Inova Resources Quarterly Report for the Three Months Ending 30 June 2013

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MELBOURNE, VICTORIA -- (Marketwired - July 30, 2013) - Inova Resources Limited (TSX:IVA)(ASX:IVA) -

Key Highlights

- Safety performance recorded 12-months Lost Time Injury free at the end of the June Quarter.

- Mine production from Starra 276 continued to ramp up during the quarter with the month of June recording over 59,000 tonnes of ore produced, the expected monthly mining rate from Starra 276.

- Recoveries of copper and gold from the Osborne processing plant continued to improve during the quarter, with June recovery rates of 88.2% for copper and 69.6% for gold.

- C1 cash operating costs for the Osborne copper-gold business were impacted by lower by- product credits due mainly to the lower gold price during the quarter. C1 costs for the quarter were US$2.57 per lb copper, which is a 9% reduction from the first quarter result. C1 costs continued to improve during the quarter as the performance of the Starra 276 mine and processing improved, with C1 costs for the month of June down to US$2.09 per lb copper, nearing the US$2 per Ib target for the operation.

- The exploration team has continued its focus on large copper targets with initial drilling undertaken at the Barry and Benmore IOCG prospects. Further work is planned at Benmore to progress this target. Follow-up drilling at Robert Heg has returned significant
uranium results up to 1,165 ppm U3O8 and channel chip samples at Confucius have returned up to 24 g/t gold from a newly discovered set of veins.

- The Mount Elliott / SWAN mineral resource update was completed during the quarter with a report currently being finalised for release in early August.

- The quarter closed with a cash balance of $32.8 million.

SAFETY

Safety is an Inova Resources core value. We have an unrelenting passion for our people to be able to complete their work without getting hurt. Inova Resources uses Total Recordable Injury Frequency Rate (one million hours basis) as our key headline lagging safety performance measure (TRIFR). The TRIFR is a combination of Restricted Work Day, Medical Treatment and Lost Time Injuries. At the end of the quarter our 12 month rolling TRIFR was 13.1 and our year- to-date TRIFR was 9.9, which indicates we are on track to meet our improvement target of under 10 for 2013. During the quarter we experienced a number of restricted work day injuries, all of which involved either strain injuries or lacerations to forearms and hands. These incidents demonstrate a need to continue our focus on safety leadership and our task-based risk assessments completed before each task is commenced. At the end of the quarter we recorded 12 months Lost Time Injury free. During the quarter, we completed a revision to our Safety Management System which is now being implemented across our business. We will continue to strive for a reduction in our injury rates across our business as a priority.

OPERATIONS - OSBORNE COPPER-GOLD

Production from the Osborne copper-gold operation totalled 393,251 tonnes of ore throughput during the quarter at a grade of 1.64% copper and 0.81 grams per tonne gold. With the ramp up of the Starra 276 mine, Osborne is on schedule to meet the previously advised annual throughput for 2013 of 1.4 - 1.6 million tonnes of ore.

Two shipments of copper-gold concentrate departed port during the quarter, with ten shipments planned in

total for 2013.

MINING - OSBORNE AND KULTHOR

Production from Osborne and Kulthor was 243,482 tonnes at a grade of 1.45% copper and 0.92 grams per tonne gold for the quarter at an annualised rate of 970,000 tonnes per annum. The increased production performance from the previous quarter reflects improved mobile equipment availability and good stope performance in terms of geotechnical stability and ore extraction. Underground development mining continued with 475 metres advanced and decline mining continuing into the lower section of Kulthor. Ore production from Lower Osborne stopes will be completed in Quarter 3 as planned.

MINING - STARRA 276

Production from the Starra 276 underground mine continued its ramp up with 121,667 tonnes mined at a grade of 1.81% copper and 0.57 grams per tonne gold for the quarter at an annualised rate of 480,000 tonnes per annum. The quarter performance included June production of 59,386 tonnes reflecting the monthly production estimate for the remainder of 2013. Stope performance has been good with high extraction rates reflecting stable geotechnical performance. Underground development mining continued with 603 metres advanced.

PROCESSING

A total of 393,251 tonnes of ore was processed with recoveries of 85.7% copper and 63.7% gold producing 5,451 tonnes of copper metal in concentrate. This improved processing throughput matches the estimated production rate for the remainder of the year. The processing ore blend has been adjusted with the production increase from Starra to reflect future ore feed of 65% Kulthor/ Osborne blended with 35% Starra 276. Processing of the Starra 276 ore has seen impacts to both recovery and filter performance.

