Market Release

Thursday, 19 September 2013

Updated Starra 276 Mineral Resources and Mineral Reserves

Osborne Project Review

MELBOURNE, AUSTRALIA – Inova Resources Limited (**IVA**:ASX/TSX) announces today the Mineral Resources and Mineral Reserves update for its Starra 276 mine and also provides an update for the Osborne Copper-Gold Project.

As outlined in the June Quarterly Activities Report, Inova Resources has been preparing an update of the Starra 276 Mineral Resource and Mineral Reserve estimates. This work has been completed, resulting in reductions of the Mineral Resources and Mineral Reserves at Starra 276.

In light of the reduced Mineral Reserve estimate at Starra 276, work is now being undertaken to optimise the Osborne Copper-Gold Project's returns going forward, including from the Kulthor underground mine. The scope of this work will examine in detail the mine planning and scheduling processes with a view to maximising value from the assets. Emphasis for this work is being placed on the potential for Osborne to return the maximum amount of free cash flow to the Company while continuing production on a safe operating basis. While this work is underway and not yet completed, the Company anticipates from preliminary estimates that the carrying value of the Osborne Copper Gold assets may be reduced, which may lead to an impairment of between A$10 million to A$20 million.

2013 Starra 276 Mineral Reserve Estimate

The 2013 Mineral Reserve estimate (depleted by production) for the Starra 276 deposit is listed in Table 1, which compares it with the 2012 Mineral Reserve estimate.

The 2013 Mineral Reserve estimate is based on a revision of the Starra 276 Mineral Resource. The spatial complexity now recognised in the Mineral Resource has contributed to the majority of the downward revision of the Mineral Reserves reported herein. Further details on operating costs have been included in the revised Mineral Reserves, with costs increasing by 13% compared with the 2012 estimate.

Table 1. 2013 Starra 276 Mineral Reserves compared with 2012 Mineral Reserves

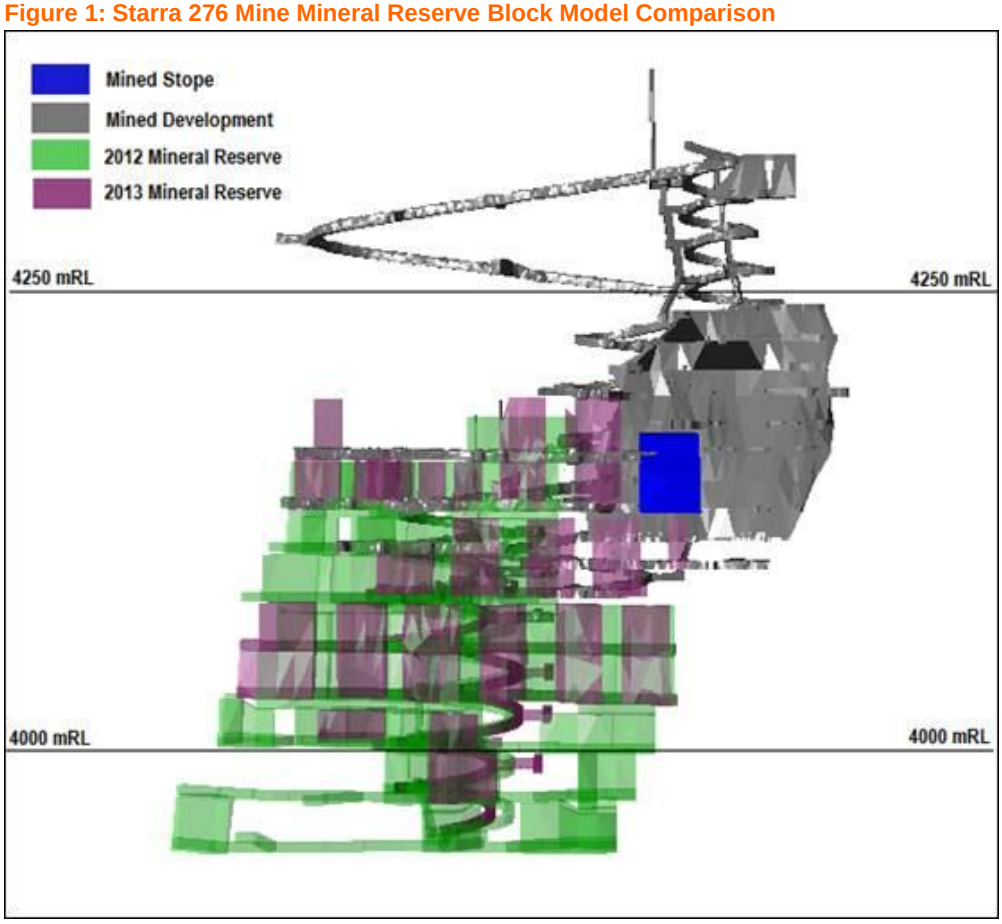
	Ore (kt)	Copper (%)	Gold (g/t)	eCu[1] (%)	Contained Copper (kt)	Contained Gold (kozs)
2012 Mineral Reserve	1,508	1.24	0.81	1.72	19	39
Depletion to April 2013	58	1.24	0.82	1.73	1	2
Resource Changes	595	0.84	0.72	1.27	5	14
2013 Mineral Reserve	**854**	**1.52**	**0.87**	**2.05**	**13**	**24**

