financing will be available as required, or under favourable terms. If the Company does not secure additional financing, exploration activities will be seriously curtailed.

For additional comments on the Company's liquidity and capital resources, refer to Notes 1 and 14 of the Consolidated Financial Statements for the year ended December 31, 2010 and to the "*Subsequent Events*" section below.

Share Capital

On November 12, 2010, the Company closed a non-brokered private placement and issued 42,400,000 new common shares to China Gold and 2,842,000 new common shares to Prime Orient at a price of \$0.30 per common share for gross proceeds of approximately \$13,572,600 (the "Private Placement"). Approval for the Private Placement was obtained from disinterested shareholders of the Corporation at the special meeting held on October 27, 2010. The TSXV has also issued its final approval for the Private Placement. For additional information, refer to the "*Financing Development*" section above.

No additional shares were issued to April 25, 2011.

No options were issued during Q4/10 and 550,000 options expired unexercised. Subsequent to December 31, 2010, 850,000 options expired unexercised. During Q1/11, pursuant to its amended stock option plan, the Company granted options to purchase an additional 2,075,000 shares at \$0.30 for a period of five years to directors, officers, employees and consultants. For additional information, refer to the "Subsequent Events" section below. No additional options were issued to April 25, 2011.

As at April 25, 2011, the Company's share position consisted of:

Shares outstanding	111,010,798
Options outstanding ⁽ⁱ⁾	6,325,000

(i) Options outstanding:

Expiry Date	No. of Options	Exercise Price
Jun. 16, 2011	200,000	0.28
Apr. 30, 2012	200,000	0.33
Aug. 1, 2012	1,150,000	0.75
Jan. 3, 2013	150,000	0.75
Sept. 10, 2014	2,550,000	0.25
Feb. 17, 2016	1,975,000	0.30
Mar. 24, 2016	100,000	0.30

Subsequent Events

On February 17, 2011, the board of directors approved an amendment to its existing stock option plan to increase the number of common shares available for issuance under its stock option plan, (including options already issued and outstanding) to 11,100,000, which represents approximately 10% of the Asia Now's issued and outstanding shares. The amended incentive stock option plan will be put forth to shareholders for consideration and approval at its next meeting of shareholders.

The Company, pursuant to its amended stock option plan, granted options to purchase an additional 2,075,000 common shares of the Company at \$0.30 for a period of five years to directors, officers, employees and consultants of the Company.

All options granted are subject to shareholder and regulatory approval and may not be exercised until such approvals are obtained. The options granted will vest according to the provisions of the stock option plan, namely $\frac{1}{4}$ vesting immediately and $\frac{1}{4}$ of the options vesting every six months thereafter.

Commitments:

As at December 31, 2010, the Company has committed to fund its joint venture company, Yunnan Now Mineral Exploration Company Limited, US\$3,400,500. The timing and amount of funding is dependent on the results of the on-going exploration programs.

RESOURCE PROPERTIES

Exploration on all of the Company's projects is conducted with the advice of Dr. Noel C. White, the Chief Technical Advisor to the Company and a Qualified Person as defined under National Instrument 43-101. Dr. White has read and approved the technical and scientific information contained in this MD&A. Disclosure on mineralization on adjacent properties has not been verified by Dr. White and is not necessarily indicative of the Company's anticipated results. Where provided, potential quantity and grade is conceptual in nature as the Company has not conducted sufficient exploration to define resources and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Beiya Project (including Ma Touwan and Beiya properties)

The Company's Beiya project has been ranked as one of the top 10 high-potential prospecting areas in mainland China by the China Geological Survey and Yunnan Provincial Government, after governmental expert groups carried out an independent review of the Company's exploration results and onsite examinations of Beiya in November- December 2010 and January 2011.

The Beiya Project involves properties referred to as Ma Touwan and Beiya that initially covered an area of 586 square kilometers in two CJVs: Yunnan Now and Yunnan Dong Xin. Geochemical sampling and a surface geophysical survey (magnetics) as well as geological mapping have been carried out over the whole area. Areas with low potential have been relinquished in order to save funds and focus on exploration of key mineralization zones that have been identified within the remaining area of 123.98 square kilometers.

Exploration has been focused on two major gold mineralized belts: Beiya North and Beiya Far North. Drilling has been carried out on the 13 kilometers by 2 kilometers Beiya North gold belt, 2/3 of which occurs on JV ground controlled by Asia Now, and 1/3 on the adjacent open pit gold mine producing 200,000 ounces gold per year. In the adjacent Beiya gold mine, the drilled mineralized zone includes a recent intercept of 72.46 meters at 3.71 g/t gold, 90.07 meters at 0.74% copper, 96.47 meters at 34.6% TFe (total iron), as well as 39 meters at 2.8% copper and 2.10g/t gold. Over 70,000 meters drilling has been completed recently to prove up significant resource (>4.5 million ounces gold and >300,000 tonnes copper, not Canadian NI43-101 compliant resource), which makes the Beiya Gold Mine the largest gold deposit in Yunnan Province. This mineralized zone is indicated by a strong magnetic anomaly coincident with soil geochemical anomalies that extends from the adjacent gold mine northwest into the CJV property.

