



ASIA NOW RESOURCES CORP.

(A Development Stage Company)

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

**For the Three and Nine Months Ended September 30, 2010
(Unaudited)**

Management's Responsibility for Financial Reporting

The accompanying unaudited interim consolidated financial statements of Asia Now Resources Corp. (A Development Stage Company) were prepared by management in accordance with Canadian generally accepted accounting principles. The most significant of these accounting principles have been set out in the December 31, 2009 audited consolidated financial statements. Only changes in accounting policies have been disclosed in these unaudited interim consolidated financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited interim 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.

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 unaudited interim 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 unaudited interim consolidated financial statements and (ii) the unaudited interim 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 unaudited interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim 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 unaudited interim 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 unaudited interim 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.

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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

	September 30, 2010	December 31, 2009
ASSETS		
Current		
Cash and cash equivalents	\$ 1,635,357	\$ 3,469,089
Prepaid and sundry receivables	100,085	73,051
Deferred Charges	42,573	-
	1,778,015	3,542,140
Mineral properties and deferred exploration expenditures	9,458,163	8,465,138
Capital assets (Note 5)	62,812	78,591
	\$ 11,298,990	\$ 12,085,869
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 375,717	\$ 740,646
SHAREHOLDERS' EQUITY		
Share capital (Note 6(b))	16,921,310	16,921,310
Contributed surplus	2,783,514	2,640,871
Deficit	(8,781,551)	(8,216,958)
	10,923,273	11,345,223
	\$ 11,298,990	\$ 12,085,869

Nature of Operations and Going Concern (Note 1)

See accompanying notes to unaudited interim consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,		Cumulative since inception on April 1, 1997 to September 30,
	2010	2009	2010	2009	2010
Expenses					
Management and consulting fees (Note 7 and 8)	\$ 44,088	\$ 56,114	\$ 140,269	\$ 145,585	\$ 2,190,683
General and administration cost (1)	48,305	45,880	152,962	106,344	1,444,059
China office expenses (Note 7)	45,241	41,265	125,263	123,423	923,871
Investor relations (Note 7)	15,427	4,359	41,812	54,766	492,369
Listing and transfer agent fees	9,950	1,089	19,944	12,010	120,819
Directors fees	14,180	9,997	32,990	30,806	181,796
Directors' stock-based compensation (Note 7)	18,500	74,270	83,250	74,270	810,547
Loss on joint venture advances	-	-	-	-	116,867
(Gain) loss on disposal of capital assets	-	-	(2,268)	2,859	3,650
Write-down of mineral properties	-	-	-	-	1,990,577
Foreign exchange loss (gain)	2,104	18,094	17,405	55,180	145,105
Amortization	6,213	3,349	18,625	10,261	103,771
	204,008	254,417	630,252	615,504	8,524,114
Net loss before the following	(204,008)	(254,417)	(630,252)	(615,504)	(8,524,114)
Other Income	-	-	65,659	-	65,659
Reverse take over costs in excess of cash	-	-	-	-	(148,164)
Net loss and comprehensive loss for the period	\$ (204,008)	\$ (254,417)	\$ (564,593)	\$ (615,504)	\$ (8,606,619)
Basic and fully diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)	
Weighted average number of shares outstanding	65,768,798	65,709,620	65,768,798	65,571,295	

(1) General and administration was offset by \$8,154 and \$8,194, respectively of interest income for the three and nine months ended September 30, 2010 (\$4,964 and \$29,320, respectively of interest income for the three and nine months ended September 30, 2009; cumulative since inception on April 1, 1997 to nine months ended September 30, 2010 - \$266,595).

See accompanying notes to unaudited interim consolidated financial statements.

ASIA NOW RESOURCES CORP.
(A Development Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF DEFICIT
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,		Cumulative since inception on April 1, 1997 to September 30,
	2010	2009	2010	2009	2010
Net loss for the period	\$ (204,008)	\$ (254,417)	\$ (564,593)	\$ (615,504)	\$ (8,606,619)
Deficit, beginning of period	(8,577,543)	(7,712,664)	(8,216,958)	(7,351,577)	(174,932)
Deficit, end of period	\$ (8,781,551)	\$ (7,967,081)	\$ (8,781,551)	\$ (7,967,081)	\$ (8,781,551)