Table 1 shows that the revised Mineral Reserve estimate for Starra 276 has reduced the tonnage of ore (excluding mining depletion) by approximately 41%. Due to the higher grades in the revised Mineral Reserve estimate, the amount of contained copper and gold has been reduced by lesser amounts; with contained copper reducing approximately 30% and contained gold by approximately 36%.

The impact on the current Osborne Copper-Gold mine plan Mineral Reserves[2] equates to a reduction of approximately 14% of the planned mill feed tonnage.

Figure 1 shows the existing Starra 276 mine comparing the 2012 Mineral Reserve with the revised 2013 Mineral Reserve.

Figure 1: Starra 276 Mine Mineral Reserve Block Model Comparison



[1] eCu = Cu% + (0.6 * Au g/t)
[2] As at 31 Dec 2012: Osborne Underground 0.26Mt, Kulthor 2.5 Mt, Starra 276 1.5 Mt

2013 Starra 276 Mineral Resource Estimate

The revised Mineral Resources at Starra 276 are detailed in Table 2. The revision includes the results of nine additional surface holes and 41 close spaced underground resource definition holes, undertaken during 2012 and the first quarter 2013. Recent underground drilling and geological mapping has increased the definition of the mineralisation and refined the structural layout of the interpreted mineralisation. This has resulted in the previous interpreted lenses being split into narrower lenses over the strike and depth of the deposit.

While the revised estimate has not materially changed from the 2012 estimate the re-interpretation of the mineralisation has resulted in changes in the location and spatial distribution of the mineralisation.

Table 2. 2013 Starra 276 Mineral Resources compared with 2012 Mineral Resources cutoff grade of 1.5% eCu

	Ore (mt)	Copper (%)	Gold (g/t)	ECu (%)	Contained Copper (kt)	Contained Gold (kozs)
2012 Mineral Resource						
Indicated	3.1	1.55	1.08	2.20	48	107
Inferred	1.7	1.41	1.38	2.24	24	77
2013 Mineral Resource						
Indicated	**2.9**	**1.6**	**1.08**	**2.25**	**46**	**101**
Inferred	**1.4**	**1.36**	**1.45**	**2.23**	**19**	**65**

Attached as an Annexure are the independent assessments of the Mineral Resource and the Mineral Reserve for Starra 276.

Osborne Operational Review

The Company is currently undertaking a review of the Osborne Project to consider options that will maximise returns and cash flows from the operation over the coming years. This review will entail a Life of Mine evaluation to determine the optimal development pathway for each of the Osborne, Kulthor and Starra 276 underground mines. Each of these mines is currently delivering ore to Osborne which continues to produce copper-gold concentrates and generate cashflow.

The review will incorporate a detailed analysis of the capital development options within the mines and the operating costs of the project, with the view to rationalising capital expenditure and reducing operating costs.

