

# Market Release

Thursday 5 September 2013

## Positive Initial Gold Results from Recent Drilling at Confucius

MELBOURNE, AUSTRALIA – Inova Resources Limited (**IVA**:ASX/TSX) is pleased to report positive gold results from recent drilling at the Confucius Prospect located four kilometres to the south east of the Mt Elliott deposit on its tenements in the Cloncurry District of north western Queensland (see Figure 1).

As previously announced in the 9 July 2013 Exploration Update, drilling at Confucius was undertaken during July and August 2013. Initial results have been obtained, with further results yet to be received. The recent campaign, consisting of 25 holes, tested a combined 600 metre strike length of anomalous gold mineralisation, to 100 metres below surface. Key results using a 0.5 gram per tonne gold cut-off and maximum dilution of one metre, include:

- CFD0006      8.0m @ 10.0 g/t Au   from 74 metres
- CFD00016:   3.0m @ 7.8 g/t Au   from 29 metres
- CFD0005      5.2m @ 3.5 g/t Au   from 17.9 metres  
                    and      6.0m @ 1.8 g/t Au   from 30 metres  
                    and      1.0m @ 12.7 g/t Au   from 41 metres
- CFD0009      3.0m @ 4.3 g/t Au   from 12 metres

Inova Resources CEO, Bob Vassie said, “We are particularly pleased with the results so far from this latest drilling at Confucius. At this early stage we are hopeful that the Confucius Prospect could well prove to be an exciting gold discovery, and are looking forward to receiving the remainder of the assays from the latest round of drilling.”

“If Confucius proves to be a successful discovery, there is also the potential for it to leverage off the Company’s existing infrastructure at the Osborne processing centre.”

## Confucius Prospect Drilling

The recent drilling at Confucius commenced in July 2013 with nine diamond holes and 16 reverse circulation (RC) holes completed for a total of 3,075 metres. Nineteen holes tested the eastern gold rich quartz-arsenic-bismuth veins over a 400 metre strike length, on 100 metre sections. Drilling was designed to intersect the projected surface veins at intervals approximately 25 metres down-dip, on each section. Drill results are only available for half of the drilling to date, with further results to be reported in due course. Figure 2 shows drill holes plotted over geology with drill hole details and results summarised in Table 1. An interpretive section is shown in Figure 3.

The 2013 drilling follows on from the highly successful drilling in 2012 that reported:

- CFD0001      0.85m @ 8.3 g/t Au from 43.15 metres
- CFD0002      9.38m @ 4.2 g/t Au from 58 metres

Drilling to date has demonstrated mineralisation continuity over a 400 metre strike length on the eastern vein system with one section, (see Figure 2) reporting high grade gold intercepts to 80 metres below surface. The eastern vein set is open to the south and disappears under scree to the north of the drilling area. There are three other strong gold anomalies at the Confucius Prospect worthy of follow up drilling.

Further geological and structural work is underway to identify key controls on the gold-mineralisation and to develop a predictive model for high-grade mineralisation.