See accompanying notes to unaudited interim consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,		Cumulative since inception on April 1, 1997 to September 30,
	2010	2009	2010	2009	2010
CASH PROVIDED BY (USED IN)					
OPERATING ACTIVITIES					
Net loss for the period	\$ (204,008)	\$ (254,417)	\$ (564,593)	\$ (615,504)	\$ (8,606,619)
Adjustment for:					
Amortization	6,213	3,349	18,625	10,261	103,771
Stock-based compensation (Note 7)	23,588	92,384	109,344	102,146	1,397,529
Write-down of mineral properties	-	-	-	-	1,990,577
(Gain) loss on disposal of capital assets	-	-	(2,268)	2,859	3,650
Net change in non-cash working capital	(148,483)	78,117	(434,536)	(394,438)	51,533
	(322,690)	(80,567)	(873,428)	(894,676)	(5,059,559)
INVESTING ACTIVITIES					
Mineral properties and exploration expenditures	(166,488)	(464,967)	(959,725)	(985,671)	(11,240,798)
Purchase of capital assets	(138)	-	(2,847)	-	(192,787)
Proceeds on disposal of capital assets	-	-	2,268	-	22,552
Transaction costs	-	-	-	-	(70,133)
Cash acquired on RTO	-	-	-	-	70,133
	(166,626)	(464,967)	(960,304)	(985,671)	(11,411,033)
FINANCING ACTIVITY					
Cash received from issuance of common shares, net of issuance costs	-	-	-	-	18,105,949
NET CHANGE IN CASH AND CASH EQUIVALENTS					
	(489,316)	(545,534)	(1,833,732)	(1,880,347)	1,635,357
CASH AND CASH EQUIVALENTS, beginning of period	2,124,673	4,938,183	3,469,089	6,272,996	-
CASH AND CASH EQUIVALENTS, end of period	\$ 1,635,357	\$ 4,392,649	\$ 1,635,357	\$ 4,392,649	\$ 1,635,357
Cash and cash equivalents consist of:					
Cash	\$ 813,741	\$ 717,649	\$ 813,741	\$ 717,649	\$ 813,741
Short-term investments	821,616	3,675,000	821,616	3,675,000	821,616
	\$ 1,635,357	\$ 4,392,649	\$ 1,635,357	\$ 4,392,649	\$ 1,635,357
NON-CASH INVESTING ACTIVITIES					
Stock-based option compensation capitalized to mineral properties and exploration expenditures	\$ 7,400	\$ 28,984	\$ 33,300	\$ 33,765	\$ 207,942

See accompanying notes to unaudited interim consolidated financial statements.

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

	<u>Shares issued and subscribed</u>		<u>Warrants</u>	<u>Contributed</u>	<u>Accumulated</u>	<u>Total</u>
	<u># of Shares</u>	<u>Share Value</u>	<u>Value</u>	<u>Surplus</u>	<u>Deficit</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 unaudited interim consolidated financial statements

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

	<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	-	-	-	-	206,584	-	206,584
Expired warrants	-	-	(18,638)	-	18,638	-	-
Share issued	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 unaudited interim consolidated financial statements

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

	<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 7)	-	-	-	-	139,443	-	139,443
Stock option modification (Note 7)	-	-	-	-	3,200	-	3,200
Loss for the period	-	-	-	-	-	(564,593)	(564,593)
Balance at September 30, 2010	65,768,798	\$16,921,310	\$ -	\$ -	\$ 2,783,514	\$ (8,781,551)	\$10,923,273

	<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, 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	-	-	-	-	121,368	-	121,368
Expired warrants	-	-	(18,638)	-	18,638	-	-
Share issued	266,666	40,000	-	-	-	-	40,000
Loss for the period	-	-	-	-	-	(615,504)	(615,504)
Balance at September 30, 2009	65,768,798	\$16,921,310	\$ -	\$ -	\$ 2,555,655	\$ (7,967,081)	\$11,509,884

See accompanying notes to unaudited interim consolidated financial statements

ASIA NOW RESOURCES CORP.

(A Development Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

	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 unaudited interim consolidated financial statements

ASIA NOW RESOURCES CORP.

(A Development Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

	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	110,296	51,209	61,598	-	-	223,103
Geological and geophysical	14,655	3,934	3,572	-	-	22,161
Trenching and assays	178	1,006	52,715	-	-	53,899
Drilling	356,584	219,318	(21,450)	-	-	554,452
Field trip	22,032	10,081	14,542	-	-	46,655
General	11,535	54,424	26,796	-	-	92,755
	515,280	339,972	137,773	-	-	993,025
Balance at September 30, 2010	\$ 3,761,960	\$ 2,469,343	\$ 3,226,860	\$ -	\$ -	\$ 9,458,163

See accompanying notes to unaudited interim consolidated financial statements

ASIA NOW RESOURCES CORP.