A Process Improvement Program has been instigated to maintain focus on improving processing performance and recovery rates with the Starra 276 ore in the mill feed blend. This program has shown that maintaining blend control is essential to achieving higher recoveries and to maintain filter performance which can be impacted by the finer ore from Starra 276. The program has delivered recovery performance improvement over the quarter, with June recovery rates of 88.2% for copper and 69.6% for gold. The program will remain in place to further improve performance.

CASH COSTS

Table 2 details June Quarter production costs for the Osborne copper-gold operation.

The C1 cash costs reduced during the quarter compared with the C1 cash costs incurred during the first quarter 2013, notwithstanding lower by-product credits. The C1 costs reduced by over 9% during the quarter before by-product credits as production from the Starra 276 mine ramped up.

The improved production performance during the quarter has resulted in C1 costs continuing to improve, with C1 costs for the month of June of US$2.09 per lb copper heading towards the Company's stated aim of C1 cash costs of US$2.00 per lb copper from mid-year onwards, at current gold price levels.

Copper production increased during the quarter by 57% compared with the first quarter and this helped drive down the largely fixed general and administration component of C1 costs which were 37% lower. By-product credits reduced by 24% compared to the prior quarter as a result of lower gold head-grade, lower recoveries and lower gold prices.

During the quarter, copper production increased in each month with 1,616 dmt in April, 1,841 dmt in May and 1,994 dmt in June as Starra 276 ore production increased and the ore blending was steadily improved.

Table 1

Osborne Copper-Gold Production Statistics

		Mar '13 QTR	June '13 QTR
ORE MINED	TONNES	260,439	365,149
ORE MILLED	TONNES	254,639	393,251
MILLED GRADE	COPPER (%)	1.56	1.64
	GOLD (G/T)	0.84	0.81
RECOVERY	COPPER (%)	88.1	85.7
	GOLD (%)	69.5	63.7
COPPER CON. PRODUCED	DRY METRIC TONNES	14,709	21,801
CONCENTRATE GRADE	COPPER (%)	23.5	25.0
	GOLD (G/T)	9.2	8.8
CONTAINED METAL IN CON. PRODUCED	COPPER (TONNES)	3,461	5,451
	GOLD (OZ)	4,350	6,190
GOLD DORÉ PRODUCED	OUNCES	467	269*
TOTAL CONCENTRATE SOLD	DRY METRIC TONNES	20,429	24,899
CONCENTRATE INVENTORY ON HAND	DRY METRIC TONNES	7,360	4,262

**Includes gravity gold produced in the quarter but not yet poured into doré bar.*

Table 2: Osborne Copper-Gold Cost Statistics

$A per Ib	Mar '13 QTR	June '13 QTR
Mining costs	1.83	1.89
Processing costs	0.44	0.40
General & administration	1.00	0.63
Transport & shipping	0.35	0.34
TC/RCs	0.17	0.18
Net by-product credits	(1.04)	(0.79)
Total C1 Cash Costs	2.75	2.65
Royalties	0.25	0.24
Total Cash Costs	3.00	2.89
Depreciation & Amortisation	1.13	0.93
TOTAL PRODUCTION COSTS	4.13	3.82
$US per Ib		
Total C1 Costs	2.85	2.57
Total Cash Costs	3.11	2.80
TOTAL PRODUCTION COSTS	4.27	3.70

MINERAL RESOURCES & RESERVES

Starra 276

An update of the Mineral Resource estimate for Kulthor is in preparation and will be released with a Mineral Reserve update late in the third quarter 2013.

The first hole in a three hole surface diamond drill program was completed during the quarter and showed encouraging results;

- STQ1096 13.3m @ 1.9% Cu, 0.92 g/t Au from 764.5m and 3.3m @ 0.91% Cu, 0.99 g/t Au from 787m

This drill programme is designed to test the down dip extension at Starra 276 (Figure 2).

Kulthor

At Kulthor, underground diamond drilling continued in the central part of the deposit with the aim of converting the Inferred Resource to Measured or Indicated Resource. A surface drilling programme targeting Mineral Resource areas outside the defined Mineral Reserve to test confidence in the resource was undertaken (Figure 3). The first two holes were completed with the following significant results;

- SUNQ0213 4.2m @ 1.44% Cu, 0.84 g/t Au from 311m and 2.0m at 1.29% Cu and 0.99 g/t Au from 326m

- SUNQ0214 2.5m @ 1.39% Cu, 0.49 g/t Au from 403.7m and 2.4m @ 1.50% Cu and 0.33 g/t Au from 442m.

