

# Market Release

---

Thursday 19 September 2013

## **Significant copper gold mineralisation intersected at Kulthor**

### **Initial Positive Copper Leach Results at SWAN**

MELBOURNE, AUSTRALIA – Inova Resources Limited (**IVA**:ASX/TSX) today reports positive results from recent extension drilling at the Kulthor deposit and initial positive results from two metallurgical testwork holes at the SWAN deposit, both located in the Company's tenements in the Cloncurry District of north western Queensland (see Figure 1).

The results from the extension drilling at Kulthor demonstrate that there is potential for an additional, offset block of mineralisation occurring approximately 150 metres above the existing mining operation.

In addition, as outlined in the 12 August Market Release on Mount Elliott/SWAN, the results from two metallurgical testwork holes at SWAN have been received. On the basis of these encouraging results, Inova Resources plans to expedite further work to gather data for a Scoping Study on the Company's prospects for either a standalone or regional heap leach copper project.

Bob Vassie, CEO said, "I'm delighted with these two major pieces of news about Kulthor and our emerging copper leach story. The results from our latest round of resource extension drilling at Kulthor are particularly encouraging, with the potential to extend the life at Kulthor beyond the current mine plan."

"The drill intersections from the SWAN oxide zone reinforce our view that there are a number of sources of leachable copper material on our ground, and provide a solid platform to consider development of a copper leach business."

#### **Successful Drilling Results at Kulthor**

As detailed in the Company's 30 June Quarterly Report, surface drilling has been undertaken at Kulthor to test for an up-faulted block of mineralisation above the current mine workings. This area has been drill tested following a structural modelling study undertaken earlier in the year which suggested that the mineralisation continued in an offset block following faulting.

Between May 2012 and May 2013 a detailed geological study was undertaken to develop a model to better understand the structures controlling copper-gold mineralisation at Kulthor. The intercepts reported below are from structurally thickened dolomite veins, providing validation for the model and indicate the potential for increasing the current resource at Kulthor.

The following significant downhole intercepts (at eCu cut-off of 1.00%) were reported:

- SUNQ0215    2.3m    @ 1.67% Cu and 2.15 g/t Au (2.96% eCu<sup>1</sup>) from 169.5 metres  
                   and        7.0m    @ 1.37% Cu and 1.78 g/t Au (2.44% eCu) from 306 metres  
                   and        9.0m    @ 2.03% Cu and 1.21 g/t Au (2.75% eCu) from 320 metres

The two main intercepts (drill hole shown in Figure 2) are considered significant in that:

- The second intercept (306.0m – 313.0m downhole) is located in dolomite veining within the hanging wall of the main lode that is currently being mined, about 150 metres below. The third intercept (320.0m – 329.0m downhole) is located in the main footwall dolomite lode.
- There is significant potential for extending mineral resources by locating thickened dolomite vein zones both up and down plunge in undrilled and under-drilled areas peripheral to the current mine development.

A follow up drill program to test the extent of the new zone of mineralisation around SUNQ0215 is being planned for later in the year.

### SWAN Copper Leach Potential

Two shallow drill holes into the SWAN oxide zone were completed during August and intersected significant copper and gold mineralisation – a vertical reverse circulation (“RC”) hole and an inclined diamond drillhole. See Figures 3 through 5 for collar locations and cross sections of the drill holes.

Significant results from the vertical RC hole include (at cut-off grade of 0.5% eCu):

- MER1228        **95m    @ 1.05% Cu & 0.75 g/t Au** from 10 metres  
                   incl.        6.0m    @ 1.90% Cu & 1.38 g/t Au from 21 metres  
                   and        8.0m    @ 1.99% Cu & 0.58 g/t Au from 89 metres

MEQ1227 is an inclined HQ diamond hole that has also returned a number of significant results (at 0.5% eCu cut-off) including;

- MEQ1227        **83m    @ 1.19% Cu & 0.75 g/t Au** from 82 metres  
                   incl.        16.0m @ 1.98% Cu & 1.20 g/t Au from 97 metres  
                   and        2.7m    @ 4.92% Cu & 2.37 g/t Au from 160 metres  
                   and        16.0m @ 1.52% Cu & 0.79 g/t Au from 174 metres  
                   incl.        2.0m    @ 6.60% Cu & 1.70 g/t Au from 176 metres