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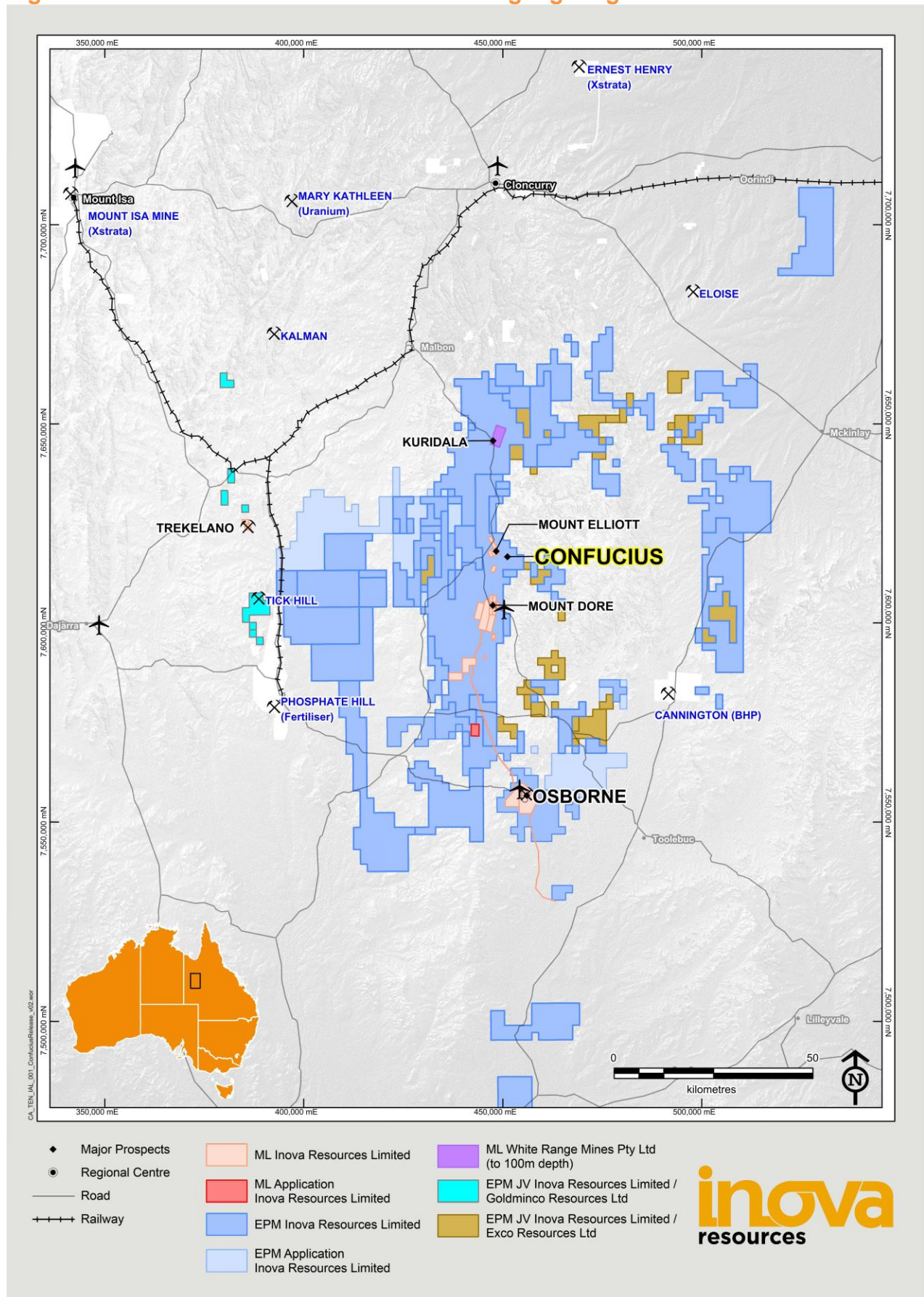
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