A third hole has been drilled (assays pending) to test for an up-faulted block identified as part of the recently completed structural modelling.

Victoria

During the quarter, metallurgical test work on samples from three diamond holes drilled south of the existing Victoria North open pit continued. This test work investigates the potential for leaching the mineralisation rather than floatation processing. Results from metallurgical test work are expected to be available in quarter 3.

Assessment of Potential Leachable Copper Prospects

An assessment has commenced, using available information, to provide an overview of Inova Resources' prospects and deposits that have potential to support either standalone heap leach projects or to provide incremental tonnage and copper grade to enhance a regional heap leach project. Initial work is reviewing prospects that are spread along a 55 kilometre long north-south section of Inova Resources' mineral tenements.

To-date, Inova Resources has taken the Mount Dore heap leach project to pre-feasibility stage, with the study indicating a neutral business case for the Mount Dore project, at projected copper prices.

An update of the Mineral Resource estimate for Starra 276 is in preparation and will be released with a Mineral Reserve update in quarter 3.

EXPLORATION

Inova Resources, in the Cloncurry region, north-western Queensland, has 44 granted Exploration Permits for Minerals (EPMs) with a total area of 5,676 km2 including joint ventures, and 3 EPM applications with a total area of 601 km2. The granted EPMs include 12 EPMs in the Inova Resources-Exco joint venture, and two EPMs in the Goldminco-Inova (Osborne) joint ventures.

Exploration activities for the quarter principally targeted large, stand-alone Iron Oxide Copper Gold ("IOCG") style deposits with some gold, uranium and leachable copper targets also being advanced, as detailed below.

A detailed exploration market update release was lodged on ASX on 9 July 2013 and can be accessed at the Company's website www.InovaResources.com.

LARGE SCALE IOCG TARGETS

The Barry and Benmore Prospects (see Figure 1 for location) represent large-scale IOCG style drill targets identified through a combination of seismic reflectors, induced polarisation ("IP") chargeability, magnetic and gravity anomalies, surface geological mapping and rock-chip geochemistry.

The Barry Prospect was first identified during a seismic traverse across the Starra Ironstones in 2009. Six kilometres west of the Starra line deposits, a significant structure was identified within the seismic data (Figure 4). When modelled, this structure was found to be coincident with overlapping gravity and magnetic anomalies. A single line of two dimensional IP ("2D IP") was conducted East-West over the seismic reflector returning a large chargeability only response. A line of North-South 2D IP was later conducted to confirm the location of this anomaly with the northern end of this IP line defining a second large IP anomaly. This second anomaly is named Benmore and is located on a flexure in a significant scale structure. This structure has

been mapped on surface and rock- chip geochemistry indicates it is moderately anomalous in gold (0.2g/t Au in rock-chip samples).

Both the Barry and Benmore anomalies are chargeability anomalies with subdued coincident conductivity responses indicating that the IP anomaly is most likely to be produced by disseminated sulphides. The combination of this chargeability, magnetics, gravity and mapped significant structures makes these exciting large scale IOCG targets. A single hole has been drilled in each target (assays pending).

The Benmore hole drilled to 639.5m intersected strongly albite altered schists with moderate sulphide mineralisation. Two 0.5m zones of high grade molybdenum were also noted in the core. Downhole EM and IP will be completed in July testing for a major ore system. An IP survey will also be completed in Quarter 3. (Assays pending)

COPPER-GOLD EXTENSION TARGETS

Within the Mount Elliott project area, the Jock, Core Shed and Drake prospects were tested with diamond drilling.

Drilling at the Jock Prospect, 600m southwest of the Mt Elliott deposit was completed this quarter. Hole JKD0007 was drilled to evaluate an off-hole downhole electromagnetic (DHEM) conductive response, defined in previous drilling completed in 2012, with assays pending. The conductive response was explained by moderate sulphide amounts (10-15% pyrite). Additional DHEM is planned for JKD0007 in Q3.