---

<sup>1</sup> eCu = Cu% + (0.6 \* Au g/t)

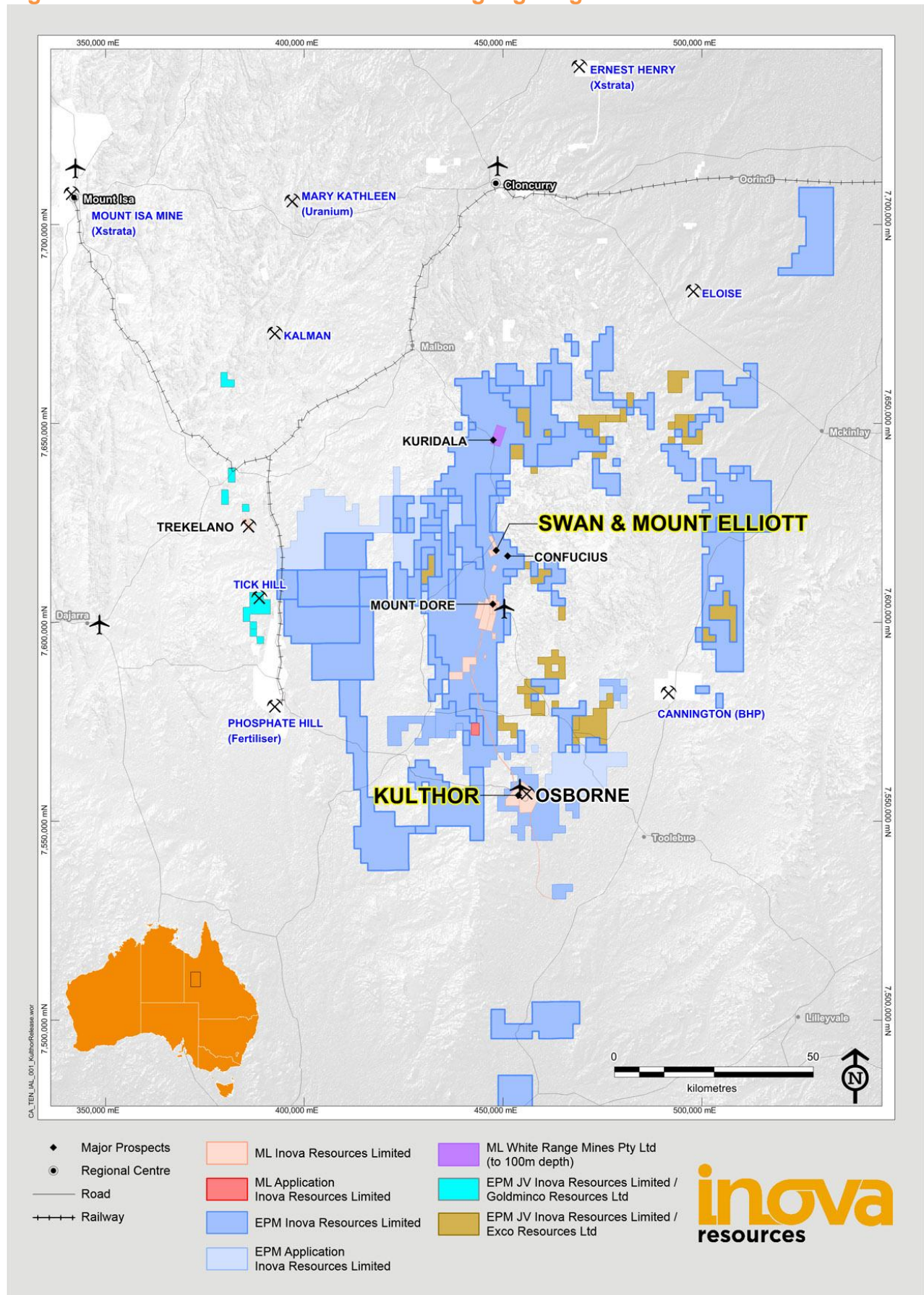
Mineralisation consists of copper oxides including chalcocite, native copper, cuprite and with chalcopyrite at depth.

Samples from MER1228 and MEQ1227 are currently being despatched for metallurgical testing including copper sequential analysis and column leach testing. The results from this testing program will enable Inova Resources to provide information for a scoping study and evaluate the economic potential of the leachable resource at SWAN.