The Company is now drilling for resource definition of the Beiya North high-grade gold/silver and base metal zone at the Beiya project. In Q4/10, the Company continued to drill the high-grade gold-silver zones and the assay results indicate the thick (up to 270 m) gold and base metal mineralization zone extends at least 1,360 meters north from the mining lease of the Beiya Gold Mine. To date, the Company has focused on the Yujiapo block of Beiya North where 47 holes (23,491.28 meters) were drilled on a grid of 160 meters by 80-160 meters, and 39 of them intersected multi-layered gold/silver and base metal mineralized zones (up to 78 meters), including some high-grade intercepts (0.9-15 meters) containing up to 23.5 g/t gold, 928 g/t silver, 4.15% copper and 35.3% combined lead and zinc. Recent drilling results have confirmed the continuity of the main mineralized zone over 1,360 meters long by 350 to 620 meters wide, and it remains open at Beiya North.

The Company has accelerated its drilling programs by mobilizing 20 rigs to Beiya North to focus on locating high-grade zones and to define the extent of a NI43-101 compliant resource. For further information, refer to the Press Releases dated February 7 and 22, also March 3 and 9, and April 21, 2011, filed on SEDAR. The Company has also started an environmental assessment, hydrological survey and geo-engineering measurements, and has made preparations for metallurgical testing, as required for an application for a mining license for the first-phase mine development at Beiya.

At Beiya West, to the southwest of the gold mine, trenches and short tunnels outlined 6 gold zones up to 4.7 meters thick, and grading up to 34 g/t, and one copper-gold zone 11.2 meters thick grading 0.6% copper and 0.1 g/t gold. To the northeast of the gold mine at Beiya Northeast, high grade gold up to 14.5 g/t has been found in residual magnetite and the gold resource is being evaluated over an area of 3.6 square kilometers.

In 2009, a consultant report by a Canadian expert, Dr. Richard Tosdal, indicated an extensive bleached zone in the limestone area where copper-gold anomalies occur, and suggested potential intrusion related mineralization zones similar to those at the gold mine. This was followed by a detailed ground geophysical survey (magnetics) and geological mapping. Three holes were drilled to test the geophysical and soil anomalies, but the assay results indicated no significant mineralization. In Q4/10 detailed geological examination has been carried out to locate additional potential mineralization zones.

The Beiya Far North gold anomaly is another major anomaly with an area of 12 square kilometers with two gold mineralization zones, one extending at least 500 meters long by 1.5 to 15.6 meter wide grading 0.5 to 2.9 g/t, and another extending at least 600 meters long by 9.3-37.6 meters wide grading 0.3 to 3.5 g/t. Four drill-holes (1,306 meters) were sited to test the mineralized zones at depth, but no significant gold mineralization has been found. In Q4/10 the geology was further investigated to locate the gold zones.

Asia Now has earned a 72% interest the Ma Touwan gold property and has the option of increasing to 90% its interest in the Beiya North property where the Company is currently drilling.

Habo Project

The Habo Project involves the CJV Yunnan Now. Soil and stream sediment sampling and geological mapping have been carried out on the whole area of 162 square kilometers, and have identified a number of copper-gold-molybdenum anomalies and mineralization zones. Low potential areas have been relinquished, and only 59.76 square kilometers of high potential area have been kept for further exploration.

The Company has focused on a large porphyry copper-gold system on prominent hills in the south tenement (Habo South) of the project where the soil geochemical anomaly is 3.5 km by 2.1 km, outlined using 150 ppm copper, 16 ppb gold and 10 ppm molybdenum, one of four major gold-copper-molybdenum soil anomalies associated with the Habo porphyry. To date, widely spaced drilling and tunnelling programs have confirmed that the mineralization system is over 2,600 meters long and 1,300 meters wide, and open to west, south, and north. To date, a total of 12 holes (5,454.11 meters) and 18 tunnels (4,060.35 meters) intersected 22 copper mineralization zones each 10-60 meters thick grading 0.20 to 0.96% on average; 16 molybdenum mineralization zones each 6-52.5 meters thick grading 0.043 to 0.24%; and two gold zones at the north and south end of the copper zones grading 0.1 to 0.6 g/t on average. Recent tunnels indicated 17-52.5 meters grading 0.25% copper and 0.08% molybdenum including 4.5 meters at 0.48% copper, 0.32% molybdenum and 13 grams per tonne (g/t) silver, 2.5 meters at 0.75% copper, 0.21% molybdenum and 16.6g/t silver, 2.0 meters at 0.38% copper, 0.24% molybdenum and 14g/t silver; and 10.1 meters at 0.25% copper, 0.06% molybdenum and 16.4g/t silver, and 1.5 meters at 1.33% copper and 111g/t silver.

Three new copper-gold-molybdenum porphyry prospects have been indicated by recent surface geological programs including 636 rock-chip samples taken over a 40 square kilometer area at Habo North and East. These porphyries show extensive alteration and stockwork mineralization with samples containing up to 3.1g/t of gold, 0.42% copper and 0.29% molybdenum and 172g/t silver, in addition to high-grade veins (up to 2.96 g/t gold, 242 g/t silver, 0.94% molybdenum, 9.96% copper). In Q4/10, detailed surface programs have been carried-out to test the three new mineralization systems.