(A Development Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

	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	177,869	-	-	-	-	177,869
Management and supervision	44,815	34,884	28,446	-	-	108,145
Geological and geophysical	66,188	29,827	36,634	-	-	132,649
Trenching and assays	16,205	16,388	171,535	-	-	204,128
Drilling	264,821	25	27,594	-	-	292,440
Field trip	12,316	5,629	5,971	-	-	23,916
General	13,208	26,869	40,212	-	-	80,289
	595,422	113,622	310,392	-	-	1,019,436
Balance at September 30, 2009	\$ 2,663,566	\$ 1,885,859	\$ 2,834,664	\$ -	\$ -	\$ 7,384,089

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	232,789	141,075	156,759	13,680	-	544,303
Geological and geophysical	616,008	903,037	698,401	353,702	-	2,571,148
Trenching and assays	186,436	346,702	704,931	-	-	1,238,069
Drilling	2,059,120	688,685	1,179,070	43,200	-	3,970,075
Field trip	91,511	49,162	71,703	28,540	-	240,916
General	177,304	199,636	235,938	165,630	36,505	815,013
Option payment received	(54,352)	(5,459)	(6,970)	-	-	(66,781)
Write down	-	-	-	(654,882)	(36,505)	(691,387)
Balance at September 30, 2010	\$ 3,761,960	\$ 2,469,343	\$ 3,226,860	\$ -	\$ -	\$ 9,458,163

See accompanying notes to unaudited interim consolidated financial statements

ASIA NOW RESOURCES CORP.
(A Development Stage Company)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2010
(UNAUDITED)

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 unaudited interim 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 unaudited interim 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 unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") for interim financial information. Accordingly, they do not include all of the information and notes to the consolidated financial statements required by Canadian GAAP for annual consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2010 may not necessarily be indicative of the results that may be expected for the year ending December 31, 2010.

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2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

The consolidated balance sheet at December 31, 2009 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by Canadian GAAP for annual consolidated financial statements. The interim consolidated financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual audited consolidated financial statements for the year ended December 31, 2009. For further information, refer to the audited consolidated financial statements and notes thereto for the year ended December 31, 2009.

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 GAAP 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. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. 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, 2011. The Company is currently in the process of evaluating the potential impact of IFRS to its financial statements. This will be an ongoing process as the International Accounting Standards Board and the AcSB issue new standards and recommendations. It is anticipated that the Company's financial results and financial position as disclosed in the Company's current Canadian GAAP financial statements will not be significantly different when presented in accordance 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. The Company is in the process of evaluating the requirements of the new standards.

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3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on activities related to its mineral properties. Selected information is frequently provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the nine months ended September 30, 2010. The Company is not subject to external capital requirements.

The Company defines capital that it manages as its shareholders equity. As at September 30, 2010, total shareholders' equity (managed capital) was \$10,923,273 (December 31, 2009 - \$11,345,223).

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.

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4. PROPERTY AND FINANCIAL RISK FACTORS (Continued)

(b) Financial risk (continued)

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 goods and services tax due from the Federal Government of Canada and accrued interest. Sundry receivables of \$14,883 are in good standing as of nine months ended September 30, 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 September 30, 2010, the Company had cash and cash equivalents of \$1,635,357 (December 31, 2009 - \$3,469,089) to settle current liabilities of \$375,717 (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 institution. 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 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 nine month period:

Cash equivalents include deposits at call which are at variable rates. As at September 30, 2010, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the three and nine months ended September 30, 2010, would have been approximately \$6,000 higher/lower, as a result of lower/higher interest income from cash equivalents. Similarly, as at September 30, 2010, reported shareholders' equity would have been approximately \$6,000 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 September 30, 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 three and nine months ended September 30, 2010 would have been approximately \$29,000 higher/lower as a result of foreign exchange losses/gains on translation of non-Canadian dollar denominated financial instruments. Similarly, as at September 30, 2010, reported shareholders' equity would have been approximately \$29,000 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 and molybdenum. Gold, copper and molybdenum prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of gold, copper and molybdenum may be produced in the future, a profitable market will exist for them. As of September 30, 2010, the Company was not a gold, copper and molybdenum producer. As a result, gold, copper 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.

Fair Value Hierarchy

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at September 30, 2010:

	Level One	Level Two	Level Three
Cash	\$ 813,741	\$ -	\$ -
Short-term investments	\$ 821,616	\$ -	\$ -

5. CAPITAL ASSETS

	September 30, 2010	December 31, 2009
Office equipment and leaseholds - at cost	\$ 104,553	\$ 101,706
Vehicles - at cost	39,941	39,941
Less: accumulated amortization	(81,682)	(63,056)
	\$ 62,812	\$ 78,591

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6. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares

(b) Common shares issued

	Number of Shares	Amount
Balance, December 31, 2009 and September 30, 2010	65,768,798	\$ 16,921,310

7. STOCK OPTIONS

The following table reflects the continuity of stock options for the nine months ended September 30, 2010:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2009	5,950,000	\$0.40
Cancelled/Expired	(300,000)	0.75
Balance, September 30, 2010	5,650,000	\$0.39

For the nine months ended September 30, 2010, stock option compensation of \$33,300 was charged to mineral properties and deferred exploration expenditures, \$3,200 was charged to investor relations and \$22,894 was charged to management and consulting fees for stock options granted in previous years that vested during the current period. Furthermore, \$83,250 was charged to directors' stock-based compensation relating to stock options granted in previous years that vested during the current period.

