

ASX Announcement

**Shanxi Donghui Coal Coking & Chemicals Group Co., Ltd
(Shanxi Donghui)**

Announcement freeing off-market takeover offer from certain defeating conditions

Takeover offer for Inova Resources Ltd ACN 107 689 878 (Inova)

Dated 29 October 2013

Shanxi Donghui refers to its off-market takeover offer dated 12 September 2013 for all the ordinary shares of Inova (**Offer**).

Shanxi Donghui's Offer is subject to a number of conditions. Shanxi Donghui recently announced that it had obtained Australian Foreign Investment Review Board consent and certain Chinese regulatory approvals (NDRC and Mofcom) for the acquisition of Inova Shares arising from acceptance of its Offer. Both these bid conditions have been satisfied.

The Offer is still subject to the condition that prior to the end of the offer period Shanxi Donghui acquires a relevant interest in at least 51% (by number) of Inova ordinary shares (**Minimum Acceptance Bid Condition**) and a number of other remaining conditions (**Other Remaining Bid Conditions**).

However as of today Shanxi Donghui declares the Offer free of the Other Remaining Bid Conditions but not the Minimum Acceptance Bid Condition. Accordingly Shanxi Donghui's Offer is still subject to the Minimum Acceptance Bid Condition.

Shanxi Donghui's Offer is due to close at 7.00pm Melbourne time on 14 November 2013 (unless extended).

In light of this waiver of the Other Remaining Bid Conditions Shanxi Donghui intends to approach Turquoise Hill Resources Ltd (**TRQ**), (Inova's majority shareholder holding 56.1% of Inova via its wholly owned subsidiary IAL Holdings Singapore Pte Ltd (**IAL**)), with whom Shanxi Donghui entered into a pre-bid acceptance agreement for 14.9% of Inova's ordinary shares to seek acceptance of Shanxi Donghui's Offer for such 14.9% if the Offer is unconditional but for the Minimum Acceptance Bid Condition. TRQ announced earlier (see TRQ's ASX announcement dated 21 August 2013) that following such acceptance TRQ intends to procure that IAL accept Shanxi Donghui's Offer for the balance of IAL's shareholding in Inova in the absence of a superior proposal that is not matched by Shanxi Donghui.

Shanxi Donghui is not aware of any third party offer or proposed third party offer for the ordinary shares of or other proposal for Inova and if TRQ accepts Shanxi Donghui's Offer for all IAL's shares in Inova Shanxi Donghui will acquire a further 56.1% of Inova in addition to the 3.08% of acceptances that Shanxi Donghui currently holds.

If TRQ procures IAL's acceptance for Shanxi Donghui's Offer for all IAL's shares in Inova then the Minimum Acceptance Bid Condition will be satisfied and all other bid conditions attaching to Shanxi Donghui's Offer will have been satisfied or waived.

Shanxi Donghui expects to update Inova and its shareholders as to TRQ's/IAL's position in due course.

Shanxi Donghui Coal Coking & Chemicals Group Co., Ltd

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