The Core Shed target lies about 1km south of the Mt Elliott deposit. The target was defined in a recent large scale 3D Induced Polarisation ("3DIP") survey, where high chargeability was associated with a moderate conductivity response. Inova Resources interpreted this response as being due to albitisation overprinting normally conductive shales with a strong sulphide content. Previous drilling in the area reported:

- MEHQ071137 8m @ 1.51% Cu, 0.5 g/t Au from 284 m

During the quarter, a single diamond drill hole (CSD0001) was drilled to 400 metres targeting the IP chargeability anomaly 100m down-dip of MEHQ071137. The hole intercepted albitised shale and calc-silicates with zones of weak to moderate chalcopyrite mineralisation. Assays are expected in early August. Down-hole EM will be conducted within CSD0001 to detect potential off-hole conductors for further drill targeting.

Within the Elana M project area, the Triga, Ailsa and Lanham's Shaft prospects were tested with diamond drilling during the quarter (see Figure 1 for location).

The Elana M Trend lies approximately 30 kilometres north of the Mount Elliott/SWAN deposits and consists of eight prospects over twelve kilometres of strike of prospective carbonaceous silts and calc-silicate units (Figure 5).

In April, a drilling campaign to test copper mineralisation at depth was undertaken at Triga with the following positive results:

- TRD0003 8m @ 1.47% Cu, 0.63 g/t Au from 212 m
- TRD0004 6m @ 1.24% Cu, 0.68 g/t Au from 201 m

These deep copper sulphide zones can now be confidently traced from 200 metres depth to surface and along strike for 500 metres. In the oxide zone closer to surface, chalcopyrite has been replaced by chalcocite, a copper species that can be processed by leaching or floatation techniques. A recent review along the Elana M Trend has highlighted the potential for Triga and prospects along the trend to contain shallow, leachable copper resources.

A shallow reverse circulation ("RC") drill program is being generated to test the potential of two chalcocite trends at Triga, with the intention of defining shallow copper mineralisation.

Further work is also proposed for the Ailsa, Barnes Shaft, Lanham's Shaft and Betts prospects along the Elana M Trend, where similar chalcocite mineralisation exists at surface and previous drilling has returned significant copper-gold results.

At the Ailsa Prospect four shallow diamond drill holes were drilled, targeting the down-dip extensions of surface mineralisation and previous company drilling. Moderate intervals of low grade copper were encountered within two of these drill holes.

At Lanham's Shaft a single shallow diamond drill hole was drilled, targeting copper-gold and molybdenum mineralisation. This hole encountered two broad zones of mineralisation, however at sub-economic grades.

URANIUM EXPLORATION

Robert Heg: Significant uranium results from recent drilling

Five shallow, reverse circulation drill holes were drilled at the Robert Heg uranium prospect in May 2013 (Figure 6) returning the following significant results:

- RHR0026 25m @ 658 ppm U3O8 from 14 m
- RHR0028 13m @ 1,165 ppm U3O8 from 13 m

High-grade uranium mineralisation at Robert Heg is hosted in a sequence of calc-silicate units. Inova Resources' recent drilling program was designed to identify the main structural controls for uranium mineralisation.

A full review of the uranium potential of Inova Resources' tenements is being conducted to identify additional targets for testing. Filtering of extensive, high resolution geophysical data sets has already highlighted three surface anomalies, including the U4 target area, for follow-up drill testing.

GOLD EXPLORATION

Confucius

Inova Resources has previously reported significant gold results from the Confucius prospect, four kilometres south east of the Mount Elliott deposit (see Figure 1 for location). Strong gold in soil geochemistry at Confucius was followed up with surface geological mapping and rock-chip sampling (Figure 7). From this work, a set of veins reporting up to 58.8g/t Au in rock chips can be mapped over a strike length of 400 metres. This vein set was drilled in late 2012 and results included:

- CFD0002 9.38m @ 4.18 g/t Au from 58 m; and
- CFD0001 0.85m @ 8.33 g/t Au from 43.15 m

Recent channel chip samples across the vein sets report:

- 1m @ 24 g/t Au from one vein set; and
- 2m @ 11.43 g/t Au from a newly discovered set of veins.

Inova Resources plans to drill these trends over a 600 metre strike length in the third quarter, 2013.

GROUND-BASED GEOPHYSICS

A program of 3D and 2D Induced Polarisation and Magnetotellurics was completed during the second quarter, targeting large mineral systems in the Barry, Benmore and Southern Extensions areas.