For the three months ended September 30, 2010, stock option compensation of \$7,400 was charged to mineral properties and deferred exploration expenditures, and \$5,088 was charged to management and consulting fees for stock options granted in previous years that vested during the current period. Furthermore, \$18,500 was charged to directors' stock-based compensation relating to stock options granted in previous years that vested during the current period.

Details of the stock options outstanding at September 30, 2010 are as follows:

Fair Value Exercisable Options	Weighted Average Remaining Contractual Life (years)	Exercisable Options	Number of Options	Exercise Price	Expiry Date
\$ 30,400	0.59	100,000	100,000	\$0.48	May 2, 2011
6,490	0.71	200,000	200,000	0.28	June 16, 2011
37,600	1.58	200,000	200,000	0.33	April 30, 2012
348,450	1.84	1,150,000	1,150,000	0.75	August 1, 2012
37,350	2.26	150,000	150,000	0.75	January 3, 2013
26,800	2.58	200,000	200,000	0.50	April 30, 2013 ⁽¹⁾
45,000	2.58	300,000	300,000	0.33	April 30, 2013 ⁽¹⁾
278,887	3.95	2,512,500	3,350,000	0.25	September 10, 2014
\$ 810,977	3.10	4,812,500	5,650,000		

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7. STOCK OPTIONS (Continued)

⁽¹⁾ The Company, during the quarter ended September 30, 2010, 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 an 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.

8. RELATED PARTY TRANSACTIONS

The Company incurred the following related party expenses during the nine months ended September 30, 2010:

- \$135,000 (September 30, 2009 - \$135,000) was accrued or paid to a company controlled by the President.
- \$nil (September 30, 2009 - \$8,000) was accrued or paid to a company that provides the services of the previous Corporate Secretary.
- \$40,500 (September 30, 2009 - \$43,500) was accrued or paid to a company controlled by the Chief Financial Officer.
- \$32,990 (September 30, 2009 - \$30,806) in director fees were paid or accrued.
- \$99,985 (September 30, 2009 - \$17,209) was accrued or paid for legal services to a firm where a partner of the legal firm is an officer of the Company.

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 \$33,900 (September 30, 2009 - \$15,750) due to a company controlled by the President of the Company and \$53,390 (September 30, 2009 - \$Nil) due to the legal firm where a partner of the legal firm is an officer of the Company.

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9. SEGMENT DISCLOSURE

September 30, 2010	Canada	China	Consolidated
Current assets	\$ 994,934	\$ 783,081	\$ 1,778,015
Mineral properties and deferred exploration expenditures	-	9,458,163	9,458,163
Capital assets	2,470	60,342	62,812
	\$ 997,404	\$ 10,301,586	\$ 11,298,990

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

10. SUBSEQUENT EVENT

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.

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.



Management Discussion and Analysis
Unaudited Consolidated Financial Statements
For the 3 and 9 months ended: September 30, 2010

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ASIA NOW RESOURCES CORP.

MANAGEMENT DISCUSSION & ANALYSIS

September 30, 2010

This Management Discussion and Analysis ("MD&A") of Asia Now Resources Corp. ("Asia Now" or the "Company") is dated November 24, 2010, and provides an analysis of the Company's performance and financial condition for the 3 and 9 months ended September 30, 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, 2009, 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