Regional geological programs were also carried out to examine a number of high-grade gold and base metal zones at Habo North and Habo West. As indicated by the results for 2007 and 2008, five main high-grade zones range from 360 to 1,000 meters long by 4.0 to 7.0 meters thick, grading 0.1-1.8 g/t gold, 6-61.4 g/t silver, 0.2-5.9% copper, 0.17-0.37% molybdenum, 0.4-6.2% zinc and 0.4-1.0% lead, and occur long fractures within a multiphase porphyry where a major soil copper-gold-molybdenum anomaly was found by a soil sampling program. The high-grade veins are interpreted to be the top and marginal part of an unexposed porphyry copper-gold-molybdenum system.

Project Expenditures

Quarterly exploration expenditures during 2010 were as follows:

	Yunnan Dong Xin (Ma Touwan)	Yunnan Now (Beiya)	Yunnan Now (Habo)	Total
Balance at December 31, 2009	\$ 3,246,680	\$ 2,129,371	\$ 3,089,087	\$ 8,465,138
Quarter ended March 31, 2010	214,987	141,175	92,796	448,958
Quarter ended June 30, 2010	173,704	158,477	37,998	370,179
Quarter ended September 30, 2010	126,589	40,320	6,979	173,888
Quarter ended December 31, 2010	553,669	72,372	103,637	729,678
Balance at December 31, 2010	\$ 4,315,629	\$ 2,541,715	\$ 3,330,497	\$ 10,187,841

Exploration expenditures during the year ended December 31, 2010 were as follows:

	Yunnan Dong Xin (Ma Touwan)	Yunnan Now (Beiya)	Yunnan Now (Habo)	Total
Balance at December 31, 2009	\$ 3,246,680	\$ 2,129,371	\$ 3,089,087	\$ 8,465,138
Management and supervision	134,160	78,708	67,332	280,200
Geological and geophysical	40,110	15,830	31,430	87,370
Trenching	178	20,278	92,027	112,483
Drilling	825,350	219,318	(20,382)	1,024,286
Site reclamation	23,345	-	-	23,345
Field trip	25,824	10,082	16,756	52,662
General	19,982	68,128	54,247	142,357
Exploration expenditures 2010	1,068,949	412,344	241,410	1,722,703
Balance at December 31, 2010	\$ 4,315,629	\$ 2,541,715	\$ 3,330,497	\$ 10,187,841

ENVIRONMENTAL LIABILITIES

The Company is not aware of any environmental liabilities, obligations or responsibilities associated with the Company's mining interests.

COURSE OF BUSINESS TRANSACTIONS

Related Party Transactions

The following amounts were paid or accrued as payable to officers and directors or to companies controlled by those officers and directors. These expenditures were recorded at the amounts negotiated and agreed to by the parties and are summarized below:

	3 Months Ended December 2010 (\$)	3 Months Ended December 2009 (\$)	Year Ended December 2010 (\$)	Year Ended December 2009 (\$)
President ⁽¹⁾	63,710	64,878	198,710	199,878
Corporate Secretary ⁽²⁾	-	-	-	8,000
Chief Financial Officer	13,500	13,500	54,000	57,000
Director Fees	3,825	9,919	36,815	40,725

Notes: (1) Includes remuneration received from each of the joint venture companies in China while acting as their General Manager.

(2) Effective June 25, 2009, a partner of a legal firm became an officer of the Company. Fees for legal services provided by the firm during Q4/10 and the year ended December 31, 2010 amounted to \$84,541 and \$147,679 respectively (Q4/09 - \$10,288; year to December 31, 2009 - \$27,497). These amounts were included in legal fees or share issue costs.

Accounts payable and accrued liabilities include \$32,110 (December 31, 2009 - \$NIL) due to the legal firm where a partner of the legal firm is an officer of the Company.

Off-Balance Sheet Transactions

The Company has not entered into any off-balance sheet arrangements.

Proposed Transactions

As is typical of the minerals exploration and development industry, the Company continues to review property and competitor company information in search of future opportunities in terms of new property acquisitions and business partnerships. Although no transactions are in progress currently, the Company endeavours to continue research into potential opportunities, and to keep business relationships open should opportunities arise.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The Consolidated Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles in Canada. The preparation of the Company's Financial Statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. The Company capitalizes all of its property acquisition costs and direct exploration costs until the properties are placed into production, sold or abandoned, at which time the costs will either be amortized on a unit-of-production or fully charged to operations. Management reviews the carrying value of the mineral properties for impairment or permanent declines in the value of the property, such as abandonment, and the related project balances are written off. There have been no changes in accounting policies, nor any accounting policies that have been initially adopted over the course of the most recently completed financial year. The Company lists its significant accounting policies in Note 2 of its Consolidated Financial Statements for the year ended December 31, 2010.

Financial Instruments

Financial instruments are classified as one of the following: loans and receivables, held-to-maturity, held-for-trading, available-for-sale and other financial liabilities. Financial instruments are measured on the balance sheet at amortized cost or fair value depending on the classification. Loans and receivables, held-to-maturity and other financial liabilities are accounted for at amortized cost. Held-for-trading and available-for-sale financial instruments are recorded at fair value. Changes in fair value of held-for-trading financial instruments are recognized in operations while changes in fair value of available-for-sale financial instruments are initially recorded in other comprehensive income or loss.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value of such instruments.