It is anticipated that this review will be undertaken over the course of the next 6 to 8 weeks, and be reported by mid-November 2013.

Potential Asset Impairment

As a result of preliminary work undertaken to-date, the Company believes there is the potential for revision to the carrying value of the Osborne Copper Gold assets. While this work is not yet completed, the Company believes there is the potential for an impairment of the carrying value of the Osborne Copper-Gold business assets in the range of between A$10 and A$20 million.

Other Development Opportunities

In a separate Market Release issued today, Inova Resources announced successful drilling results for hole SUNQ0215 at the Kulthor deposit and the results from two metallurgical testwork holes at the SWAN deposit.

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 detailed in the 12 August Market Release on Mount Elliott/SWAN, the results from two metallurgical testwork holes at SWAN have been received. These holes have demonstrated that there is significant potential for a copper leach project. On the basis of these 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.

Please refer to the separate announcement.

For further information, please contact
Stephen Nossal
Senior VP Corporate Development
Telephone: +61 3 9090 8800
Stephen.Nossal@InovaResources.com
This information is available on our website:

www.InovaResources.com

Media
Nerida Mossop
Hintons
+61 3 9600 1979 or +61 437 361 433

Qualified & Competent Persons Statement

The Competent Persons / Qualified Person and QA/QC statements can be found in Annexure A.

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 statements include but are not limited to the company’s expectations about any potential increase to reserves at Kulthor, the size of the potential impairment of the carrying value of the Osborne Copper Gold assets, completion of a review of the Osborne Project by mid-November, 2013, the operating possibilities of the Osborne Copper-Gold project and any outcomes from the potential copper leach project scoping study.

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.

ANNEXURES – STARRA 276 Mineral Resource Statement
– STARRA 276 Mineral Reserve Statement

19 September 2013 Document No. 107631002-057-Rev0

Inova Resources Limited

STARRA 276 RESOURCE STATEMENT FOR SEPTEMBER 2013

Starra 276 resource estimate

The Starra 276 copper deposit Mineral Resource estimate was updated for additional drilling and mining depletion, effective date 31 May 2013. The estimate is based on interpreted copper mineralisation envelopes. At a copper equivalent cut-off grade of 0.5% ECu the resource estimate is:

Indicated Mineral Resource: 5.4 Mt @ 1.23% Cu and 0.83 g/t Au

Inferred Mineral Resource: 3.6 Mt @ 0.94% Cu and 1.00 g/t Au

At a high grade copper equivalent cut-off grade of 1.5% ECu the resource is:

Indicated Mineral Resource: 2.9 Mt @ 1.60% Cu and 1.08 g/t Au

Inferred Mineral Resource: 1.4 Mt @ 1.36% Cu and 1.45 g/t Au

Additional details of the estimate are provided in Table 1. The cut-off of 1.5% ECu is used, as this represents the mining cut-off for the underground mine and incorporates mining, production and processing costs.

Table 1: Starra 276 *in situ* Mineral Resource as at May 2013 at a 0.5% and 1.5% ECu cut-off

Cut-off Grade ECu %	Resource Classification	Material Type	Mt	Cu %	Au g/t	ECu %
0.5	Indicated	Oxide	2.7	1.15	0.91	1.70
		Transition	1.1	1.44	1.02	2.06
		Sulfide	1.5	1.22	0.56	1.56
		Total	**5.4**	**1.23**	**0.83**	**1.73**
	Inferred	Oxide	1.0	0.98	1.01	1.58
		Transition	0.7	0.80	1.09	1.45
		Sulfide	1.0	0.99	0.93	1.54
		Total	**3.5**	**0.94**	**1.00**	**1.55**
1.5	Indicated	Oxide	1.4	1.54	1.17	2.24
		Transition	0.8	1.75	1.19	2.47
		Sulfide	0.7	1.54	0.8	2.02
		Total	**2.9**	**1.60**	**1.08**	**2.25**
	Inferred	Oxide	0.8	1.36	1.49	2.25
		Transition	0.2	1.23	1.55	2.16
		Sulfide	0.4	1.45	1.31	2.24
		Total	**1.4**	**1.36**	**1.45**	**2.23**

Report includes mine depletion and exclusion of inaccessible areas close to old stopes.