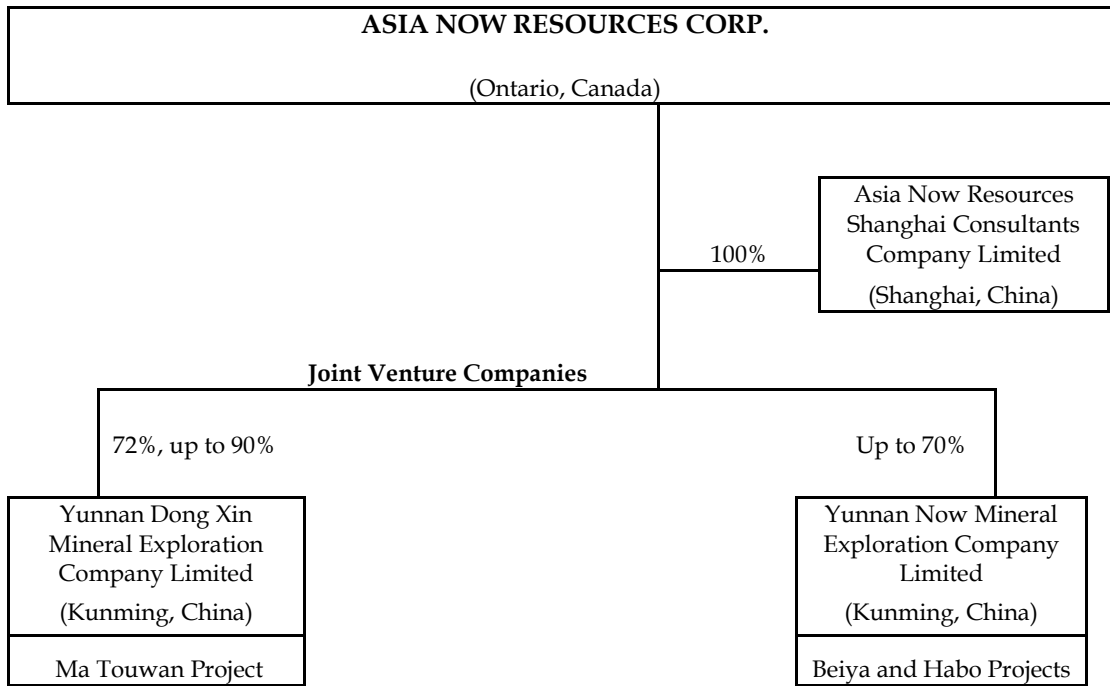
Principal Business and Corporate History

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 Geology and Mineral Resource Co. Limited ("YGMR") and Yunnan Now Mineral Exploration Company Limited ("Yunnan Now") being the CJV with Yunnan Non-Ferrous Geology and Mineral Resources Company Limited ("YNGM").

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 service 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.



Recent Project Development

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 focusing on Beiya North in the middle section of a 13-km long by 2-km wide gold-silver geochemical belt that covers an adjacent open-pit mine with production being ramped up to 200,000 oz gold per year. In the northern section of the mine, high-grade massive copper-gold sulfides have been recently drilled, which may extend northwest into Asia Now’s property. In Q3/10, the Company continued to drill for 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 1,160 meters from the mining lease of the Beiya Gold Mine, and is open to the north and west on Asia Now's property. Recent drillholes intersected high-grade intercepts ranging from 0.9 to 8.7 meters grading 2.0-10.0 g/t gold, 145-324 g/t silver, 0.4-1.0% copper and 15.3-35.3% combined lead and zinc.

The Company has accelerated its drilling programs by mobilizing six 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 Release dated October 6, 2010 filed on SEDAR.

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 copper-gold-molybdenum properties

At the Habo Project, the Company’s work 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, wide 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 Q3/10, detailed exploration programs have been planned to test the three new mineralized zones.

SELECTED 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 Quarterly Information:

Quarter Ended	Net Revenue ⁽¹⁾	Net Loss and Comprehensive Loss		Cash	Working Capital
		Total	Per Share ⁽²⁾		
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
Dec. 31, 2008	32,485	653,245	0.01	6,272,996	5,539,103
Sept. 30, 2008	22,294	177,935	0.00	6,828,656	6,111,989

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 4th quarter ended December 31, 2008, the Company wrote down its mineral properties by \$691,387.

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.

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 and 9 months ended September 30, 2010, the Company's net loss and comprehensive loss was \$204,008 and \$564,593 respectively versus a net loss of \$254,417 and \$615,504 for the 3 and 9 month periods ended September 30, 2009.

The main components of this loss were:

	3 Months Ended September 2010	3 Months Ended September 2009	9 Months Ended September 2010	9 Months Ended September 2009
Management and consulting fees	\$ 44,088	\$ 56,114	\$ 140,269	\$ 145,585
General and administration	48,305	45,880	152,962	106,344
China office expenses	45,241	41,265	125,263	123,423
Investor relations	15,427	4,359	41,812	54,766
Listing and transfer agent fees	9,950	1,089	19,944	12,010
Directors fees	14,180	9,997	32,990	30,806
Directors stock option compensation	18,500	74,270	83,250	74,270
Foreign exchange loss (gain)	2,104	18,094	17,405	55,180
Other (income) expenses	-	-	(65,659)	-

Q3/10

Management and consulting fees have decreased by \$12,026 in Q3/10 as compared to Q3/09. Fees to the CFO increased by \$1,000 during Q3/10, while stock option compensation on options granted in a previous quarter that vested during Q3/10 were \$5,088 as compared to stock option compensation on options granted during Q3/09 of \$18,114.