Under these standards, the Company designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Sundry receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

Goodwill and Intangible Assets

Effective January 1, 2009, the Company adopted CICA Section 3064, "Goodwill and Intangible Assets" which replaces CICA Sections 3062, "Goodwill and Other Intangible Assets" and 3450 "Research and Development Costs", as well as EIC-27, "Revenues and Expenditures During the Pre-operating Period", and part of Accounting Guideline 11, "Enterprises in the development stage". Under previous Canadian standards, a greater number of items were recognized as assets than are recognized under International Financial

Reporting Standards ("IFRS"). The provisions relating to the definition and initial recognition of intangible assets reduce the differences with IFRS in the accounting for intangible assets. The objectives of CICA 3064 are: 1) to reinforce the principle-based approach to the recognition of assets; 2) to establish the criteria for asset recognition; and 3) to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing assets items that do not meet the recognition criteria is eliminated. The standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The portions in the standard relating to goodwill remain unchanged.

The adoption of this standard had no impact on the Company's presentation of its financial position or results of operations as at December 31, 2010 and 2009.

Fair Value

At December 31, 2010 and December 31, 2009, the carrying values of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities approximated their fair values due to the short period to maturity of those financial instruments.

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about the financial instruments.

The CICA established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- ✓ Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- ✓ Level 2: Inputs other than quoted prices that is observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- ✓ Level 3: Inputs that are not based on observable market data.

The Company's carrying value and fair value of cash and cash equivalents under the fair value hierarchy is measured using Level 1 inputs. As at December 31, 2010 and 2009, the Company has no other financial instruments that required disclosure under the fair value hierarchy.

Future Accounting Pronouncements

International Financial Reporting Standards ("IFRS")

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian generally accepted accounting principles with IFRS for Canadian enterprises with public accountability. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. The Company will be required to have prepared, in time for its first quarter of fiscal 2011 filing, comparative financial statements in accordance with IFRS for the three months ended March 31, 2010. Accordingly, the Company will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended March 31, 2011. The Company's 2011 interim and annual financial statements will include comparative 2010 financial statements, adjusted to comply with IFRS.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011.

Section 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 - Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company considers its capital to be equity, comprising share capital, warrants, contributed surplus and deficit which at December 31, 2010 totalled \$24,087,330 (2009 - \$11,345,223). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, and acquire or dispose of assets to adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including but not limited to source and use of capital and general industry conditions.

The Company expects its current capital resources will be sufficient to carry out its exploration, development and investment plans and operations through fiscal 2011.

PROPERTY AND FINANCIAL RISK FACTORS**(a) Property risk**

The Company's major mineral properties are Ma Touwan, Beiya and Habo. Unless the Company acquires or develops additional material properties, the Company will be mainly dependant upon these three projects. If no additional major mineral exploration properties are acquired by the Company, any adverse development affecting these three projects would have a material adverse effect on the Company's financial condition and results of operations.

(b) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

✓ *Credit risk*

The Company's credit risk is primarily attributable to cash and cash equivalents and sundry receivables. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of guaranteed investment certificates, which have been invested with reputable financial institutions, from which management believes the risk of loss to be minimal. Sundry receivables consist of harmonized sales tax due from the Federal Government of Canada and accrued interest. Sundry receivables of \$49,156 are in good standing as of December 31, 2010 and represent the maximum credit exposure. Management believes that the credit risk concentration with respect to sundry receivables is minimal.

✓ *Liquidity risk*

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at December 31, 2010, the Company had cash and cash equivalents of \$14,252,900 (December 31, 2009 - \$3,469,089) to settle current liabilities of \$506,425 (December 31, 2009 - \$740,646). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

✓ *Market risk*

➤ **Interest rate risk**

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

➤ **Foreign currency risk**

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars and Chinese renminbi ("RMB"). The Company funds major exploration expenses in China. The Company maintains Chinese RMB bank accounts in China. Management does not hedge its foreign exchange risk.

➤ **Commodity price risk**

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, copper, silver, lead, zinc, and molybdenum to determine the appropriate course of action to be taken by the Company.

(c) Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

Cash equivalents include deposits at call which are at variable rates. As at December 31, 2010, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the year ended December 31, 2010 would have been approximately \$109,000 higher/lower, as a result of lower/higher interest income from cash equivalents. Similarly, as at December 31, 2010, reported shareholders' equity would have been approximately \$109,000 lower/higher as a result of lower/higher interest income from cash equivalents due to a 1% decrease/increase in interest rates.

The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents, sundry receivables and accounts payable and accrued liabilities that are denominated in Chinese RMB. As at December 31, 2010, had the Chinese RMB dollar weakened/strengthened by 5% against the Canadian dollar with all other variables held constant, the Company's loss for the year ended December 31, 2010 would have been approximately \$563,000 higher/lower as a result of foreign exchange losses/gains on translation of non-Canadian dollar denominated financial instruments. Similarly, as at December 31, 2010, reported shareholders' equity would have been approximately \$563,000 lower/higher had the Chinese RMB dollar weakened/strengthened by 5% as a result of foreign exchange losses/gains on translation of non-Canadian dollar denominated financial instruments.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of gold, copper, silver, lead, zinc and molybdenum. Gold, copper, silver, lead, zinc and molybdenum prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of gold, copper, silver, lead, zinc and molybdenum may be produced in the future, a profitable market will exist for them. As of December 31, 2010, the Company was not a gold, copper, silver, lead, zinc and molybdenum producer. As a result, gold, copper, silver, lead, zinc and molybdenum price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

IFRS TRANSITION PLAN

The Company has established a comprehensive IFRS transition plan and engaged third-party advisers to assist with the planning and implementation of its transition to IFRS. The following summarizes the Company's progress and expectations with respect to its IFRS transition plan:

Initial scoping and analysis of key areas for which accounting policies may be impacted by the transition to IFRS.	Complete.
Detailed evaluation of potential changes required to accounting policies, information systems and business processes, including the application of IFRS 1 First-time Adoption of International Financial Reporting Standards.	Complete.

