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**LIPPO LIMITED**

力寶有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 226)**

**LIPPO CHINA RESOURCES LIMITED**

力寶華潤有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 156)**

**OVERSEAS REGULATORY ANNOUNCEMENT**

This announcement is made pursuant to Rule 13.10(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The attached document has been released by Asia Now Resources Corp. (“Asia Now”) on SEDAR at [www.sedar.com](http://www.sedar.com). Asia Now, in which Lippo China Resources Limited (“LCR”) (a subsidiary of Lippo Limited (“Lippo”)) is interested in approximately 51 per cent. of its issued share capital, is a company listed on TSX Venture Exchange of Canada.

Hong Kong, 27<sup>th</sup> August, 2014

As at the date of this announcement, the board composition of each of Lippo and LCR is as follows:

**Lippo**

*Executive Directors:*

Dr. Stephen Riady (*Chairman*)

Mr. John Luen Wai Lee (*Managing  
Director and Chief Executive Officer*)

Mr. Jark Pui Lee

*Non-executive Director:*

Mr. Leon Nim Leung Chan

*Independent Non-executive Directors:*

Mr. Edwin Neo

Mr. King Fai Tsui

Mr. Victor Ha Kuk Yung

**LCR**

*Executive Directors:*

Dr. Stephen Riady (*Chairman*)

Mr. John Luen Wai Lee  
(*Chief Executive Officer*)

*Non-executive Director:*

Mr. Leon Nim Leung Chan

*Independent Non-executive Directors:*

Mr. Edwin Neo

Mr. King Fai Tsui

Mr. Victor Ha Kuk Yung



**ASIA NOW RESOURCES CORP.**  
**Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian Dollars)**

**Three and Six Months Ended June 30, 2014**  
**(Unaudited)**

**NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

**ASIA NOW RESOURCES CORP.**

(An Exploration Stage Company)

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

**(UNAUDITED)**

<b>As at</b>	<b>June 30, 2014</b>	<b>December 31, 2013</b>
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 1,420,992	\$ 2,132,594
Prepaid and sundry receivables (Note 3)	117,973	84,425
	<b>1,538,965</b>	2,217,019
Exploration and evaluation assets (Note 4)	<b>13,684,375</b>	13,508,022
Capital assets (Note 5)	<b>138,670</b>	162,026
	<b>\$ 15,362,010</b>	\$ 15,887,067
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 145,197	\$ 1,091,094
Deposit (Note 7)	172,100	175,700
Convertible debentures - current portion (Note 8)	71,495	-
	<b>388,792</b>	1,266,794
Convertible debentures (Note 8)	<b>2,389,062</b>	1,193,058
	<b>2,777,854</b>	2,459,852
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 9)	<b>30,413,158</b>	30,369,153
Reserves	<b>3,352,899</b>	3,292,032
Deficit	<b>(21,181,901)</b>	(20,233,970)
	<b>12,584,156</b>	13,427,215
	<b>\$ 15,362,010</b>	\$ 15,887,067

**Nature of Operations and Going Concern** (Note 1)**Commitment** (Note 15)**Subsequent event** (Note 16)**Comparative figures** (Note 17)

See accompanying notes to unaudited condensed interim consolidated financial statements

APPROVED ON BEHALF OF THE BOARD:

Signed "Marshall Cooper", DirectorSigned "James Macintosh", Director

**ASIA NOW RESOURCES CORP.**

(An Exploration Stage Company)

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

**(UNAUDITED)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
<b>Expenses</b>				
Administrative expenses (Note 12)	\$ 379,527	\$ 355,256	\$ 809,234	\$ 622,532
<b>Net loss before the following</b>	<b>(379,527)</b>	<b>(355,256)</b>	<b>(809,234)</b>	<b>(622,532)</b>
Impairment of exploration and evaluation assets (Note 4(b))	(51,593)	-	(77,810)	-
Foreign exchange gain (loss)	(42,094)	46,616	(49,935)	79,840
Amortization	(4,386)	(10,006)	(13,377)	(19,915)
Gain on disposal of capital assets	2,425	-	2,425	-
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (475,175)</b>	<b>\$ (318,646)</b>	<b>\$ (947,931)</b>	<b>\$ (562,607)</b>
Basic and fully diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding	111,595,903	111,010,798	111,302,140	111,010,798

See accompanying notes to unaudited condensed interim consolidated financial statements

**ASIA NOW RESOURCES CORP.**

(An Exploration Stage Company)