Investor relations expenses increased by \$11,068 in Q3/10 versus Q3/09. During Q3/09 fees to the service provider were reduced during the negotiation of a new contract. This accounts for an increase of \$6,000 during the current quarter. In Q3/10, placement of notices in newspapers, press releases and printing of the management information circular relating to the special meeting of shareholders held on October 27, 2010 to review and approve the private placement with China Gold Pte. Ltd. and Prime Orient Investment Limited amounted to \$5,000.

Listing and transfer agent fees increased by \$8,861 during the quarter ended September 30, 2010 when compared to the 3 months ended September 30, 2009. Fees to the TSX to review and approve a new director amounted to \$4,100 and fees for the mailing of the management information for the annual general meeting of shareholders and for the special meeting of shareholders amounted to \$4,000.

Stock based compensation on options granted to directors in previous quarters that vested during Q3/10 amounted to \$18,500 as compared to stock option compensation on options granted during Q3/09 of \$74,270.

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").

9 months

Management and consulting fees decreased by \$5,316 during the 9 months ended September 30, 2010 from the comparable 2009 period. Fees to the CFO decreased by \$3,000 and stock option compensation decreased by \$1,000.

During the nine month period ended September 30, 2010, investor relations expenses decreased by \$12,954 as compared to the nine months ended September 30, 2009. The negotiation of a new contract with the service provider resulted in a decrease in fees of \$12,000.

Stock based compensation on options granted to directors in previous quarters that vested during the nine months ended September 30, 2010 amounted to \$83,250.

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 September 2010	3 Months Ended September 2009	9 Months Ended September 2010	9 Months Ended September 2009
General and office expenses	\$ 1,283	\$ 914	\$ 5,759	\$ 4,787
Legal fees	20,565	17,209	57,412	27,881
Accounting fees	5,750	5,955	18,090	17,860
Audit fees	14,625	12,000	33,308	35,105
Travel	-	-	219	-
Insurance	8,126	8,193	24,377	24,025
Interest expense (income)	(8,154)	(4,964)	(8,194)	(29,320)
Rent	4,650	5,248	12,747	15,743
Conferences and trade shows	350	-	3,725	-
Shareholder communications	60	-	449	4,301
Filing fees	1,050	1,325	5,070	5,962
Total General and administration	\$ 48,305	\$ 45,880	\$ 152,962	\$ 106,344

Q3/10

Legal fees increased by \$3,356 during Q3/10 as compared to Q3/09. Q3/10 fees relate to assistance in the preparation of the Management Information Circular for the annual shareholders meeting and to the review of potential financing documents while Q3/09 fees were for finalizing the service agreement with Mr. Bian Jiang and for the review of tentative private placement agreements.

Interest income increased by \$3,190 in Q3/10 as compared to Q3/09. Interest income was lower in the current quarter due to lower cash balances available for short term investments but includes a correction to the income recorded in previous quarters.

There were no significant variations in the other general and administration expenses between Q3/10 and Q3/09.

9 months

The increase of \$29,531 in legal fees for the nine month period ended September 30, 2010 from the comparable 2009 period is due to assistance in the preparation of the Management Information Circular for the annual shareholders meeting and to the review of potential financing documents.

Interest income decreased by \$21,126 for the 9 month period ended September 30, 2010 as compared to the prior period 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 \$3,375 during the nine months ended September 30, 2010 compared to the same 2009 period. 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 \$3,852 during the 9 months ended September 30, 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 six months ended June 30, 2010 and the comparable 2009 period.

Deferred exploration expenditures

As a result of its exploration activities, the Company had deferred \$9,458,163 (September 2009 - \$7,384,089) of exploration expenditures as at September 30, 2010. Exploration expenditures during Q3/10 amounted to \$173,888 (Q3/09 - \$493,951). 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 \$1,402,298 in working capital as at September 30, 2010 (September 2009 - \$4,093,193). The decrease in working capital of \$2,690,895 is due primarily to exploration expenditures of \$2,074,074 during the 12 month period ended September 30, 2010 and to 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, 2009 and to the "Subsequent Events" section below.

Share Capital

No common shares were issued during Q3/10. On November 12, 2010, the Company closed of 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. For additional information, refer to the "Subsequent Events" section below. No additional shares were issued to November 24, 2010.

No options were issued during Q3/10. Subsequent to Q3/10, 350,000 options expired unexercised. No additional options were issued to November 24, 2010.

As at November 24, 2010, the Company's share position consisted of:

Shares outstanding	111,010,798
Options outstanding ⁽ⁱ⁾	5,300,000

(i) Options outstanding:

Expiry Date	No. of Options	Exercise Price
May 2, 2011	100,000	\$ 0.48
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
Apr. 30, 2013	200,000	0.50
Apr. 30, 2013	300,000	0.33
Sept. 10, 2014	3,000,000	0.25

Subsequent Events

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.

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.