Final determination of accounting policies and the quantitative impact of adopting IFRS on key line items in the Company's financial statements.	In progress, to be completed in conjunction with the Q1/11 IFRS financial statements.
Resolution of the accounting policy change implications on information technology, business processes and contractual arrangements.	In progress, to be completed in conjunction with the Q1/11 IFRS financial statements.

We anticipate engaging our auditors to review our determination of accounting policies under IFRS, the quantitative impact of adopting IFRS on our financial statements and our first interim IFRS financial statements for the three month period ending March 31, 2011.

Impact of Adopting IFRS on Asia Now's Business

As part of its analysis of potential changes to significant accounting policies, the Company is assessing what changes may be required to its accounting systems and business processes. The Company believes that the changes identified to date are minimal and the systems and processes can accommodate the necessary changes.

To date, the Company has not identified any contractual arrangements that may be affected by potential changes to significant accounting policies.

The Company's staff and advisers involved in the preparation of financial statements are being trained on the relevant aspects of IFRS and the anticipated changes to accounting policies. Employees of Asia Now that will be affected by a change to business processes as a result of the conversion to IFRS will also be trained as necessary.

The Board of Directors and Audit Committee have been regularly updated on the progress of the IFRS conversion plan, and made aware of the evaluation to date of the key aspects of IFRS affecting the Company.

First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has identified the following optional exemptions that it expects to apply in its preparation of an opening IFRS statement of financial position as at January 1, 2010, Asia Now's "Transition Date":

- To apply IFRS 2 *Share-based Payments* only to equity instruments that were issued after November 7, 2002 and had not vested by the Transition Date.
- To apply IFRS 3 *Business Combinations* prospectively from the Transition Date, therefore not restating business combinations that took place prior to the Transition Date.
- To apply the transition provisions of IFRIC 4 *Determining whether an Arrangement Contains a Lease*, therefore determining if arrangements existing at the Transition Date contain a lease based on the circumstances existing at that date.
- To apply IAS 23 *Borrowing Costs* prospectively from the transition date. IAS 23 requires the capitalization of borrowing costs directly attributable to the acquisition, production or construction of certain assets.

Prior to reporting interim financial statements in accordance with IFRS for the quarter ending March 31, 2011, the Company may decide to apply other optional exemptions contained in IFRS 1.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

Impact of Adopting IFRS on Asia Now's Financial Statements

The adoption of IFRS will result in some changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements.

The following provides a summary of the Company's evaluation of potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas the Company has identified as having the most potential for a change in its significant accounting policies. The International Accounting Standards Board has a number of ongoing projects, the outcome of which may have an affect on the changes required to the Company's accounting policies on adoption of IFRS. At the present time however, the Company is not aware of any significant expected changes that would affect the summary provided below.

1) Exploration and Evaluation Expenditures

Subject to certain conditions, IFRS currently allows an entity to determine an accounting policy that specifies the treatment of costs related to the exploration for and evaluation of mineral properties.

The Company expects to retain its current policy of deferring exploration and evaluation expenditures until such time as the properties are either put into commercial production, sold, determined not to be economically viable or abandoned. The current policy may be subject to change as the Company progresses through its final analysis. At the present time, the Company does not expect that the adoption of IFRS will result in any significant change to the related line items within its financial statements.

2) Impairment of (Non-financial) Assets

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets will be changed to reflect these differences. However, the Company does not expect that this change will have an immediate impact on the carrying value of its assets. These differences could lead to net loss and comprehensive loss volatility in future periods. The Company will perform impairment assessments as at the Transition Date in accordance with IFRS.

3) Foreign Currency

IFRS requires that the functional currency of the Company, and its subsidiaries be determined separately, and the factors considered to determine functional currency are somewhat different than current Canadian GAAP.

The Company does not expect any changes to its accounting policies related to foreign currency that would result in a significant change to line items within its financial statements at the Transition Date.

4) Share-based Payments

In certain circumstances, IFRS requires a different measurement of stock-based compensation related to stock options than current Canadian GAAP.

The Company does not expect any changes to its accounting policies related to share-based payments

that would result in a significant change to line items within its financial statements.

5) *Asset Retirement Obligations (Decommissioning Liabilities)*

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities will be changed to reflect these differences. However, the Company does not expect that this change will have an immediate impact to the carrying value of its assets.

6) *Property and Equipment*

IFRS contains different guidance related to recognition and measurement of property and equipment than current Canadian GAAP.

The Company does not expect any changes to its accounting policies related to property and equipment that would result in a significant change to line items within its financial statements.

7) *Income Taxes*

In certain circumstances, IFRS contains different requirements related to recognition and measurement of future (deferred) income taxes.