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

**(UNAUDITED)**

	<b>Six Months Ended June 30,</b>	
	<b>2014</b>	<b>2013</b>
<b>CASH (USED IN) PROVIDED BY:</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (947,931)	\$ (562,607)
Adjustment for:		
Amortization	13,377	19,915
Convertible debenture - accretion charge (Note 8)	80,366	-
Shares issued for interest on convertible debenture (Notes 8 and 9(b))	44,005	-
Gain on disposal of capital assets	(2,425)	-
Impairment of exploration and evaluation assets (Note 4(b))	77,810	-
Net change in non-cash operating assets and liabilities (Note 11)	(145,596)	(586,859)
	<b>(880,394)</b>	<b>(1,129,551)</b>
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation assets (Note 4)	(1,091,612)	(938,518)
Purchase of capital assets	-	(899)
Proceeds on disposal of capital assets	12,404	-
	<b>(1,079,208)</b>	<b>(939,417)</b>
<b>FINANCING ACTIVITY</b>		
Issuance of convertible debenture (Note 8)	1,248,000	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(711,602)</b>	<b>(2,068,968)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>2,132,594</b>	<b>3,784,556</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 1,420,992</b>	<b>\$ 1,715,588</b>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
Cash	\$ 526,051	\$ 1,197,762
Short-term investments	894,941	517,826
	<b>\$ 1,420,992</b>	<b>\$ 1,715,588</b>
<b>NON-CASH INVESTING ACTIVITIES</b>		
Shares issued for interest on convertible debenture (Notes 8 and 9(b))	\$ 44,005	\$ -

See accompanying notes to unaudited condensed interim consolidated financial statements

**ASIA NOW RESOURCES CORP.**

(An Exploration Stage Company)

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Expressed in Canadian Dollars)

**(UNAUDITED)**

	<u>Shares issued and subscribed</u>		<u>Reserves</u>			
	No. of shares	Share value	Equity settled share-based payments surplus	Equity portion of convertible debentures	Deficit	Total
<b>Balance at December 31, 2012</b>	<b>111,010,798</b>	<b>\$ 30,369,153</b>	<b>\$ 3,231,165</b>	<b>\$ -</b>	<b>\$ (18,501,702)</b>	<b>\$ 15,098,616</b>
Loss for the period	-	-	-	-	(562,607)	(562,607)
<b>Balance at June 30, 2013</b>	<b>111,010,798</b>	<b>\$ 30,369,153</b>	<b>\$ 3,231,165</b>	<b>\$ -</b>	<b>\$ (19,064,309)</b>	<b>\$ 14,536,009</b>
Issuance of convertible debenture (Note 8)	-	-	-	60,867	-	60,867
Loss from July 1, 2013 to December 31, 2013	-	-	-	-	(1,169,661)	(1,169,661)
<b>Balance at December 31, 2013</b>	<b>111,010,798</b>	<b>\$ 30,369,153</b>	<b>\$ 3,231,165</b>	<b>\$ 60,867</b>	<b>\$ (20,233,970)</b>	<b>\$ 13,427,215</b>
Issuance of convertible debenture (Note 8)	-	-	-	60,867	-	60,867
Shares issued for interest on convertible debenture (Notes 8 and 9(b))	880,096	44,005	-	-	-	44,005
Loss for the period	-	-	-	-	(947,931)	(947,931)
<b>Balance at June 30, 2014</b>	<b>111,890,894</b>	<b>\$ 30,413,158</b>	<b>\$ 3,231,165</b>	<b>\$ 121,734</b>	<b>\$ (21,181,901)</b>	<b>\$ 12,584,156</b>

See accompanying notes to unaudited condensed interim consolidated financial statements

# **ASIA NOW RESOURCES CORP.**

(An Exploration Stage Company)

## **NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**THREE AND SIX MONTHS ENDED JUNE 30, 2014**

**(UNAUDITED)**

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

Asia Now Resources Corp. (the "Company" or "Asia Now"), incorporated in the Province of Ontario, is engaged principally in the acquisition and exploration of mineral properties in China. There has been no determination whether the Company's interests in mineral properties contain mineral reserves which are economically recoverable.

The address of the head office is Suite 2702, 401 Bay Street, Toronto, Ontario M5H 2Y4. The Company maintains several operating offices in China.