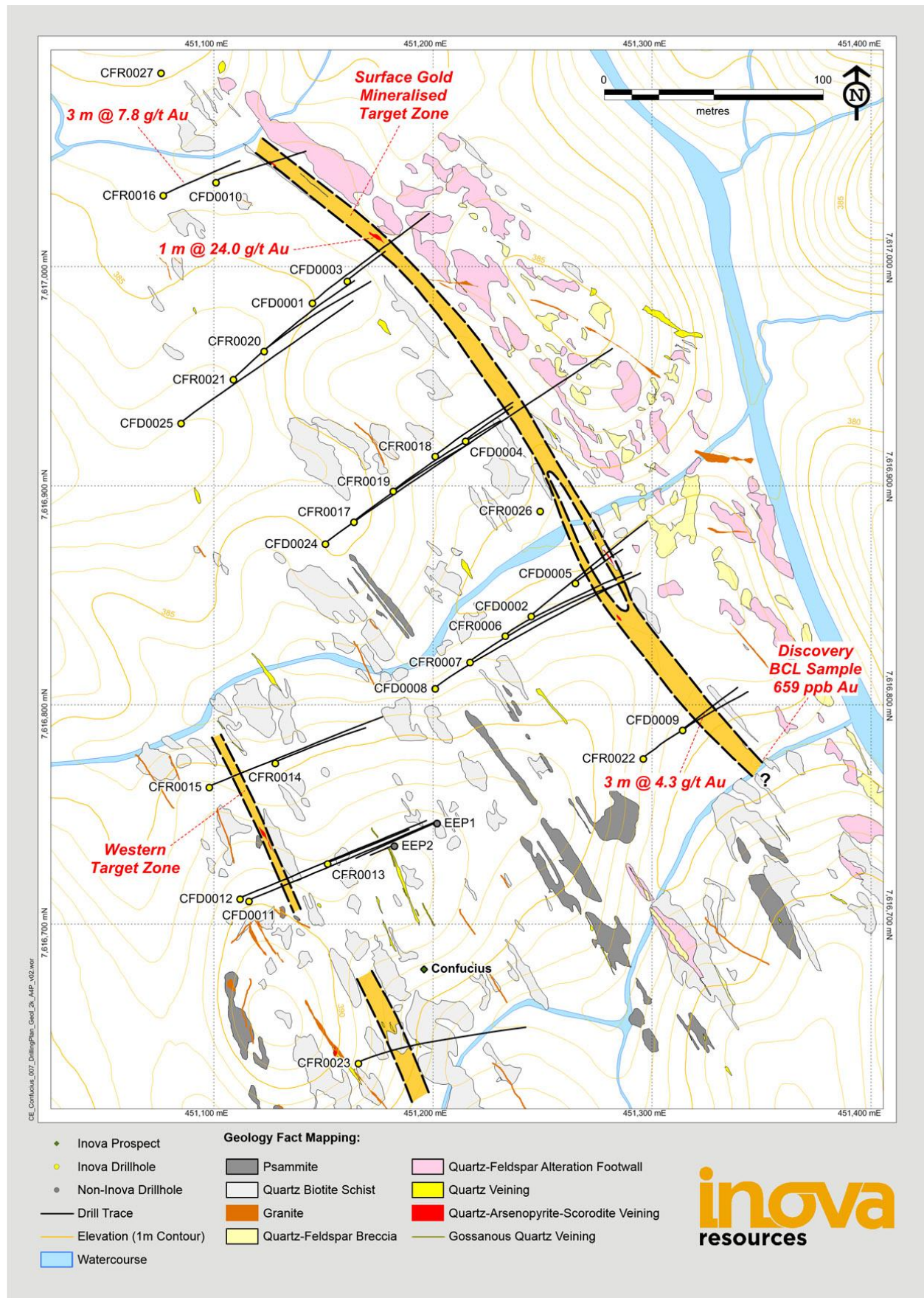
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**Figure 1: Inova Resources Tenements – highlighting Confucius**