The Company does not expect any changes to its accounting policies related to income taxes that would result in a significant change to line items within its financial statements.

Subsequent Disclosures

Further disclosures of the IFRS transition process are expected as follows:

The Company's first financial statements prepared in accordance with IFRS will be the interim financial statements for the three months ending March 31, 2011, which will include notes disclosing transitional information and disclosure of new accounting policies under IFRS. The interim financial statements for the three months ending March 31, 2011 will also include 2010 financial statements for the comparative period adjusted to comply with IFRS, and the Company's transition date IFRS statement of financial position (as at January 1, 2010).

RISK FACTORS

Due to the nature of the Company's business, it is subject to various financial, environmental and operational risks that should be carefully considered by readers. In addition to other information set forth elsewhere in the Consolidated Financial Statements, readers should carefully review the following risk factors.

Currency risk

The Company is exposed to the risk of foreign exchange fluctuations. Derivative instruments are not used to manage these risks.

Credit risk

The Company assesses the potential losses of its prepaid and sundry receivables and maintains a provision for losses based on their estimated realizable value.

Exploration, Development and Mining Risks

Resource exploration, development and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, land slides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company will rely upon consultants and others for exploration and development expertise.

The Company's projects are in the exploration stages only and are each without a known body of commercial ore. Development of the Company's projects would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The Company will carefully evaluate the political and economic environment in considering any properties for acquisition. There can be no assurance that additional significant restrictions will not be placed on the Company's projects and any other properties the Company may acquire or its operations. Such restrictions may have a material adverse effect on the Company's business and results of operation.

Mineral Resources

As of the date of this Management Discussion & Analysis, no mineral resources as defined by National Instrument 43-101 had been established at the Company's projects. There is no certainty that further exploration and development will result in the definition of mineral resources, or mineral reserves at the Company's projects.

Title to Exploration Licences

The Company believes it has taken reasonable measures to ensure that title to the exploration licenses held by the CJVs is held as described in this Filing Statement. There is no guarantee that title to any of the licences covering the Company's projects will not be challenged or impaired. No assurances can be given that title defects to the licenses do not exist. The licenses and the land to which they apply may be subject to prior unregistered agreements, or interests and title may be affected by undetected defects. There may be valid challenges to the title of any of the licenses covering the Company's projects that, if successful, could impair development and/or operations. A defect could result in the Company losing all or a portion of its right, title and interest in and to the properties to which the title defect relates.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons.

Risks Relating to China

Substantially all of the Company's operations are located in China. Accordingly, the Company's results of operations, financial position and prospects are subject, to a significant degree, to economic, political and legal developments in China.

State Ownership and Control

In recent years the Chinese government has implemented economic reforms and reduced state ownership, yet a substantial portion of productive assets in China is still owned by the Chinese government. The Chinese government continues to play a significant role in regulating industry by imposing industrial policies. It also exercises significant control over China's economic growth through the allocation of resources, control of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. The Company's future earnings, if any, could be affected if the Chinese government were to reverse recent trends and impose restrictions on its business. Many of the policy changes initiated in China since 1978 are experimental in nature and are frequently refined and adjusted, often without notice. Chinese political policies, especially of local governments, are often driven by social policies, so any change in social conditions could have an impact on political and economic policies. This in turn could have a negative impact on the Company.

Government Economic Intervention

The economy of China has experienced significant growth in the past 20 years, but growth has been uneven both geographically and among various sectors of the economy. The Chinese government has implemented various measures from time to time to control the rate of economic growth and continues to introduce macro-economic control measures such as restrictions on bank lending introduced in 2004. Some of these measures benefit the overall economy of China, but may have a negative effect on the Company. For example, the Company's operating results and financial position may be adversely affected by: changes in the rate or method of taxation; imposition of additional restrictions on currency conversion and remittances abroad; reduction in tariff or quota protection and other import restrictions; changes in the usage and costs of state-controlled transportation services; and state policies affecting the gold industry.

Foreign Investment

In China, foreign invested companies such as the Company's joint ventures could be required to work within a framework that is different to that imposed on local companies. The Chinese government generally is opening up opportunities for foreign investment in mining projects and this process is expected to continue. Nonetheless, certain organizations within the government do periodically attempt to implement measures to control or limit foreign investment in the mining sector, particularly with respect to gold and other precious metals. If the Chinese government should impose greater restrictions on foreign companies, the Company's business could be negatively affected.

Gold Sales

Currently the Shanghai Gold Exchange serves as a spot market for sellers and purchasers of gold and no forward sales or futures deals are handled. Mining companies that produce gold within China now have three possible classes of buyers: the smelters, the banks and the People's Bank of China. Producers now obtain world prices for gold through the facilities of the exchange. While this is a major step in the liberalization of gold markets in China, there is no guarantee that this liberalization process will continue, as proposed, to the point that gold imports and exports will link freely into the international market.