The SWAN Oxide Zone reflects the exposed portion of the SWAN mineralisation. The SWAN mineralisation continues to a depth of at least 900m. Results from recently reported resource estimation work completed by Golder Associates indicates that the SWAN oxide and transition zone contains oxide and transitional material totalling approximately 40 million tonnes as detailed below (see Market Release dated 12 August 2013);

Classification	Material	Mt	Cu (%)	Au (g/t)	eCu (%)
<b>Indicated</b>	Oxide	8.9	0.73	0.38	0.96
	Transition	29.6	0.59	0.38	0.82
<b>Inferred</b>	Oxide	1.5	0.53	0.23	0.67
	Transition	2.4	0.47	0.29	0.65

Figure 1: Inova Resources Tenements – highlighting SWAN & Kulthor locations







**Figure 3: SWAN Hole Collar Locations (MEQ1227 & MER1228)**

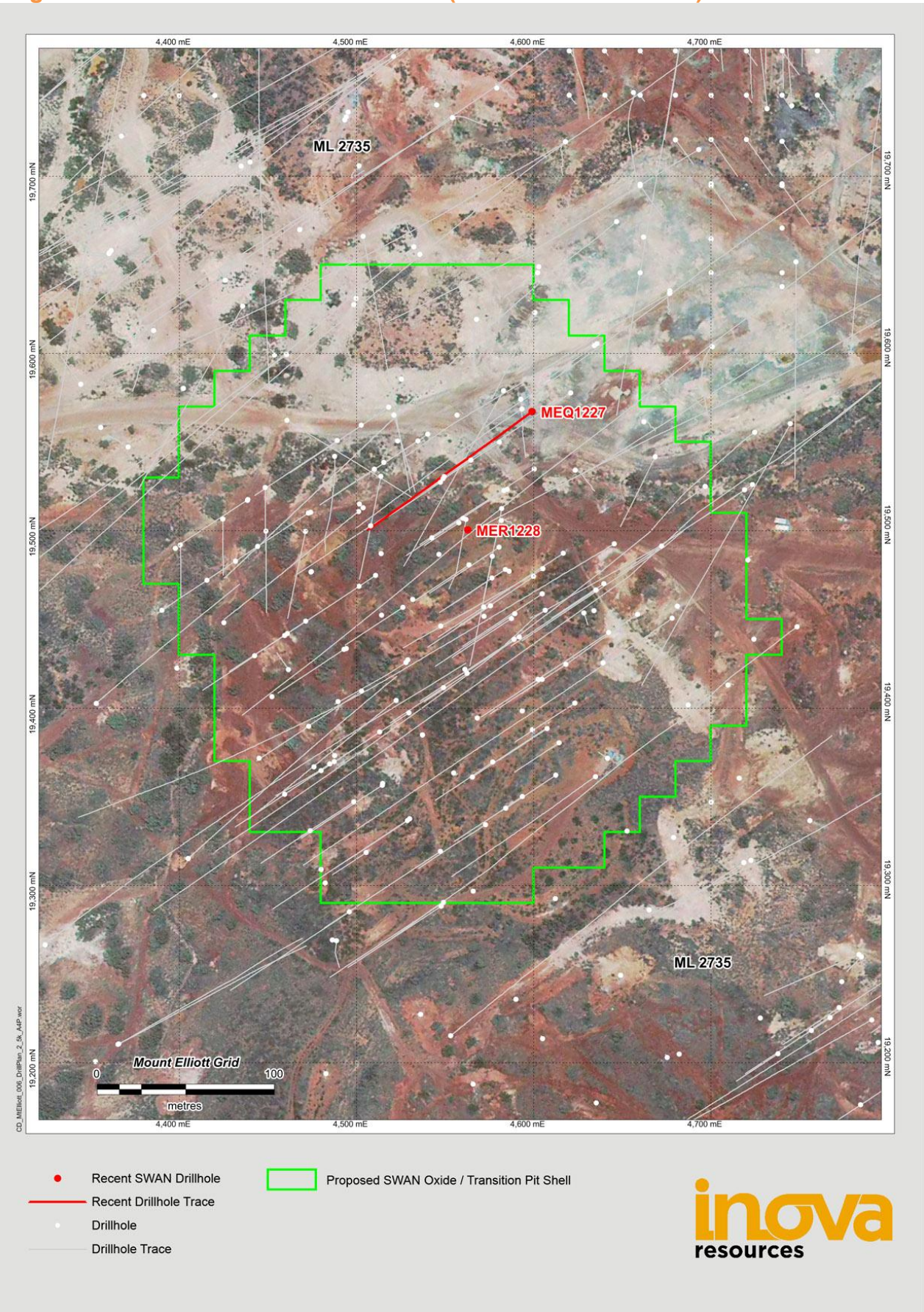
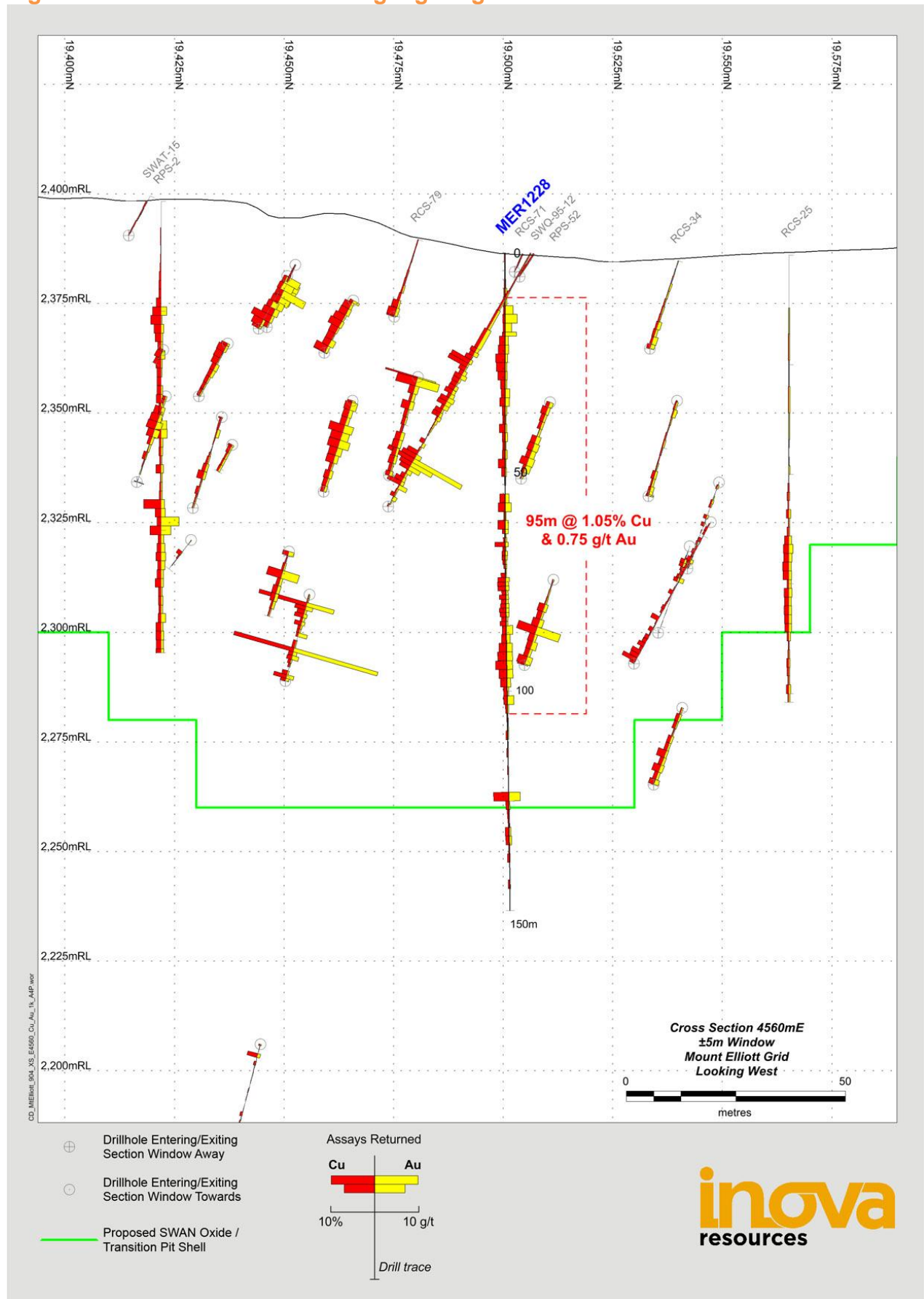
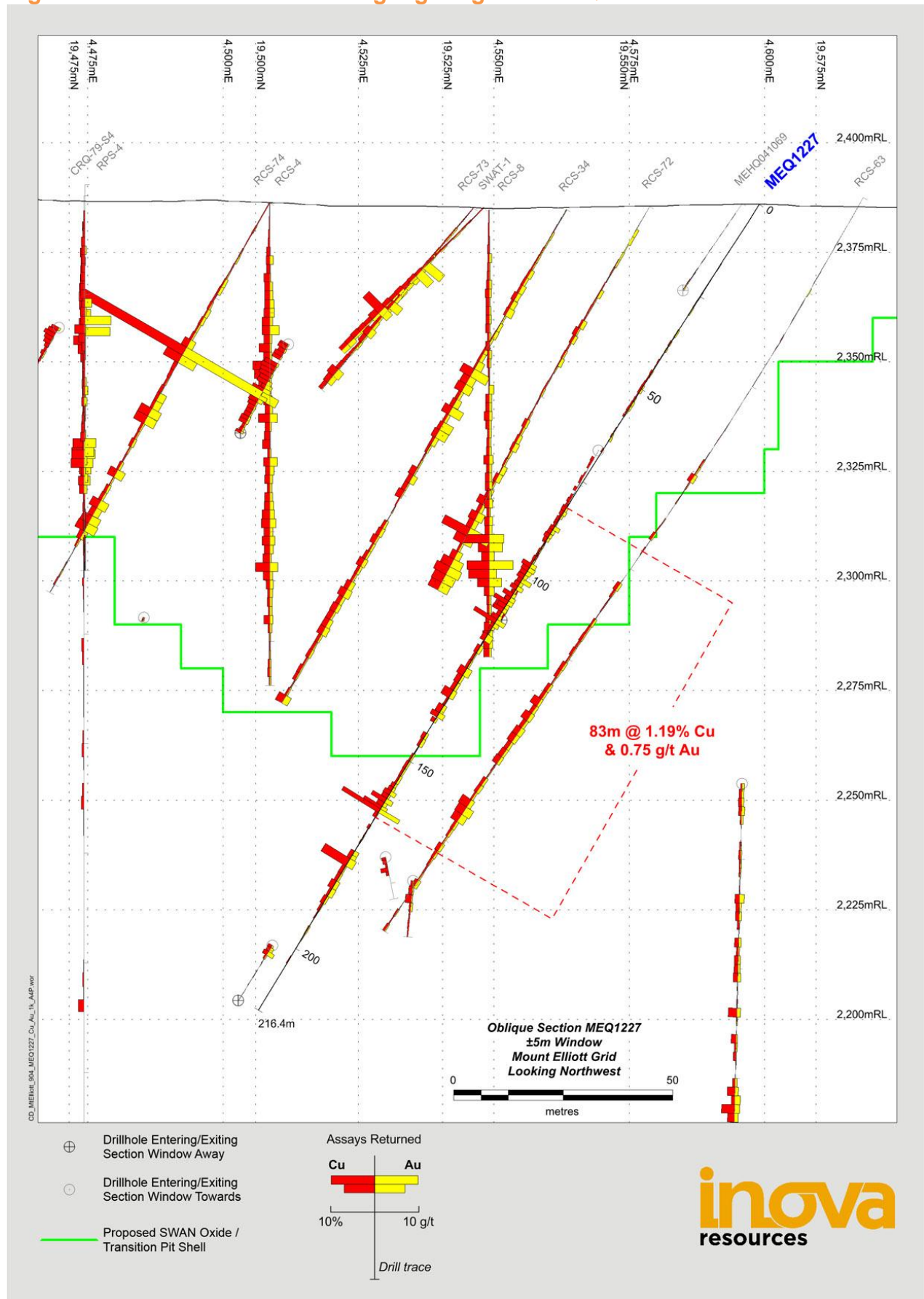