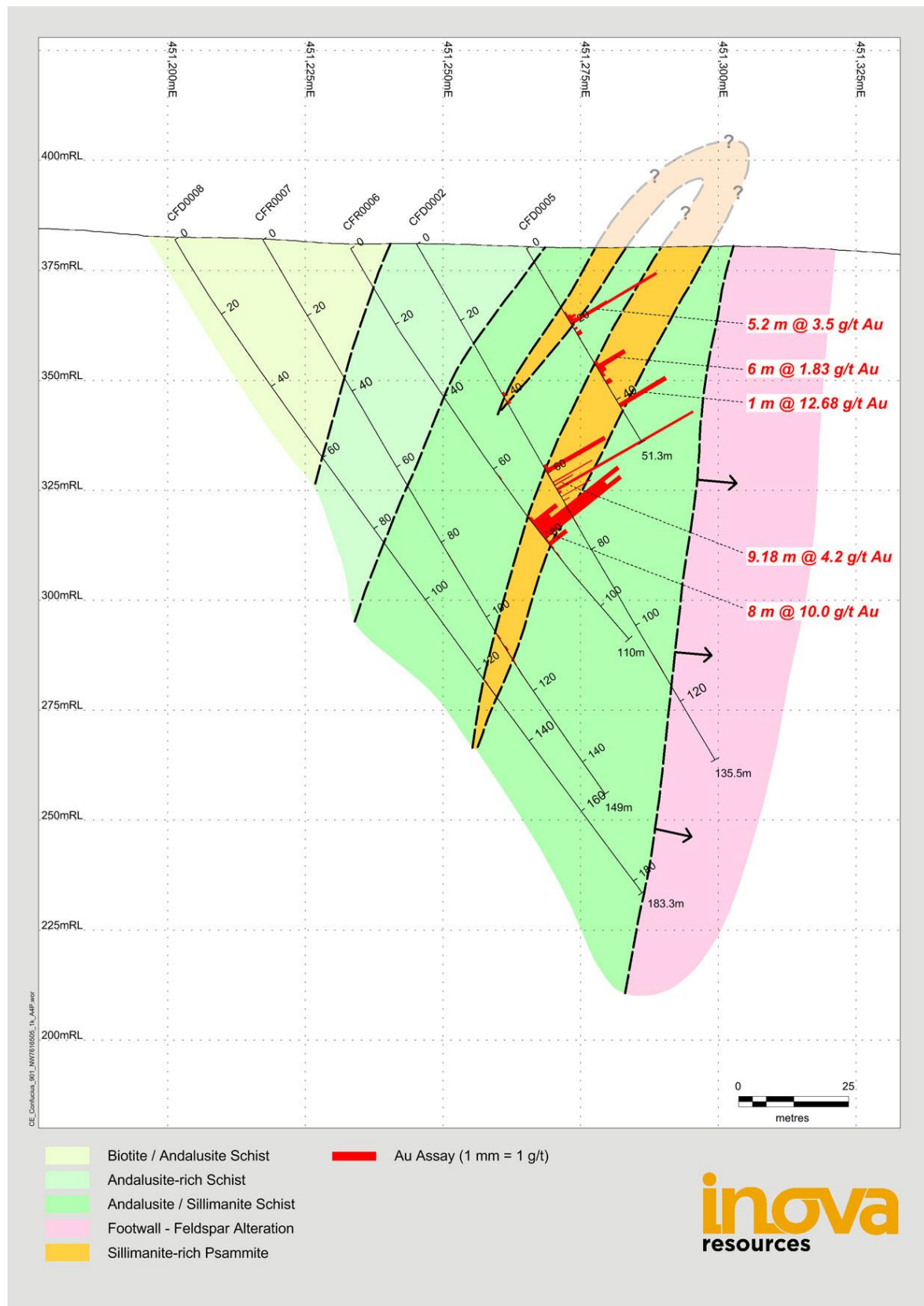




**Figure 2: Confucius Drill Hole Locations over Geology**



**Figure 3: Confucius Section Showing Geological Interpretation of Gold Mineralisation**



**Table 1: Drill Hole Details and Summary Results**

Confucius			MGA Zone 54 (GDA94)				Dip (°)	EOH (m)	Significant Intercepts >0.5g/t Au
Hole ID	Date	Hole Type	Easting (m)	Northing (m)	RL (m)	Azi (°)			
CFD0001	2012	DDH	451,145	7,616,984	388	53	-60	132.4	<b>0.85m @ 8.3 g/t Au from 43.15m</b>
CFD0002	2012	DDH	451,245	7,616,841	381	50	-60	135.5	<b>9.38m @ 4.2 g/t Au from 58m</b>
CFD0003	2013	DDH	451,161	7,616,994	384	53	-61	43.9	1m @ 0.96 g/t Au from 17m
CFD0004	2013	DDH	451,215	7,616,921	381	53	-60	51.31	No results > 0.5 g/t Au
CFD0005	2013	DDH	451,265	7,616,856	380	53	-60	51.3	<b>24.1m @ 1.76 g/t Au from 17.9m</b>
CFD0008	2013	RC-DDH	451,201	7,616,808	382	53	-60	183.3	No results > 0.5 g/t Au
CFD0009	2013	DDH	451,314	7,616,789	380	53	-60	63.3	<b>3m @ 4.3 g/t Au from 12m</b>
CFD0010	2013	DDH	451,101	7,617,039	383	53	-60	86.1	1m @ 1.1 g/t Au from 57m
CFD0011	2013	DDH	451,116	7,616,711	389	68	-60	179.1	No results > 0.5 g/t Au
CFD0012	2013	DDH	451,112	7,616,712	389.2	68	-70	255.58	No results to date
CFD0024	2013	RC-DDH	451,151	7,616,874	384.6	53	-60	324.4	No results to date
CFD0025	2013	RC-DDH	451,085	7,616,929	387.8	53	-61	186.5	No results to date
CFR0006	2013	RC	451,233	7,616,832	380	53	-60	110	<b>8m @ 10 g/t Au from 74m</b>
CFR0007	2013	RC	451,217	7,616,820	382	54	-60	149	No results > 0.5 g/t Au
CFR0013	2013	RC	451,152	7,616,728	388	68	-60	80	No results > 0.5 g/t Au
CFR0014	2013	RC	451,128	7,616,774	386	68	-60	84	No results to date
CFR0015	2013	RC	451,098	7,616,763	386	68	-60	150	No results > 0.5 g/t Au
CFR0016	2013	RC	451,077	7,617,033	383	66	-62	78	<b>3m @ 7.8 g/t Au from 29m</b>
CFR0017	2013	RC	451,164	7,616,884	385	53	-61	150	No results > 0.5 g/t Au
CFR0018	2013	RC	451,201	7,616,914	382	53	-62	85	1m @ 1 g/t Au from 63m
CFR0019	2013	RC	451,182	7,616,898	383	53	-61	120	No results to date