Currency Conversion

Under current regulations, there is no restriction on foreign exchange conversion of the RMB on the current account, although any foreign exchange transaction on the capital account is subject to prior approval from the State Administration of Foreign Exchange ("SAFE"). China has been a member of the WTO since 2001, and the Chinese currency will be freely exchanged with other currencies. However, even on the current account the RMB is not a freely convertible currency. Foreign invested enterprises in China are allowed to

repatriate profit to their foreign parents or pay outstanding current account obligations in foreign exchange but must present the proper documentation to a designated foreign exchange bank in order to do so. There can be no assurance that the availability of foreign currency will be sufficient for the payment of profits, if any, or to satisfy other foreign currency obligations. There is also no guarantee that foreign exchange control policies will not be changed so as to require government approval to convert RMB into foreign currency on the current account. These limitations could affect the Company's ability to obtain foreign exchange through debt or equity financing, or to obtain foreign exchange for capital expenditures, which could impact upon expansion plans. Since 1994, the official exchange rate for the conversion of RMB to US\$ has generally been stable and is essentially pegged to the US\$ within a very narrow band. Any appreciation of the RMB may adversely affect the Company's earnings, if any, through higher foreign currency denominated operating costs. There has been significant talk recently of moving the RMB towards becoming a more freely floating currency, as required under membership of the WTO.

Developing Legal System

The Chinese legal system is a system based on written statutes and their interpretation by the Supreme People's Court. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, the Chinese government has been developing a comprehensive system of commercial laws and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade. However, because these laws and regulations are relatively new, and because of the limited volume of published cases and their non-binding nature, interpretation and enforcement of these laws and regulations involve uncertainties. The structure and content of Chinese laws are frequently "bare bones" statutes that leave significant room to work within a developing and often untested framework. Many laws also allow for significant discretion at the provincial and local level, leading to inconsistent application from region to region. In addition, as the Chinese legal system develops, changes in such laws and regulations, their interpretation or their enforcement may have a material adverse effect on the Company's business operations.

Shareholder Rights and Enforcement of Judgments

As Chinese legal entities, the CJVs to which the Company is a party are subject to Chinese company law and regulations. Company law in general and, in particular, provisions for the protection of shareholder's rights and access to information are less developed than those applicable to companies in other countries. Substantially all of the Company's assets are located in China. China does not have a treaty with Canada providing for the reciprocal recognition and enforcement of judgments of courts and as such, recognition and enforcement in China of judgments of a Canadian court in relation to any matter not subject to a binding arbitration provision may be difficult or impossible. Although the rights of minority shareholders in the Company or the Company would be protected in Canada, judgments rendered against the Company, the Company and/or the companies with which the Company has signed joint venture agreements would likely not be enforceable in China.

Permit and Exploration License Approval Process

All exploration and mining projects require various levels of government approval and licensing. While the CJVs to which the Company is a party have generally been successful in obtaining permits through the efforts of the Chinese parties to the CJVs, there can be no certainty that these approvals will be granted in a timely manner, or at all. The companies with which the Company has signed CJV agreements and the CJVs to which the Company is a party hold various permits, business licences and approvals authorizing their operations and activities, which are subject to periodic review and reassessment by the Chinese authorities. Standards of compliance necessary to pass such reviews change from time to time and differ from jurisdiction to jurisdiction, leading to a degree of uncertainty. If renewals, new permits, business licenses or approvals required in connection with existing or new facilities or activities, are not granted or are delayed, or if existing permits, business licenses or approvals are revoked or substantially modified, the Company

will suffer a material adverse effect. If new standards are applied to renewals or new applications, it could prove costly to the Company to meet any new level of compliance.

Environmental and Safety Regulations and Risks

All of the Company's operations will be subject to environmental regulations, which can make operations expensive or prohibit them altogether.

The Company may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development and production. In addition, environmental hazards may exist on a property in which the Company directly or indirectly holds an interest which are unknown to the Company at present which have been caused by previous or existing owners or operators of the property. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties.

To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company intends to minimize potential risks and liabilities associated with pollution of the environment and the disposal of waste products by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to international environmental standards. There is also a risk that the environmental laws and regulations in China may become more onerous, making the Company's operations in that country more expensive.

Future Profits/Losses and Production Revenues/Expenses

There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and, if warranted, commercial production of the Company's projects and any other properties the Company may acquire are added as needed. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, and the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control. The Company does not expect to receive revenues from operations in the foreseeable future, if at all. The Company expects to incur losses unless and until such time as the Company's projects and any other properties the Company may acquire enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Company's projects and any other properties the Company may acquire will require the commitment of substantial resources to conduct the time-consuming exploration and development of the properties. There can be no assurance that the Company will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Joint Ventures

The Company is a party to joint ventures with other mining companies in respect of its properties in China. The Company may require additional financing to meet obligations under the joint venture agreements and there is no guarantee that such funds will be available. Furthermore, any failure of the Company's joint venture partners to meet their obligations to the Company or to third parties could have a material adverse effect on the joint ventures.

Joint Venture Agreements

In certain cases there may be inconsistencies between the Chinese version and the English version of the CJV agreements.

Competition

The international mining industry is highly competitive and the Company competes with other mining companies, many of which have greater resources and experience. Competition in the precious metals mining industry is primarily for: mineral rich properties which can be developed and can produce economically; the technical expertise to find, develop and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but also conduct refining and marketing operations on a worldwide basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Key Employees

The Company will depend on a number of key employees, the loss of any one of whom could have an adverse effect on the Company.

Fluctuating Mineral Prices

Commodity prices are highly volatile and factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors cannot be predicted.