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

Asia Now is in the exploration stage, and as is common with many exploration companies, it raises financing for its exploration and acquisition activities. The Company has incurred losses in previous years, with a current net loss of \$475,175 and \$947,931 for the three and six months ended June 30, 2014, respectively (three and six months ended June 30, 2013 - net loss of \$318,646 and \$562,607, respectively) and has an accumulated deficit of \$21,181,901 as at June 30, 2014 (December 31, 2013 - \$20,233,970). The Company had a working capital balance of \$1,150,173 at June 30, 2014 (December 31, 2013 - \$950,225). Current funds may not be sufficient to explore existing projects, and in due course, further funding will be required. In the event that the Company is unable to secure further financing it may not be able to complete the development of its projects.

Due to continuing operating losses, the Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop mineral projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. The financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

These unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2014 were authorized for issuance by the board of Directors of the Company on August 22, 2014.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### *(a) Statement of compliance*

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the three and six months ended June 30, 2014.

#### *(b) Basis of presentation*

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

## **ASIA NOW RESOURCES CORP.**

(An Exploration Stage Company)

### **NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**THREE AND SIX MONTHS ENDED JUNE 30, 2014**

**(UNAUDITED)**

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#### **2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### *(b) Basis of presentation (Continued)*

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of August 22, 2014, the date the Board of Directors approved the statements. These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2013, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2014 could result in restatement of these unaudited condensed interim consolidated financial statements.

##### *(c) Recent accounting pronouncements*

###### IAS 32, Financial Instruments Presentation ("IAS 32")

On December 16, 2011 the IASB published amendments to IAS 32 Financial Instruments: Presentation to clarify the application of the requirements of offsetting financial assets and financial liabilities. The amendments to IAS 32 were adopted on January 1, 2014 and there was no material impact its unaudited condensed interim consolidated financial statements.

###### IAS 36, Impairment of Assets ("IAS 36")

IAS 36 was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 were adopted on January 1, 2014 and there was no material impact its unaudited condensed interim consolidated financial statements.

The following accounting pronouncement has been released but has not yet been adopted by the Company.

###### IFRS 9 - Financial instruments ("IFRS 9")

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 as a first phase in its ongoing project to replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9, which is to be applied retrospectively, will be effective as of January 1, 2018.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Management has not yet determined the potential impact the adoption of IFRS 9 will have on the Company's unaudited condensed interim consolidated financial statements.



**ASIA NOW RESOURCES CORP.**

(An Exploration Stage Company)

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**THREE AND SIX MONTHS ENDED JUNE 30, 2014**

**(UNAUDITED)**

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**3. PREPAID AND SUNDRY RECEIVABLES**

	<b>As at June 30, 2014</b>	<b>As at December 31, 2013</b>
Accounts receivable	\$ 23,134	\$ 18,769
Prepaid expenses	71,254	48,263
Sales tax recoverable	23,416	17,224
Due from director (Note 13)	169	169
	<b>\$ 117,973</b>	<b>\$ 84,425</b>

**ASIA NOW RESOURCES CORP.**

(An Exploration Stage Company)

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**THREE AND SIX MONTHS ENDED JUNE 30, 2014****(UNAUDITED)****4. EXPLORATION AND EVALUATION ASSETS**

	<b>Ma Touwan</b>	<b>Habo</b>	<b>Total</b>
Balance, December 31, 2012	\$ 11,809,796	\$ 605,325	\$ 12,415,121
<u>Exploration Costs during the period</u>			
Management and supervision	95,495	31,814	127,309
Geological and geophysical	26,455	22,388	48,843
Trenching and assays	-	7,869	7,869
Drilling	517,772	69,007	586,779
Field trip	29,149	30,102	59,251
General	23,175	85,292	108,467
	692,046	246,472	938,518
Balance June 30, 2013	\$ 12,501,842	\$ 851,797	\$ 13,353,639
<u>Exploration Costs during balance of year</u>			
Management and supervision	133,813	45,963	179,776
Geological and geophysical	15,602	1,658	17,260
Trenching and assays	-	16,667	16,667
Drilling	219,472	147,648	367,120
Field trip	4,277	6,988	11,265
General	14,879	19,928	34,807
Site reclamation	12,812	13,868	26,680
Impairment	-	(499,192)	(499,192)
	400,855	(246,472)	154,383
Balance, December 31, 2013	\$ 12,902,697	\$ 605,325	\$ 13,508,022
<u>Exploration Costs during the period</u>			
Management and supervision	91,940	29,166	121,106
Geological and geophysical	50,655	-	50,655
Trenching and assays	-	16,285	16,285
Field trip	2,905	4,412	7,317
General	27,297	19,342	46,639
Site reclamation	3,556	8,605	12,161
Impairment	-	(77,810)	(77,810)
	176,353	-	176,353
Balance, June 30, 2014	\$ 13,079,050	\$ 605,325	\$ 13,684,375

The figures on the condensed interim consolidated statements of cash flows denoting use of funds related to exploration and evaluation assets (under investing activities) includes the net change in project-related accounts payables.