Down-hole Electromagnetic surveys were also conducted on exploration drill holes at Kulthor and Jock during the second quarter.

At Southern Extensions, 215 gravity stations were collected. At Benmore 589 gravity stations were collected on 100m spacings to aid drill targeting.

JOINT VENTURE INTERESTS

EMMERSON RESOURCES

Inova Resources holds an 8.67% equity interest in Emmerson Resources and has a 51% joint venture interest in 386 of Emmerson's mining and exploration tenements in the Tennant Creek region of the Northern Territory with a total area of approximately 2270 km2.

EXCO RESOURCES

Following the transfer of the final tenement on 10 July 2013, Inova Resources now has an 80% legal interest in each of the 12 EPMs and one Mining Lease that comprise the Inova Resources-Exco Joint Venture. Exco holds the remaining 20%. The total area of the tenements is 417 km2.

Work on the Exco joint venture exploration ground included the continuing interpretation of all geological data. Planning for the next exploration program is underway.

PROJECTS

MERLIN MOLYBDENUM-RHENIUM PROJECT

The first phase of the Merlin Value Engineering Program ("Program"), commenced in August 2012, was recently completed. This Program reviews the outcomes of the 2012 Merlin Feasibility Study (released on 16 April 2012) and is aimed at reducing project risk and enhancing the Feasibility Study project economics by optimisation of key elements of the project.

The results of Phase 1 of the Program were detailed in a release to ASX on 28 June 2013, which can be found on the Company's website at www.InovaResources.com.

Phase 1 of the Program reviewed both the mining and processing operations for the project, with several significant value-enhancing opportunities identified which will increase throughput and decrease both operating and capital costs.

The mining review indicated the potential for a 10% increase in the production rate as well as a potential 5% increase in overall mine production and a 5% reduction in total mining unit operation costs.

Metallurgical testwork has indicated an increase to the molybdenum concentrate grade from 30% (as indicated in the Merlin Feasibility Study) to between 38%-45%, allowing consideration of reducing the capital costs associated with the roaster and back-end purification plant by up to $50 million. The ability to produce a higher concentrate grade allows consideration of selling a molybdenum-rhenium concentrate to customers or toll roasting as a project option. This would eliminate considerable capital for onsite roasting and downstream processing, however the economics of this approach depend heavily on the terms achieved with customers, especially the value achieved for the contained rhenium.

The outcomes from the Program reinforced our view that Merlin is clearly a project that is capable of being a low cost primary producer of molybdenum and rhenium. Our focus in the next stage of the Program is to source a strategic partner while continuing the work to further demonstrate improvements to the project.

These reviews have been undertaken at a scoping study level of accuracy and, as such, do not at this stage provide a material change to the outcomes of the Feasibility Study. The outcomes of Phase 1 of the Program are preliminary in nature and further work will be required with the aim of ultimately updating the Feasibility Study.

MOUNT ELLIOTT

A revised mineral resource model for Mount Elliott / SWAN, based on recent drilling data and a review of the geology, was completed in the quarter with a report currently being finalised.

The updated mineral resource model is a single model covering both SWAN and Mount Elliott. It covers: the SWAN sulphide zone (underground mining potential), the SWAN oxide zone (open pit potential), and the Mount Elliott zone (open pit and underground mining potential). The model includes recent additional surface drilling, re-interpretation of geological domains and a revised estimate for copper in the oxide mineralisation at the surface of the SWAN deposit.

The updated Mineral Resource from this revised model will be published in a market release in early August.

The updated Mineral Resource estimate will be used for a re-assessment of the mining approaches considered in the 2012 Mount Elliott Scoping Study and also includes evaluating the SWAN and Mount Elliott mineralisation's capacity to support open pit mining and heap leach processing.

CORPORATE

CORPORATE ACTIVITY

As previously disclosed, Inova Resources' majority shareholder, Canadian company Turquoise Hill Resources, is undertaking a review of its shareholding in Inova Resources. Inova Resources' board has formed an independent sub-committee and appointed UBS to identify, review and assess potential opportunities to optimise value for all Inova Resources stakeholders as a result of this development. A process for parties interested in Turquoise Hill's shareholding has commenced and Inova Resources is collaborating as appropriate with that process.

CASH POSITION AT 30 JUNE 2013

Inova Resources' cash position as at 30 June 2013 was $32.8 million.