Residency of Directors, Officers and Others

A number of the directors of the Company named herein reside outside Canada. Substantially all of the assets of these persons and of the Company are located outside Canada. It may not be possible for investors to effect service of process within Canada upon the directors, officers and experts named above. It may also not be possible to enforce against the Company, certain of its directors and officers and certain experts named herein, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other natural resource companies or companies providing services to the Company or they may have significant shareholdings in other resource companies. Situations may arise where the directors and/or officers of the Company may be in competition with the Company. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Limited Operating History

There is no assurance that the Company will earn profits in the future, or that profitability, if achieved, will be sustained. If the Company does not have sufficient capital to fund its operations, it may be required to forego certain business opportunities. The Company may also have a reduced interest or lose its interest in the properties/CJVs.

Future Capital Requirements

The Company will require additional financing in order to grow and expand its operations. It is possible that required future financing will not be available or, if available, will not be available on favourable terms. If the Company issues treasury shares to finance its operations or expansion plans, control of the Company may change and shareholders may suffer dilution of their investment. If adequate funds are not available, or are not available on acceptable terms, the Company may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Management of Growth

Any expansion of the Company's business may place a significant strain on its financial, operational and managerial resources. There can be no assurance that the Company will be able to implement and subsequently improve its operations and financial systems successfully and in a timely manner in order to manage any growth it experiences. There can be no assurance that the Company will be able to manage growth successfully. Any inability of the Company to manage growth successfully could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may expand its operations through the acquisition of additional businesses, products or technologies that it believes will complement its current or future business. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional businesses or successfully integrate any acquired businesses, products or technologies into the Company without substantial expenses, delays or other operational or financial problems. Furthermore, acquisitions involve a number of special risks, including diversion of management's attention, failure to retain key acquired personnel, unanticipated events or circumstances, and legal liabilities, some or all of which could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, there can be no assurance that the Company can complete any acquisition it pursues on favourable terms, that any acquired businesses, products or technologies will achieve anticipated revenues and income, or that any acquisitions completed will ultimately benefit the Company's business. An acquisition could also result in a potentially dilutive issuance of equity securities. If a strategy of growth through acquisition is pursued, the failure of the Company to manage this strategy successfully could have a material adverse effect on the Company's business, results of operations and financial condition.

Government Regulations

The Company may be subject to various laws, regulations, regulatory actions and court decisions that may have negative effects on the Company. Changes in the regulatory environment imposed upon the Company could adversely affect the ability of the Company to attain its corporate objectives.

Share Price Volatility

The market price of the Company Shares is highly volatile and may be significantly affected by factors such as actual or anticipated fluctuations in the Company's operating results, announcements of technological innovations, changes in estimates or analysis by securities analysts, new exploration projects by the Company or its competitors, government regulatory action, general market conditions and other factors.

OUTLOOK

The Company now has 20 rigs drilling for resource definition of the Beiya North high-grade gold/silver and base metal zone at the Beiya project, regarded as one of the top 10 high-potential prospects in China by the China Geological Survey. In addition, the Company continues to explore its Habo project. Both Beiya and Habo projects have large mineralization belts with potential for significant discoveries, based on the various exploration programs completed to date.

The Beiya project has high potential for a mining camp with intrusion-related copper-gold ore deposits, and the Company has earned 72% in the Ma Touwan property. The drilled area is a part of the 13 kilometer long by 2 kilometer wide gold belt, two-thirds of which belongs to the Company's joint venture, and one-third of which belongs to an adjacent open-pit mine producing 200,000 oz gold per year. To date, the Company has focused on Beiya North where 47 holes were drilled on a grid of 160 meters by 80-160 meters, and 39 of them intersected multi-layered gold/silver and base metal mineralized zones, including some high-grade intercepts containing up to 23.5 g/t gold, 928 g/t silver, 4.15% copper and 35.3% combined lead and zinc. Recent successful drilling results have confirmed the continuity of the main mineralized zone over 1,360 meters long by 350 to 620 meters wide, and it remains open. In addition, the Company has identified another gold/silver and base metal belt extending for 45 kilometers long by 2-4 kilometers wide, from which two key targets (Beiya Far North and Tanyao) have been selected for drill testing.

The Company believes its Habo Project has excellent potential for large bulk-tonnage porphyry-style copper-gold deposits for open-pit, bulk-tonnage mining. At Habo South, extensive sulfide mineralization covers an area of 2.3 kilometers by 1.3 kilometers and is open to the south, west and north. Exploration results to date have confirmed thick (up to 268 meters), subsurface mineralization zones with high grade intervals including 17 meters at 0.96% copper and 52.5 meters at 0.25% copper and 0.08% molybdenum. Recent surface examination indicated three additional copper-gold-molybdenum mineralized centers in the northern part of the project.

The Company has accelerated its drilling programs to focus on locating high-grade zones and to define the extent of a NI43-101 compliant resource at Beiya North. The Company has also started an environmental assessment, hydrological survey and geo-engineering measurements, and is preparing for metallurgical testing, as required for an application for a mining license for the first-phase mine development at Beiya. The Company is also planning a geophysical survey to locate the high-grade parts of the porphyry mineralized systems at Habo.

The Company has sufficient funds for aggressive exploration programs of its key projects, and has developed extensive relationships with significant investors, especially in Asia, and is well positioned for the next stage of development and potential strategic opportunities in the global mining industry and Asian markets. Asia Now has always been committed to building a long-term portfolio of mineral exploration and mining properties in China and other areas of Asia.