## **ASIA NOW RESOURCES CORP.**

(An Exploration Stage Company)

### **NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**THREE AND SIX MONTHS ENDED JUNE 30, 2014**

**(UNAUDITED)**

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#### **4. EXPLORATION AND EVALUATION ASSETS (Continued)**

##### **(a) Ma Touwan Properties**

On January 17, 2004, the Company entered into an agreement with Yunnan Non Ferrous Resources Group Company Limited (formerly Yunnan Non Ferrous Geology and Mineral Resources Company Limited) ("YNGM"), a China state-owned exploration enterprise. The resulting joint venture - Yunnan Dong Xin Mineral Exploration Company Limited ("Dong Xin") was approved for a term of thirty years beginning May 31, 2004. This joint venture is involved in the exploration for base and precious metals in the Dongchuan and Ma Touwan areas of Yunnan Province, China. In December 2006, the Company, based on exploration results, decided not to pursue further exploration activities in the Dongchuan area and to write-off exploration expenditures incurred to date.

In March 2007, the Company and its joint venture partner amended its previous agreements in Dong Xin. Accordingly, the joint venture held nine exploration licenses (with a total area of 228.06 km<sup>2</sup>) in the Ma Touwan area and all contributed capital on the Dongchuan project has been treated as exploration capital for purposes of calculating the Company's earned interest on the Ma Touwan project. If the Company contributes to the registered capital and to the total investment in accordance with the joint venture agreement, the Company will be able to hold up to 72% of the joint venture at the exploration stage. The Company may contribute a total of US\$4,100,000 for the first phase of exploration on the properties in two phases over a five year period until the completion of the feasibility study.

The Company and its joint venture partner YNGM in Yunnan Dong Xin Mineral Exploration Company Limited agreed to amend their agreement during fiscal 2009. YNGM was to contribute nine exploration licenses. At June 30, 2014, only one exploration license with an area of 30.83 km<sup>2</sup> remains in the joint venture company. Based on surface exploration programs completed on the other eight exploration licenses, no significant mineralization was identified and therefore those exploration licenses will be excluded from the original contract. As a result, the Company's original contribution of US\$4,100,000 has been reduced to US\$2,242,700. As at June 30, 2014, the Company has contributed US\$13,550,000 and earned a 72% interest in the Ma Touwan project.

##### **(b) Habo**

On April 5, 2004, the Company entered into an agreement with Yunnan Gold Mining Group Corporation Limited (formerly Yunnan Geology and Mineral Resources Corporation Limited, hereinafter referred to as "Yunnan Gold"), a China state-owned exploration enterprise that was partially privatized in 2006. The resulting joint venture - Yunnan Now Mineral Exploration Company Limited was approved for a term of thirty years beginning on September 28, 2004. This joint venture is involved in the exploration for base and precious metals in the Habo and Beiya areas of Yunnan Province, China. If the Company contributes to the registered capital and to the total investment in accordance with the joint venture agreement, the Company will be able to hold up to 88% of the joint venture at the exploration stage. The Company may contribute a total of US\$7,800,500 for the first phase of exploration of these properties. As at June 30, 2014, the Company has contributed US \$6,398,980.

The Company has two exploration rights over an area of 58.33 km<sup>2</sup>. Major mineralization has been identified within an area of 50 km<sup>2</sup>. Chinese mining law requires the Company to conduct exploration activities on all of its exploration rights every year. The Company continuously reviews its holdings to reduce areas with low prospectivity and to focus its efforts in areas of high potential.

**ASIA NOW RESOURCES CORP.**

(An Exploration Stage Company)

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**THREE AND SIX MONTHS ENDED JUNE 30, 2014****(UNAUDITED)****4. EXPLORATION AND EVALUATION ASSETS (Continued)****(b) Habo (Continued)**

During the year ended December 31, 2012, based on the review of this project, management determined that it was necessary to record impairment in the amount of \$3,530,000 to reduce this asset to its estimated recoverable amount. The estimated recoverable amount was based on estimated net value of the exploration licenses to the Company based on prior sales of exploration rights.

