

Recommendation

n.a.

Target Price

n.a.

Risk

n.a.

Average Daily Volume

20day:79,000/120day:86,600

Quick Facts

Symbol: NOW:TSX-V
 Price (Feb 28): \$0.225
 26-Wk. Range: \$0.64-\$0.19
 Shares O/S 48.2 million
 Market Cap: \$10.8 million
 Year-End December 31

	BVPS	EPS
09/2006	\$0.17	\$0.00
12/2006	\$0.17	\$0.00

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Our research is accessible on:
 www.eresearch.ca

ASIA NOW RESOURCES CORP.



Data Source: www.BigCharts.com

PROFILE

Asia Now Resources Corp. (“Asia Now” or the “Company”) is a Canadian-based junior mining company that is solely focused on mineral exploration in China. It has no plans at this time for exploration outside China. It has been active in China since 2002, under a private predecessor company, Asia Now Resources Limited. The Company has established a wholly-owned subsidiary in Shanghai, four joint venture companies with Chinese partners, and a broad network among various Chinese entities.

HIGHLIGHTS

- ▶ Asia Now has four exploration projects in China, three of which are presently active. The Habo and Beiya projects, in Yunnan Province, appear to have good gold/copper prospects, and are the first priorities for exploration.
- ▶ Habo is a large copper-gold porphyry system, and Beiya has significant intrusion-related gold and Carlin-style gold potential, adjacent to an operating gold mine and with an extensive mineralized district around it.
- ▶ At present, Asia Now has one diamond drill rig operating at each of these two properties, and we expect that additional rigs will be added in coming months. The Dongchuan project is expected to become more active in the near future, while the Great Wall project in northeastern China has yet to receive its exploration license.
- ▶ One of the Company’s strengths is its relationships with Chinese authorities. The founder and President, Dr. Kaihui Yang, was previously employed with the (Chinese) Ministry of Geology and Mineral Resources, and is well connected with Chinese central and local governments. Management and its board of directors have extensive international mining experience, and provide strong geological support.
- ▶ Asia Now has a strong balance sheet to finance increased exploration activity, with cash estimated at \$4.6 million at December 31, 2006. With the burn rate increasing, we anticipate additional funding may be required in 2008, which would result in further shareholder dilution.

- With the ramping up of exploration activity (mostly drilling), we expect an increase in news flow over the coming year, which should increase investor awareness. Further exploratory work is required in order to find more high-grade mineralization zones.

KEY PROPERTIES

Project	Location	Interest	Size	Comment
Beiya (gold)	Yunnan Province of southwestern China	Earn up to 72% Earn up to 70%	Approx. 500km ²	Adjoining producing gold mine 20+ gold occurrences Up to 34 g/t at surface Large anomaly extending over 9 km ² will be a major target in 2007
Habo (gold/copper)	Yunnan Province of southwestern China, approx. 25 km from Vietnam border	Earn up to 70%	Approx. 162km ²	Numerous gold/copper anomalies and prospects in area Large copper porphyry anomaly covers 1000m x 800m open in all directions except northeast Nine known gold zones and 25 gold anomalies, up to 33 g/t at surface
Dongchuan (gold)	Yunnan Province of southwestern China	Earn up to 75% Earn up to 72%	Approx. 202km ²	10 km south of Boka gold deposits (a neighboring mine) Indicated gold mineralization, similar geochemical anomalies to Boka
Great Wall (gold)	Hebei Province, northeastern China	Earn up to 80%	Approx. 24 km ²	Carlin style gold deposit Adjacent small producing gold mine indicates high grade mineralization

Source: eResearch

MANAGEMENT/BOARD OF DIRECTORS

Douglas Scharf	Chairman
Kaihui Yang	President & Director
Noel White	Exploration Supervisor & Director
Philip Martin	Director
Gordon McCreary	Director
John Taylor	Director
James Borland	Executive Vice President
Gaetan Chabot	Chief Financial Officer
Christina Wilton	Corporate Secretary

ANALYST CERTIFICATION

Each Research Analyst who was involved in the preparation of this Research Report hereby certifies that: (1) the views, opinions, and recommendations expressed in this Research Report reflect accurately the Research Analyst's personal views concerning any and all securities and issuers that are discussed herein and are the subject matter of this Research Report; and (2) the fees, earnings, or compensation, in any form, payable to the Research Analyst, is not and will not, directly or indirectly, be related to the specific views, opinions, and recommendations expressed by the Research Analyst in this Research Report.

eResearch analysts on this report: Nigel Heath, CFA. Nigel Heath has been analyzing companies from both a fixed income and equity perspective for 17 years. His experience extends to both Dominion Bond Rating Service where he was a sector lead analyst and a member of the Rating Committee, and at RBC Capital Markets where he served in London, England to gain an international perspective. He has held responsibility for analyzing companies in the following sectors: industrials, natural resources, energy, autos, and financial services. He graduated from Ryerson University with a Bachelor of Business Management (Accounting/Finance).

Bob Weir, B. Comm, B.Sc., CFA. Bob Weir has been involved in an analytical capacity since 1966, with both the securities and the real estate industries. Initially with Wood Gundy Limited in London, England, he spent nine years with that firm in a securities research capacity. He spent the next twenty years in the real estate business as analyst, consultant, and broker before joining Dominion Bond Rating Service Limited in 1994. He eventually became Executive Vice-President of DBRS and was responsible for supervising the firm's 34 analysts and for running the company on a day-to-day basis. He joined eResearch in September 2004.

eRESEARCH ANALYST GROUP

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Transportation & Environmental Services/

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Michael Wood

Energy & Utilities

Melvyn Misner

Oil & Gas

Eugene Bukoveczky

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Dick Fraser

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Special Situations

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Beverly Brooks

Nigel Heath

Amy Stephenson

Bob Weir

Telecommunications

Beverly Brooks

Mary Anne DeMonte-Whelan

Chief Economist

Beverly Brooks

eResearch Recommendation System

Strong Buy:	Expected total return within the next 12 months is at least 40%.
Buy:	Expected total return within the next 12 months is between 10% and 40%.
Speculative Buy:	Expected total return within the next 12 months is substantial, but Risk is High (see below).
Hold:	Expected total return within the next 12 months is between 0% and 10%.
Sell:	Expected total return within the next 12 months is negative.

eResearch Risk Rating System

A company may have some, but not necessarily all, of the following characteristics of a specific risk rating to qualify for that rating:

High Risk:	<i>Financial</i> - Little or no revenue and earnings, limited financial history, weak balance sheet, negative free cash flows, poor working capital solvency, no dividends. <i>Operational</i> - Weak competitive market position, early stage of development, unproven operating plan, high cost structure, industry consolidating, business model/technology unproven or out-of-date.
Medium Risk:	<i>Financial</i> - Several years of revenue and positive earnings, balance sheet in line with industry average, positive free cash flow, adequate working capital solvency, may or may not pay a dividend. <i>Operational</i> - Competitive market position and cost structure, industry stable, business model/technology is well established and consistent with current state of industry
Low Risk:	<i>Financial</i> - Strong revenue growth and earnings over several years, stronger than average balance sheet, strong positive free cash flows, above average working capital solvency, company may pay (and stock may yield) substantial dividends or company may actively buy back stock. <i>Operational</i> - Dominant player in its market, below average cost structure, company may be a consolidator, company may have a leading market/technology position.

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