CFR0020	2013	RC	451,123	7,616,962	385	53	-62	112	No results to date
CFR0021	2013	RC	451,109	7,616,949	387	46	-62	150	No results to date
CFR0022	2013	RC	451,296	7,616,776	382	53	-60	102	No results to date
CFR0023	2013	RC	451,166	7,616,637	385	68	-61	120	No results to date
CFR0026	2013	RC	451,249	7,616,889	381	360	-90	80	No results to date
CFR0027	2013	RC	451,076	7,617,089	385	360	-90	80	No results to date
EEP1	1999	RC	451,202	7,616,746	388	246	-60	81	No results > 0.5 g/t Au
EEP2	1999	RC	451,182	7,616,736	389	246	-60	24	No results > 0.5 g/t Au



### *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 by virtue of his 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 Person 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 and RC sampling 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 or one-quarter core when core duplicates are sent for analysis. Reverse circulation (RC) samples are taken on continuous one intervals down each drill hole and collected from a rig-based cone splitter before being split again for two metre composites or individual one-metre samples.

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.

For this program, gold assays were by 50gm fire assay method AA26, with all samples reporting greater than 0.5g/t Au triggering a repeat fire assay that is also reported. Gold intercepts in this ASX release use weighted averages compiled from an average of both the original and the repeat 50gm fire assay. Overall gold results vary little from the original and repeat assay, confirming the presence of fine-grained gold. HQ ¼ core duplicate assays show more significant variation that will be documented once all results are available.

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 include but are not limited to the company's expectations about any future drilling results from the Confucius Prospect or the potential that any commercial mineralisation from Confucius will be discovered.

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.