The Company's market capitalization was significantly below the book value of the net assets on the balance sheets in 2012 and 2013. Management believes that this has proven to be indicative of the general market sentiment both towards and within the junior mining exploration sector and this was therefore considered an indicator of impairment. During the year ended December 31, 2012, based on the review of this project, Management determined that it was necessary to record impairment in the amount of \$3,530,000 to reduce this asset to its estimated recoverable amount. The estimated recoverable amount was based on the estimated net value of the exploration licenses using prior sales of exploration rights and was recorded as a separate line in the Consolidated Statement of Loss and Comprehensive Loss. During the year ended December 31, 2013, an additional \$499,192 was expended on the Habo property. The work continues to confirm Management's positive outlook on the property and, during the course of fiscal 2013, expenditures were capitalized in the belief that markets would justify an increased valuation. While Management believes the results will ultimately substantiate the value inherent in the property, market conditions have not improved. Consequently, at December 31, 2013, the Company recorded an additional impairment charge on its Habo property in the amount of \$499,192 to bring the carrying value back to the December 31, 2012 level. In the first six months of 2014, an additional \$77,810 was expended on the Habo property, which amount was written down as an impairment, consistent with the year-end 2013 accounting.

**5. CAPITAL ASSETS**

<b>COST</b>	<b>Core sample warehouse</b>	<b>Office equipment &amp; leaseholds</b>	<b>Vehicles &amp; exploration equipment</b>	<b>Total</b>
Balance, December 31, 2012	\$ 126,486	\$ 56,349	\$ 199,666	\$ 382,501
Additions/reclassifications	-	899	-	899
Balance, June 30, 2013	\$ 126,486	\$ 57,248	\$ 199,666	\$ 383,400
Disposals	-	-	(23,395)	(23,395)
Balance, December 31, 2013	\$ 126,486	\$ 57,248	\$ 176,271	\$ 360,005
Disposals	-	-	(76,409)	(76,409)
Balance, June 30, 2014	\$ 126,486	\$ 57,248	\$ 99,862	\$ 283,596

**ASIA NOW RESOURCES CORP.**

(An Exploration Stage Company)

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**THREE AND SIX MONTHS ENDED JUNE 30, 2014****(UNAUDITED)****5. CAPITAL ASSETS (CONTINUED)**

<b>ACCUMULATED DEPRECIATION</b>	<b>Core sample warehouse</b>	<b>Office equipment &amp; leaseholds</b>	<b>Vehicles &amp; exploration equipment</b>	<b>Total</b>
Balance, December 31, 2012	\$ 12,649	\$ 40,658	\$ 120,983	\$ 174,290
Depreciation for the period	5,692	2,421	11,802	19,915
Balance, June 30, 2013	\$ 18,341	\$ 43,079	\$ 132,785	\$ 194,205
Depreciation for the balance of the year	5,692	2,421	11,803	19,916
Disposals	-	-	(16,142)	(16,142)
Balance, December 31, 2013	\$ 24,033	\$ 45,500	\$ 128,446	\$ 197,979
Depreciation for the period	5,123	1,829	6,425	13,377
Disposals	-	-	(66,430)	(66,430)
Balance, June 30, 2014	\$ 29,156	\$ 47,329	\$ 68,441	\$ 144,926
<b>CARRYING AMOUNT</b>	<b>Core sample warehouse</b>	<b>Office equipment &amp; leaseholds</b>	<b>Vehicles &amp; exploration equipment</b>	<b>Total</b>
Balance, December 31, 2012	\$ 113,837	\$ 15,691	\$ 78,683	\$ 208,211
Balance, June 30, 2013	\$ 108,145	\$ 14,169	\$ 66,881	\$ 189,195
Balance, December 31, 2013	\$ 102,453	\$ 11,748	\$ 47,825	\$ 162,026
Balance, June 30, 2014	\$ 97,330	\$ 9,919	\$ 31,421	\$ 138,670

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>As at June 30, 2014</b>	<b>As at December 31, 2013</b>
Trade payables	\$ 94,489	\$ 1,048,132
Accrued liabilities	50,708	42,962
	<b>\$ 145,197</b>	<b>\$ 1,091,094</b>

**7. DEPOSIT**

The Company entered into an agreement to sell exploration licenses for a cash consideration of \$193,920 and received a refundable deposit of RMB \$1,000,000 (CAD \$172,100 at June 30, 2014). This deposit is held in Chinese RMB and translated into Canadian dollars at each period end. This sale is subject to regulatory approvals in China. The proceeds of sale, if approved, will be applied as a reduction of exploration and evaluation assets.