ISSUED SHARE CAPITAL

At 30 June 2013 issued capital was 726.6 million ordinary shares.

QUARTERLY SHARE PRICE ACTIVITY

	High	Low	Last
Apr - Jun 2013	$0.28	$0.097	$0.20

To view Figure 1, please visit the following link:
http://media3.marketwire.com/docs/iva0730fig1.pdf.

To view Figure 2, please visit the following link:
http://media3.marketwire.com/docs/iva0730fig2.pdf.

To view Figure 3, please visit the following link:
http://media3.marketwire.com/docs/iva0730fig3.pdf.

To view Figure 4, please visit the following link:
http://media3.marketwire.com/docs/iva0730fig4.pdf.

To view Figure 5, please visit the following link:
http://media3.marketwire.com/docs/iva0730fig5.pdf.

To view Figure 6, please visit the following link:
http://media3.marketwire.com/docs/iva0730fig6.pdf.

To view Figure 7, please visit the following link:
http://media3.marketwire.com/docs/iva0730fig7.pdf.

Appendix 1: Drill Collar Location Table
MGA Zone 54 (GDA94)
Hole ID Prospect Easting Northing RL Azi Dip EOH
(m) (m) (m) (°) (°) (m)
Surface drilling completed Q2 2013
AID0001 Ailsa 460,560 7,651,333 403 240 -60 250.0
AID0002 Ailsa 460,615 7,651,197 418 220 -60 309.2
AID0003 Ailsa 460,578 7,651,124 416 180 -60 201.2
AID0004 Ailsa 460,691 7,651,080 442 180 -60 234.3
AZR0001 Algiz 464,536 7,648,696 444 275 -60 199.0
AZR0002 Algiz 464,444 7,648,712 447 270 -60 200.0
AZR0003 Algiz 464,373 7,648,987 438 270 -61 133.0
BAD0029 Barnes Shaft 460,518 7,652,003 401 265 -62 532.3
BAD0030 Barnes Shaft 460,407 7,651,880 399 270 -60 150.3
BND00011* Benmore 438,830 7,603,760 325 295 -65 639.5
BRD00011 Barry 438,930 7,601,780 325 270 -65 540.4
CSD00011 Core Shed 448,350 7,617,000 383 270 -70 408.6
DRD0001 Drake 446,982 7,619,443 387 270 -59 399.3
JKD00071 Jock 448,816 7,317,542 380 240 -65 267.3

LAD0011 Lanham's Shaft 459,921 7,653,540 371 180 -61 227.8
RHR0026 Robert Heg 460,153 7,647,164 423 90 -60 50.0
RHR0027 Robert Heg 460,136 7,647,150 423 225 -60 75.0
RHR0028 Robert Heg 460,137 7,647,180 423 90 -60 75.0
RHR0029 Robert Heg 460,137 7,647,210 423 90 -60 75.0
RHR0030 Robert Heg 460,078 7,647,201 423 110 -60 200.0
STQ1096 Starra 276 446,543 7,603,991 366 276 -62 903.4
SUNQ0213 Kulthor 454,129 7,556,507 265 316 -61 402.1
SUNQ0214 Kulthor 454,285 7,556,655 269 316 -60 477.1
TRD0003 Triga 462,684 7,648,687 510 90 -60 300.4
TRD0004 Triga 462,750 7,648,540 491 335 -60 288.4
Other drilling referenced in this report
CFD0001 Confucius 451,147 7,616,981 388 53 -60 132.4
CFD0002 Confucius 451,244 7,616,839 382 50 -60 135.5
MEHQ071137 SWAN 448,299 7,617,170 383 270 -60 631.2
RH001 Robert Heg 460,158 7,647,173 424 145 -60 35.0
RH009 Robert Heg 460,184 7,647,166 426 265 -60 70.0
RHDD0019 Robert Heg 460,158 7,647,174 430 149 -59 165.4
SUNQ0215(†) Kulthor 453,833 7,556,238 257 319 -66 425.5

(1)Assay results pending.

*Commenced June 30, completed July 8.

(†)Commenced July 9, completed July 15.