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 Beiya Project involves properties referred to as Ma Touwan and Beiya, initially covering 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 with production being ramped up to 200,000 ounces gold per year. In the adjacent Beiya gold mine, over 20 rigs have been drilling the thick, high-grade massive copper-gold sulfides in skarns extending to the border of Asia Now's CJV tenement. The intersected mineralizing zone includes 72.46 meters at 3.71 g/t gold, 90.07 meters at 0.74% copper, 96.47 meters at 34.6% TFe, as well as 39 meters at 2.8% copper and 2.10g/t gold. Over 40,000 meters drilling has been completed recently to prove up additional significant resource (>40 tonnes gold) of the high-grade massive sulfides, which is the largest discovery at the Beiya Gold Mine (totalling >112 tonnes gold and >300,000 tonnes copper, not Canadian NI43-101 compliant resources) for the past 30 years. 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.

To date, a total of 39 holes (16,110.69 meters) have been drilled in the Beiya Project, and of those, 32 holes were drilled at Beiya North on the JV property north of the adjacent gold mine and the assay results confirm that a thick (up to 270 m) gold and base metal mineralization zone extends at least 1,160 meters from the mining lease of the open-pit Beiya Gold Mine, and is open to the north and west on Asia Now's property. The thick mineralization zone includes a number of intervals ranging from 3.0 to 78 meters grading 0.7-4.8 g/t gold, 30-218 g/t silver, 0.2-2.8% copper, 0.8-16.9% lead and 0.7-2.6% zinc, and a number of thin (0.5-2.1 meter) gold veins grading 4.2-23.5 g/t gold, 16.1-413 g/t silver and 6.3-25.5% combined lead and zinc. Recent drillholes intersected high-grade intercepts ranging from 0.9 to 8.7 meters grading 2.0-10.0 g/t gold, 145-324 g/t silver, 0.4-1.0% copper and 15.3-35.3% combined lead and zinc.

The Company has accelerated its drilling programs by mobilizing six 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 Release dated October 6, 2010 filed on SEDAR.

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. Based on these data, in Q2/10, three holes were drilled to test the geophysical and soil anomalies, but the assay results indicated no significant mineralization. In Q3/10 more detailed geological examination has been carried out to locate additional potential mineralization zones.

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. The geology will be 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 has 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 porphyries 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 Q3/10, detailed exploration programs have been planned 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

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
Balance at June 30, 2010	\$ 3,761,960	\$ 2,469,343	\$ 3,226,860	\$ 9,458,163

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 September 2010 (\$)	3 Months Ended September 2009 (\$)	9 Months Ended September 2010 (\$)	9 Months Ended September 2009 (\$)
President	45,000	45,000	135,000	135,000
Corporate Secretary ⁽¹⁾	-	-	-	8,000
Chief Financial Officer	13,500	12,500	40,500	43,500
Director Fees	14,180	9,997	32,990	30,806

Note: (1) 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 Q3/10 and the 9 months ended September 30, 2010 amounted to \$63,138 and \$99,985 respectively (Q3/09 - \$17,209; 9 months September 30, 2009 - \$17,209).

Accounts payable and accrued liabilities include \$33,900 (September 30, 2009 - \$15,750) due to a company controlled by the President of the Company and \$53,390 (September 30, 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 unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes to the consolidated financial statements required by Canadian generally accepted accounting principles for annual consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the three and nine month periods ended September 30, 2010 may not necessarily be indicative of the results that may be expected for the year ending December 31, 2010.

The consolidated balance sheet at December 31, 2009 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by Canadian generally accepted accounting principles for annual consolidated financial statements. The interim consolidated financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual audited consolidated financial statements for the year ended December 31, 2009, except as noted below. For further information, refer to the audited consolidated financial statements and notes thereto for the year ended December 31, 2009.

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 GAAP 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. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. 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, 2011. The Company is currently in the process of evaluating the potential impact of IFRS to its financial statements. This will be an ongoing process as the International Accounting Standards Board and the AcSB issue new standards and recommendations. It is anticipated that the Company's financial results and financial position as disclosed in the Company's current Canadian GAAP financial statements will not be significantly different when presented in accordance with IFRS. For additional information, refer to the "IFRS Implementation Plan" section below.

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. The Company is in the process of evaluating the requirements of the new standards.

CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on activities related to its mineral properties. Selected information is frequently provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the nine months ended September 30, 2010. The Company is not subject to external capital requirements.

The Company defines capital that it manages as its shareholders equity. As at September 30, 2010, total shareholders' equity (managed capital) was \$10,923,273 (December 31, 2009 - \$11,345,223).