**ASIA NOW RESOURCES CORP.**

(An Exploration Stage Company)

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**THREE AND SIX MONTHS ENDED JUNE 30, 2014**

**(UNAUDITED)**

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**8. CONVERTIBLE DEBENTURES**

On December 16, 2013, the Company issued a senior unsecured convertible debenture (the "Debenture") for gross proceeds of \$1,248,000. The Debenture matures on December 16, 2015 (the "Maturity Date") and bears interest at an annual rate of 12%. The Company may, at its option and with regulatory approval, settle the interest by paying cash or by issuing common shares in the capital of the Company (each, a "Common Share"). The Debenture is convertible, in whole or in part, at the option of the holder at any time prior to the Maturity Date into Common Shares at a conversion price of \$0.05 per Common Share during the first year of the term of the Debenture and at a conversion price of \$0.10 per Common Share during the second year of the term of the Debenture.

The Company will have the right to redeem all or part of the Debenture at any time prior to the Maturity Date at a cash redemption price equal to the outstanding principal amount plus any accrued and unpaid interest plus a redemption fee equal to 10% of the principal amount then outstanding.

The Company used the residual value method to allocate the principal amount of the Debenture between its liability and equity components. The Company valued the liability component of the Debenture by calculating the present value of the principal and interest payments, discounted at a rate of 15%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear. The equity conversion feature of the Debenture comprises the value of the conversion option, being the difference between the face value of the Debenture and the liability component calculated above. Based on this calculation, the liability component was \$1,187,133 and the residual amount of \$60,867 was recorded as equity. An accretion charge attributable to the Debenture for the three and six months ended June 30, 2014 was \$762 and \$42,594, respectively. This amount is added to the liability component on the consolidated statement of financial position and is included in interest/finance expense on the unaudited condensed interim consolidated statement of loss and comprehensive loss. Interest expense attributable to the Debenture for the three and six months ended June 30, 2014 was \$44,005 and this amount is included in interest/finance expense on the unaudited condensed interim consolidated statement of loss and comprehensive loss. The interest payment was settled in Common Shares (Note 9(b)).

On April 9, 2014, the Company issued a senior unsecured convertible debenture (the "Second Debenture") for gross proceeds of \$1,248,000. The Debenture matures on April 9, 2016 (the "Second Maturity Date") and bears interest at an annual rate of 12%. The Company may, at its option and with regulatory approval, settle the interest by paying cash or by issuing Common Shares. The Second Debenture is convertible, in whole or in part, at the option of the holder at any time prior to the Second Maturity Date into Common Shares at a conversion price of \$0.05 per Common Share during the first year of the term of the Second Debenture and at a conversion price of \$0.10 per Common Share during the second year of the term of the Second Debenture.

The Company will have the right to redeem all or part of the Second Debenture at any time prior to the Second Maturity Date at a cash redemption price equal to the outstanding principal amount plus any accrued and unpaid interest plus a redemption fee equal to 10% of the principal amount then outstanding.

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(Expressed in Canadian Dollars)

**THREE AND SIX MONTHS ENDED JUNE 30, 2014****(UNAUDITED)****8. CONVERTIBLE DEBENTURES (CONTINUED)**

The Company used the residual value method to allocate the principal amount of the Second Debenture between its liability and equity components. The Company valued the liability component of the Second Debenture by calculating the present value of the principal and interest payments, discounted at a rate of 15%, being management's best estimate of the rate that a non-convertible debenture with similar terms would bear. The equity conversion feature of the Second Debenture comprises the value of the conversion option, being the difference between the face value of the Second Debenture and the liability component calculated above. Based on this calculation, the liability component was \$1,187,133 and the residual amount of \$60,867 was recorded as equity. An accretion charge attributable to the Second Debenture for the three and six months ended June 30, 2014 was \$37,772. This amount is added to the liability component on the unaudited condensed interim consolidated statement of financial position and is included in interest/finance expense on the unaudited condensed interim consolidated statement of loss and comprehensive loss.