Appendix 2: Significant Drill Intersections
Exploration - Confucius
Hole ID From To Interval Au
(m) (m) (m) (g/t)
CFD0001 43.15 44 0.85 8.33
CFD0002 58 67.38 9.38 4.18
incl 58 60 2 8.03
and 62.37 67.38 5.01 4.76

0.5 g/t Au over 1m cut-off.
Exploration - Robert Heg
Hole ID From To Interval U3O8 U
(m) (m) (m) (ppm) (ppm)
RHR0026 14 39 25 658 558
incl 24 25 1 3301 2800
incl 29 30 1 1792 1520
incl 31 32 1 1533 1300
RHR0027 32 36 4 275 234
and 46 52 6 166 141
and 55 62 7 495 420
RHR0028 13 26 13 1165 989
incl 13 17 4 2983 2530
incl 24 25 1 1273 1080
and 36 41 5 241 204
RHR0029 5 11 6 532 451
incl 7 8 1 1910 1620
RHR0030 140 144 4 144 123
and 156 161 5 274 232

100 and 1,000 ppm U cut-offs.

U3O8 = U ppm x 1.179.
Exploration - Elana M Trend
Hole ID From To Interval Cu Au Ag Co Mo Pb Zn U Fe
(m) (m) (m) (%) (g/t) (ppm) (ppm) (ppm) (ppm) (ppm) (ppm) (%)
AID0002 78 86 8 0.31 0.02 1 584 37 201 49 70 5.39
AID0003 7.2 28 20.8 0.46 0.40 1 234 43 247 19 35 2.56
TRD0003 30 44 14 0.48 0.13 2 787 24 10 4 21 6.37
and 200 232 32 0.69 0.21 3 635 87 22 844 76 4.32
incl 212 220 8 1.47 0.63 6 484 24 11 131 31 4.37
TRD0004 145 160 15 0.30 0.02 1 358 47 49 8 192 5.55

and 184 208 24 0.55 0.29 3 1834 50 32 17 94 6.42
incl 201 207 6 1.24 0.68 6 1152 64 25 36 67 10.77
and 252 260 8 0.84 0.27 2 502 35 11 42 29 4.48
LAD0011 25 32 7 0.65 0.10 2 259 9 1 4 7 3.01
and 48 62 14 0.54 0.39 1 428 22 5 14 7 6.16
incl 48 50 2 1.65 0.77 3 772 87 1 13 5 7.45
incl 52 54 2 0.30 1.19 1 237 3 5 9 5 3.95
and 106 108 2 1.26 0.17 2 432 149 48 32 10 9.31
and 122 124 2 1.51 0.09 2 518 49 17 18 20 7.68
and 173 175 2 1.49 1.38 2 221 3 9 11 13 2.85
BAD0029 329 340 11 0.65 0.21 1 659 22 49 9 23 5.53
incl 329 333 4 1.10 0.45 1 278 7 4 10 5 2.64

0.25% and 1.00% eCu cut-offs.
Resource Development - Starra 276
From To Interval eCu Cu Au Ag Co Mo Pb Zn U Fe
Hole ID (m) (m) (m) (%) (%) (g/t) (ppm) (ppm) (ppm) (ppm) (ppm) (ppm) (%)
STQ1096 747 753.4 6.4 1.29 0.82 0.78 0 73 16 1 1 5 33.33
and 764.5 777.8 13.3 2.47 1.91 0.92 0 28 25 1 1 5 33.48
and 787 790.3 3.3 1.50 0.91 0.99 0 16 8 1 1 5 48.01

1.00% eCu cut-off.
Resource Development - Kulthor
Hole ID From To Interval eCu Cu Au Ag Co Mo Pb Zn U Fe
(m) (m) (m) (%) (%) (g/t) (ppm) (ppm) (ppm) (ppm) (ppm) (ppm) (%)
SUNQ021
3 311 315.2 4.2 1.95 1.44 0.84 7 408 2 55 13 5 15.72
and 326 328 2 1.89 1.29 0.99 5 413 1 619 21 10 17.19
SUNQ021
4 403.7 406.2 2.5 1.69 1.39 0.49 8 606 2 1838 1641 13 25.89
and 442 444.4 2.4 1.70 1.50 0.33 4 193 1 7 11 5 9.92

1.00% eCu cut-off.

Qualified & Competent Persons Statement

The drilling results at Starra 276 and Kulthor were reviewed by Geoff Phillips, FAusIMM, Manager Resource Geology for Inova Resources who is a full time employee of Inova Resources.

The results for the uranium and gold exploration sections were reviewed and approved by Mark McGeough, FAusIMM, General Manager, Exploration for Inova Resources who is a full time employee of Inova Resources.