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 goods and services tax due from the Federal Government of Canada and accrued interest. Sundry receivables of \$14,883 are in good standing as of nine months ended September 30, 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 September 30, 2010, the Company had cash and cash equivalents of \$1,635,357 (December 31, 2009 - \$3,469,089) to settle current liabilities of \$375,717 (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 institution. 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 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 nine month period:

Cash equivalents include deposits at call which are at variable rates. As at September 30, 2010, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the three and nine months ended September 30, 2010, would have been approximately \$6,000 higher/lower, as a result of lower/higher interest income from cash equivalents. Similarly, as at September 30, 2010, reported shareholders' equity would have been approximately \$6,000 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 September 30, 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 three and nine months ended September 30, 2010 would have been approximately \$29,000 higher/lower as a result of foreign exchange losses/gains on translation of non-Canadian dollar denominated financial instruments. Similarly, as at September 30, 2010, reported shareholders' equity would have been approximately \$29,000 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 and molybdenum. Gold, copper and molybdenum prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of gold, copper and molybdenum may be produced in the future, a profitable market will exist for them. As of September 30, 2010, the Company was not a gold, copper and molybdenum producer. As a result, gold, copper 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.

Fair Value Hierarchy

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at September 30, 2010:

	Level One	Level Two	Level Three
Cash	\$813,741	\$ -	\$ -
Short-term investments	\$821,616	\$ -	\$ -

IFRS TRANSITION PLAN

The Canadian Accounting Standards Board has confirmed that International Financial Reporting Standards ("IFRS") will replace current Canadian GAAP for publicly accountable enterprises, including Asia Now, effective for fiscal years beginning on or after January 1, 2011.

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.

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 changes to accounting policies and choices to be made with respect to first-time adoption alternatives.	In progress, completion expected during Q4/10.
Resolution of the accounting policy change implications on information technology, business processes and contractual arrangements.	In progress, completion expected during Q4/10.
Quantification of the Financial Statement impact of changes in accounting policies.	Throughout 2010.
Management and employee education and training.	Throughout the transition process.

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 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 14 *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 ended 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 to date 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 significant change. 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 prior to its adoption of IFRS that would affect the summary provided below.

1) Exploration and Evaluation Expenditures

IFRS currently allows an entity to retain its existing accounting policies related to the exploration for and evaluation of mineral properties, subject to some restrictions.

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, like Canadian GAAP, requires an assessment at each reporting date as to whether there are indicators of impairment of deferred exploration and evaluation costs. The factors considered under

IFRS are quite similar to Canadian GAAP, but there are some differences.

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 deferred exploration costs will be changed to reflect these differences, however the Company does not expect this change will have an immediate impact to 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 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 Management Discussion and Analysis for the 2010 interim periods and the year ending December 31, 2010 will include updates on the progress of the transition plan, and, to the extent known, further information regarding the impact of adopting IFRS on key line items in the annual financial statements.
- 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. For a summary of the risk factors which could impact the Company's operations and its financial position, readers should carefully review the "Risk Factors" section set out in the Annual Management Discussion & Analysis for the year ended December 31, 2009 on Sedar at www.sedar.com. There have been no significant changes in risk factors since the date hereof.

OUTLOOK

Asia Now has always been committed to building a long-term portfolio of mineral exploration and mining properties in China. The Company continues to focus on its two major exploration projects (Beiya and Habo), both having 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 south-eastern area of the project is adjacent to an operating gold mine with production being increased to 200,000 oz gold annually. The Company is accelerating the drilling programs to define the extent of resources in the large gold anomaly 13 km by 2 km across the existing open pit: this zone has returned results with high values of gold (up to 23.6 gram per tonne gold), silver (up to 413 gram per tonne silver) and base metals (up to 35.3% combined lead and zinc). Thick (up to 270 meters) gold, silver and base metal mineralized zones with high-grade intervals have been intersected by drill holes in Beiya North adjacent to the gold mine where high grade massive copper gold sulfides in skarns were found in 2009. This thick mineralized zone continues for at least 1,160 meters within our JV properties. The surface copper-gold mineralization zones intersected in trenches in the western part of the Beiya project, and extensive alteration coupled with soil and geophysical (magnetic) anomalies at Beiya Northeast indicate potential for additional skarn-type gold (copper) deposits.

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.

In 2010 drilling will be the major part of exploration to define the resources of the mineralized zones at Beiya, and a geophysical survey to locate the high-grade parts of the porphyry mineralized systems is being

planned for Habo. The Company is currently looking to secure financing to continue its planned aggressive exploration programs at Beiya and Habo, to work towards proving a NI 43-101 compliant resource.

The Company continues focusing on the exploration of its key projects, and to consider and evaluate business arrangements and cash-flow or close to cash-flow projects that will add shareholder value. The Company has developed extensive relationships with significant investors especially in Asia, and is examining potential strategic opportunities in the global mining industry and Asian markets.