**9. SHARE CAPITAL****(a) Authorized**

Unlimited number of common shares

**(b) Common shares issued**

	<b>Number of Shares</b>	<b>Amount</b>
Balance, December 31, 2012, June 30, 2013 and December 31, 2013	111,010,798	\$ 30,369,153
Issuance of shares for interest on convertible debenture <sup>(1)</sup>	880,096	44,005
Balance, June 30, 2014	111,890,894	\$ 30,413,158

<sup>(1)</sup> On May 1, 2014, the Company issued 880,096 Common Shares at a price of \$0.05 per Common Share to settle quarterly interest payment obligations in the aggregate amount of \$44,004.80. The Common Shares represent the interest that has accrued from December 16, 2013 until March 31, 2014 on the Debenture issued to China Gold Pte. Ltd. ("China Gold") on December 16, 2013 (Note 8).

**10. STOCK OPTIONS**

The Company is regarded as a subsidiary of China Gold following the adoption of Hong Kong Financial Reporting Standard entitled "Consolidated Financial Statements" for the financial year commencing on April 1, 2013 by Lippo China Resources Limited ("LCR") and Lippo Limited ("Lippo"). China Gold is a wholly-owned subsidiary of LCR which in turn is a subsidiary of Lippo. Both LCR and Lippo are listed on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange"). All stock option plans for subsidiaries of listed issuers on the HK Stock Exchange must comply with rules of the HK Stock Exchange. On February 27, 2014, the Board approved a new incentive stock option plan (the "New Plan"), which is intended to be compliant with the requirements of the TSX Venture Exchange (the "TSX-V") and the HK Stock Exchange. The TSX-V has conditionally approved the Plan, subject to the receipt of requisite Shareholder approval of the New Plan. The general nature of the plan is unchanged, with stock options available to employees, directors, officers and consultants of the Company and any of its subsidiaries. The aggregate number of Common Shares which may be reserved for issuance under the New Plan may not at any time exceed 10% of the number of Common Shares issued and outstanding.

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**THREE AND SIX MONTHS ENDED JUNE 30, 2014****(UNAUDITED)****10. STOCK OPTIONS (Continued)**

The following table reflects the continuity of stock options for the three and six months ended June 30, 2014:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2012	2,850,000	\$0.28
Cancelled/Expired	(1,150,000)	0.29
Balance, June 30, 2013	1,700,000	\$0.28
Cancelled/Expired	(1,300,000)	0.28
Balance, December 31, 2013 and June 30, 2014	400,000	\$0.29

Details of the stock options outstanding at June 30, 2014 are as follows:

Fair Value Exercisable Options	Weighted Average Remaining Contractual Life (years)	Exercisable Options	Number of Options	Exercise Price	Expiry Date
\$ 5,555	0.20	50,000	50,000	\$ 0.25	September 10, 2014
70,805	1.64	350,000	350,000	0.30	February 17, 2016
<b>\$ 76,360</b>	<b>1.46</b>	<b>400,000</b>	<b>400,000</b>		

**11. CHANGE IN NON-CASH OPERATING ASSETS AND LIABILITIES**

	Six Months Ended June 30,	
	2014	2013
Prepaid and sundry receivables	\$ (33,548)	\$ (40,023)
Accounts payable and accrued liabilities	(108,448)	(558,436)
Deposit	(3,600)	11,600
	<b>\$ (145,596)</b>	<b>\$ (586,859)</b>



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(Expressed in Canadian Dollars)

**THREE AND SIX MONTHS ENDED JUNE 30, 2014****(UNAUDITED)****12. ADMINISTRATIVE EXPENSES**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
General and administration <sup>(1)</sup>	\$ 103,912	\$ 162,247	\$ 235,931	\$ 274,864
China office expenses	80,764	83,768	251,431	167,313
Management and consulting fees	50,626	59,312	101,968	115,832
Directors fees and expenses	47,843	39,879	74,388	40,379
Investor relations	8,818	7,337	9,533	15,037
Listing and transfer agent fees	5,025	2,713	11,612	9,107
Convertible debenture - accretion charge (Note 8)	38,534	-	80,366	-
Interest expense (Notes 8 and 9(b))	44,005	-	44,005	-
	<b>\$ 379,527</b>	<b>\$ 355,256</b>	<b>\$ 809,234</b>	<b>\$ 622,532</b>

<sup>(1)</sup> General and administration cost was offset by \$1,958 and \$2,804 of interest income for the three and six months ended June 30, 2014, respectively (\$12,703 and \$22,234 of interest income for the three and six months ended June 30, 2013, respectively).