The results for the copper and molybdenum exploration sections were reviewed and approved by Mathew Brown, MAIG, Regional Exploration Manager for Inova Resources who is a full time employee of Inova Resources.

The technical and scientific information contained herein relating to the metallurgical review of Merlin was reviewed and approved by Nigel Thiel, MAusIMM (CP), Manager Metallurgy at Inova Resources who is a full time employee of Inova Resources.

The technical and scientific information contained herein relating to the mining review of Merlin was reviewed and approved by Mr Mike Spreadborough, FAusIMM, Chief Operating Officer for Inova Resources who is a full time employee of Inova Resources.

These individuals by virtue of their education, experience and professional association, are considered Qualified Persons (QP) as defined in Canada's NI 43-101 standard for estimates and results included in this report. The Qualified Persons have verified the relevant data disclosed herein.

Mark McGeough, Geoff Phillips and Mike Spreadborough are Fellows, and Nigel Thiel is a Member, of the Australasian Institute of Mining and Metallurgy and Mathew Brown is a member of the Australian Institute of Geoscientists, and each has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a 'Competent Person' as defined in the JORC code. Mark McGeough, Geoff Phillips, Mike Spreadborough, Nigel Thiel and Mathew Brown consent to the inclusion in the announcement of the matters based on this information in the form and

context in which it appears.

QAQC Statement

Inova Resources' core sampling within mineralised zones is generally taken on continuous one-metre intervals down each drill hole, or on smaller lengths over narrow geological units, for large disseminated or weakly mineralised zones sample lengths may increase to a maximum of two metres. The core is marked with a continuous cutting line along the middle, parallel to the long axis for the purpose of preventing a sampling bias during splitting. Core is cut with a rock saw flushed continually with fresh water and one-half of NQ/HQ core or one-quarter of PQ core is taken for analysis. Reverse circulation (RC) samples are taken on continuous one- or two-metre intervals down each drill hole and collected from a rig-based cone splitter.

Sample dispatches include Certified Reference Materials (CRMs), Field Blanks, Field Duplicates, Crushed Duplicates, and Pulp Duplicates. The CRMs, Field Duplicates, and Field Blanks are randomly inserted during sampling, whereas the Crushed and Pulp Duplicates are inserted at the laboratory. CRMs are certified for gold, copper, molybdenum, and/or rhenium.

Samples are placed in plastic bags, sealed, and collected in large, labelled shipping bags that are secured and sealed with numbered tamper-proof security tags. Samples are shipped to ALS Laboratory Group's Mineral Division at Mount

Isa for preparation. Gold, copper, molybdenum, and rhenium assays, and multi-element geochemical analyses are conducted at ALS Mount Isa, Townsville, and Brisbane laboratories. ALS operates in accordance with ISO/IEC 17025.

Reference material assay values are tabulated and compared to those from established Round Robin programs. Values outside of pre-set tolerance limits are rejected and samples subject to re-assay. A reference material assay fails when the value is beyond the 3SD limit and any two consecutive assays fail when the values are beyond the 2SD limit on the same side of the mean. A Field Blank fails if the assay is over a pre-set limit.

Inova Resources also regularly performs check assays at an independent third party laboratory, conducts onsite internal QAQC reviews, and laboratory reviews to ensure procedural compliance for maintaining industry standard best practices.

Forward-looking statements

Certain statements made herein, including statements relating to matters that are not historical facts and statements of our beliefs, intentions and expectations about developments, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward- looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking information and statements are typically identified by words such as "anticipate," "could," "should," "expect," "seek," "may," "intend," "likely," "plan," "estimate," "will," "believe" "potential", "likely" and similar expressions suggesting future outcomes or statements regarding an outlook. These include but are not limited to the company's expectations about future copper, molybdenum, gold or uranium exploration results and the potential for increased Mineral Resources or mine life at the Starra 276 or Kulthor mines; and also regarding the potential outcomes from the Merlin Value Engineering Program and / or the Merlin Feasibility Study.

All such forward-looking information and statements are based on certain assumptions and analyses made by Inova Resources' management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements. The reader is cautioned not to place undue reliance on forward-looking information or statements.

ABN 20 107 689 878

Contact

Inova Resources Limited
Registered & Principal Office

+61 3 9090 8800
+61 3 9090 8899 (FAX)
info@InovaResources.com
www.InovaResources.com