Figure 4: SWAN Cross Section highlighting hole MER1228



**Figure 5: SWAN Cross Section highlighting hole MEQ1227**





**TABLE 1: Drill hole details**  
**Kulthor Collar Details**

Hole ID	Hole Type	MGA Zone 54 (GDA94)				Local (Osborne Mine Grid)				Dip (°)	EOH (m)
		Easting (m)	Northing (m)	RL (m)	Azi (°)	Easting (m)	Northing (m)	RL (m)	Azi (°)		
SUNQ0215	DDH	453,831	7,556,230	267.7	319	9,452	22,815	1,267.7	360	-66	425.5

### SWAN Collar Details

Hole ID	Hole Type	MGA Zone 54 (GDA94)				Local (Mount Elliott Grid)				Dip (°)	EOH (m)
		Easting (m)	Northing (m)	RL (m)	Azi (°)	Easting (m)	Northing (m)	RL (m)	Azi (°)		
MEQ1227	DDH	447,748	7,617,890	389.4	270	4,599	19,567	2,385.9	234	-58	216.4
MER1228	RC	447,680	7,617,856	390	360	4,563	19,500	2,386.5	324	-90	150

### Significant Intercepts

Hole ID	Hole Type	Prospect	Significant Intercepts	Cut-off
MEQ1227	DDH	SWAN	83m @ 1.19% Cu & 0.75 g/t Au from 82m; incl. 16m @ 1.98% Cu & 1.2 g/t Au from 97m; and 2.7m @ 4.92% Cu & 2.37 g/t Au from 160m; and 16m @ 1.52% Cu & 0.79 g/t Au from 174m; incl. 2m @ 6.60% Cu & 1.7 g/t Au from 176m	0.5% eCu
MER1228	RC	SWAN	95m @ 1.05% Cu & 0.75 g/t Au from 10m; incl 6m @ 1.90% Cu & 1.38 g/t Au from 21m; and 8m @ 1.99% Cu & 0.58 g/t Au from 89m	0.5% eCu & 2.0% eCu
SUNQ0215	DDH	Kulthor	2.3m @ 2.96% eCu (1.67% Cu and 2.15 g/t Au) from 169.5m; and 7m @ 2.44% eCu (1.37% Cu and 1.78 g/t Au) from 306m; and 9m @ 2.75% eCu (2.03% Cu and 1.21 g/t Au) from 320m	1.0% eCu

Intercepts are downhole exploration results and are not estimated using "true width".

### **Qualified & Competent Persons Statement**

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

Mark McGeough is, by virtue of his education, experience and professional association, considered a Qualified Person (QP) as defined in Canada's NI 43-101 standard for exploration results included in this announcement and has verified the relevant data disclosed herein.

Mark McGeough is a Fellow, of the Australasian Institute of Mining and Metallurgy and has sufficient experience to report exploration results relevant to this 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 consents 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 within mineralised zones is on continuous one-metre to two-metre intervals down each drill hole, or on smaller lengths over narrow geological units. 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 is sent for analysis

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 and multi-element geochemical analyses are conducted at ALS Mount Isa, Townsville, and Brisbane laboratories. ALS operates in accordance with ISO/IEC 17025.

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.

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 statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Inova believes that the expectations reflected in this forward-looking information is reasonable, but no assurance can be given that these expectations will prove to be correct.

In this Announcement, these include but are not limited to statements regarding the company's expectations about any future drilling results from the Kulthor deposit or the potential that any commercial mineralisation from Kulthor will be discovered, the potential that any commercial copper leach project will be developed or that the results from the SWAN drilling may result in any commercial development.

Inova's actual results could differ materially from those anticipated in the forward-looking information as a result of numerous factors including: (i) volatility in the market price for commodities; (ii) uncertainties associated with estimating resources and reserves; (iii) geological, technical, or drilling problems; (iv) liabilities and risks, including environmental liabilities and risks, inherent in mineral extraction operations; (v) fluctuations in currency exchange and interest rates; (vi) unanticipated results of exploration activities; (vii) competition for, amongst other things, capital, undeveloped lands and skilled personnel; (viii) lack of availability of additional financing and/or joint venture partners, and (ix) changes in general economic conditions.

Forward-looking information contained herein is based on the opinions, estimates and assumptions of the management of Inova. There are a number of important risks, uncertainties and other factors that could cause actual actions, events or results to differ materially, or materially and adversely, from those described as forward-looking information. Inova disclaims any obligation to update any forward-looking information, whether as a result of new information, estimates, opinions or assumptions, future events or results or otherwise, except to the extent required by law. Inova and its directors, officers and advisers can give no assurance that forward-looking information will ultimately prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking information in this Announcement is expressly qualified by this cautionary statement. The reader is cautioned not to place undue reliance on forward-looking information.