**13. RELATED PARTY TRANSACTIONS**

(a) The Company incurred the following related party transactions during the period ended June 30, 2014 and 2013:

- \$Nil (June 30, 2013 - \$80,000) was accrued or paid to a company controlled by a director, Kaihui Yang, who was the former President of the Company.
- US \$48,000 (June 30, 2013 - \$Nil) of remuneration was paid to Lukman Wijaya, the President and CEO. Effective August 1, 2013, Lukman Wijaya is paid remuneration of US \$8,000 per month.
- \$21,057 and \$25,326, respectively (June 30, 2013 - \$9,836 and \$16,797, respectively) was paid to Lukman Wijaya and Wenjin Yang, each a director of the Company, for their roles in managing the Chinese joint ventures.
- \$Nil (June 30, 2013 - \$36,000) was accrued or paid to a company controlled by the former Chief Financial Officer, Gaetan Chabot.
- \$42,000 (June 30, 2013 - \$Nil) was accrued or paid to a company controlled by the current Chief Financial Officer, Julio DiGirolamo.
- \$Nil (June 30, 2013 - \$72,214) was accrued or paid to the former President and CEO of the Company, H.R. Shipes.
- \$74,388 (June 30, 2013 - \$18,403) in director fees was paid or accrued.
- Certain directors of the Company are also officers and/or directors of a company which sublets office space to the Company. For the six months ended June 30, 2014, rent expense amounted to \$9,000 (June 30, 2013 - \$9,000). As at June 30, 2014, \$Nil (December 31, 2013 - \$4,500) of prepaid rent has been advanced to this company and is included in prepaid and sundry receivables.
- A partner of a legal firm is an officer of the Company. For the three months ended June 30, 2014, fees for legal services provided by the firm amounting to \$51,973 (June 30, 2013 - \$133,290) were included in legal fees. As at June 30, 2014, an amount of \$17,894 (December 31, 2013 - \$71,348) is payable to the firm and is included in accounts payable and accrued liabilities.

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**THREE AND SIX MONTHS ENDED JUNE 30, 2014****(UNAUDITED)****13. RELATED PARTY TRANSACTIONS (Continued)**

(b) Remuneration of Directors and key management personnel of the Company was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Salaries and benefits <sup>(1)</sup>	\$ 117,829	\$ 105,234	\$ 215,422	\$ 206,617
Share based payments	\$ -	\$ -	\$ -	\$ -

<sup>(1)</sup> Salaries and benefits include director fees. Directors are entitled to director fees and stock options for their services as approved by the Board.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

As at June 30, 2014, China Gold owns 56,310,004 common shares of the Company, approximately 50% of the total common shares outstanding. To the knowledge of directors and officers of Asia Now, the remainder of the Company's outstanding common shares are widely held.

**14. SEGMENT DISCLOSURE**

<b>As at June 30, 2014</b>	<b>Canada</b>	<b>China</b>	<b>Consolidated</b>
Current assets	\$ 982,104	\$ 556,861	\$ 1,538,965
Exploration and evaluation assets	-	13,684,375	13,684,375
Capital assets	651	138,019	138,670
	\$ 982,755	\$ 14,379,255	\$ 15,362,010
<b>As at December 31, 2013</b>	<b>Canada</b>	<b>China</b>	<b>Consolidated</b>
Current assets	\$ 295,603	\$ 1,921,416	\$ 2,217,019
Exploration and evaluation assets	-	13,508,022	13,508,022
Capital assets	765	161,261	162,026
	\$ 296,368	\$ 15,590,699	\$ 15,887,067

**15. COMMITMENT****Joint Venture**

The Company is committed to fund its joint venture company, Yunnan Now Mineral Exploration Company Limited, US \$1,400,500 at June 30, 2014 (December 31, 2013 - US \$1,400,500).

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**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

**THREE AND SIX MONTHS ENDED JUNE 30, 2014**

**(UNAUDITED)**

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**16. SUBSEQUENT EVENT**

Issuance of common shares

On July 10, 2014, the Company issued 1,429,900 Common Shares at a price of \$0.05 per Common Share to settle quarterly interest payment obligations in the aggregate amount of \$71,495. The Common Shares represent the interest that has accrued from April 1, 2014 until June 30, 2014 on the Debenture issued to China Gold on December 16, 2013 and the interest that has accrued from April 9, 2014 until June 30, 2014 on the Debenture issued to China Gold on April 9, 2014 (Note 8).

**17. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year presentation.