Golder Associates Pty Ltd
147 Coronation Drive, Milton, Queensland 4064, Australia (PO Box 1734, Milton BC, QLD 4064)
Tel: +61 7 3721 5400 Fax: +61 7 3721 5401 www.golder.com
Golder Associates: Operations in Africa, Asia, Australasia, Europe, North America and South America
A.B.N. 64 006 107 857

Equivalent Copper (ECu) is derived from the Osborne PEA for Starra 276 mill feed (SRK 2011). It, is calculated from initial metal prices of $3.75/lb for copper and $1300/oz gold, comparable recoveries around 85% and concentrate charges attributable to copper of around 200$/t concentrate. The metal equivalent formula is ECu = Cu + 0.6 x Au.

Mineral Resources for Starra 276 were previously estimated by Golder in 2011 and updated in 2012. The 2012 updated estimate is reported in the Inova 29 August 2012 NI43-101 Technical Report. The current estimate is an update to the 2012 estimate and uses the same modelling process, estimation method and parameters from the 2012 estimate. Comparison between this 2013 update and the 2012 estimate is provided in Table 2. The changes made to the 2012 estimate for this update include:

- Significant re-interpretation of the copper-gold mineralisation based on recent drilling, underground mapping and grade control.
- An additional 50 Inova drill holes that includes 9 surface holes and 41 underground holes.
- Depletion by underground mining.

Mineral Resources are not Mineral Reserves. Mineral resources that have not been converted to Mineral Reserves do not have demonstrated economic viability.

This Mineral Resource estimate is based upon and accurately reflects data compiled or supervised by Mr John Horton, Principal Geologist, who is a Fellow of the Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and a full time employee of Golder Associates Pty Ltd. Mr Horton has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves' or as a Qualified Person under NI43-101.

Table 2: Comparison with previous resource statement at a 0.5% and 1.5% ECu cut-off

Cut-off Grade ECu %	Resource Classification	2012*				2013			
		Mt	Cu %	Au g/t	ECu %	Mt	Cu %	Au g/t	ECu %
0.5	Indicated	7.3	1.07	0.76	1.52	5.4	1.23	0.83	1.73
	Inferred	4.3	0.98	0.88	1.51	3.5	0.94	1.00	1.55
1.5	Indicated	3.1	1.55	1.08	2.20	2.9	1.60	1.08	2.25
	Inferred	1.7	1.41	1.38	2.24	1.4	1.36	1.45	2.23

** Summarised from the Inova 29 August 2012 NI43-101 Technical Report. 2012 values provided for comparison purposes only.*

Starra 276 property

Inova Resources Limited (Inova) owns and operates the Starra 276 copper-gold underground mine located near Selwyn (21° 4'S latitude and 140° 18' longitude) in north-western Queensland, Australia (Figure 1). The mine is approximately 145 km southeast of Mount Isa and 700 km west-southwest of Townsville and is adjacent to the Inova Mount Dore and Merlin deposits. Access to the mine is by chartered aircraft via an all-weather airstrip from Mount Isa to the Selwyn camp or from Townsville via the Osborne airstrip 50 km to the south, or by road from Cloncurry, 140 km to the north.

The Starra 276 deposit is the most northern of a series of copper-gold deposits referred to as the Starra Line. The Starra Line is covered by a single Mining Lease (ML 2733) that is 1363.4 ha in size and is 100% owned by Inova Resources Cloncurry Mines Pty Ltd (IRCM), a wholly-owned subsidiary of Inova. The mining lease is valid for mining of copper, gold, silver and iron ore. The Starcross pastoral lease, owned by IRCM, encompasses the mining lease. There appear to be no major access or permitting impediments to the exploitation of the copper-gold resource.

Starra 276 is currently mined by sublevel open stoping (SLOS) with no fill and non-recoverable mineralised pillars supporting the open stope voids. Ore is trucked to the Inova Osborne mill approximately 50 km from the mine. Mining had previously been undertaken at the deposit from February 1997 to March 1999 by Arimco.

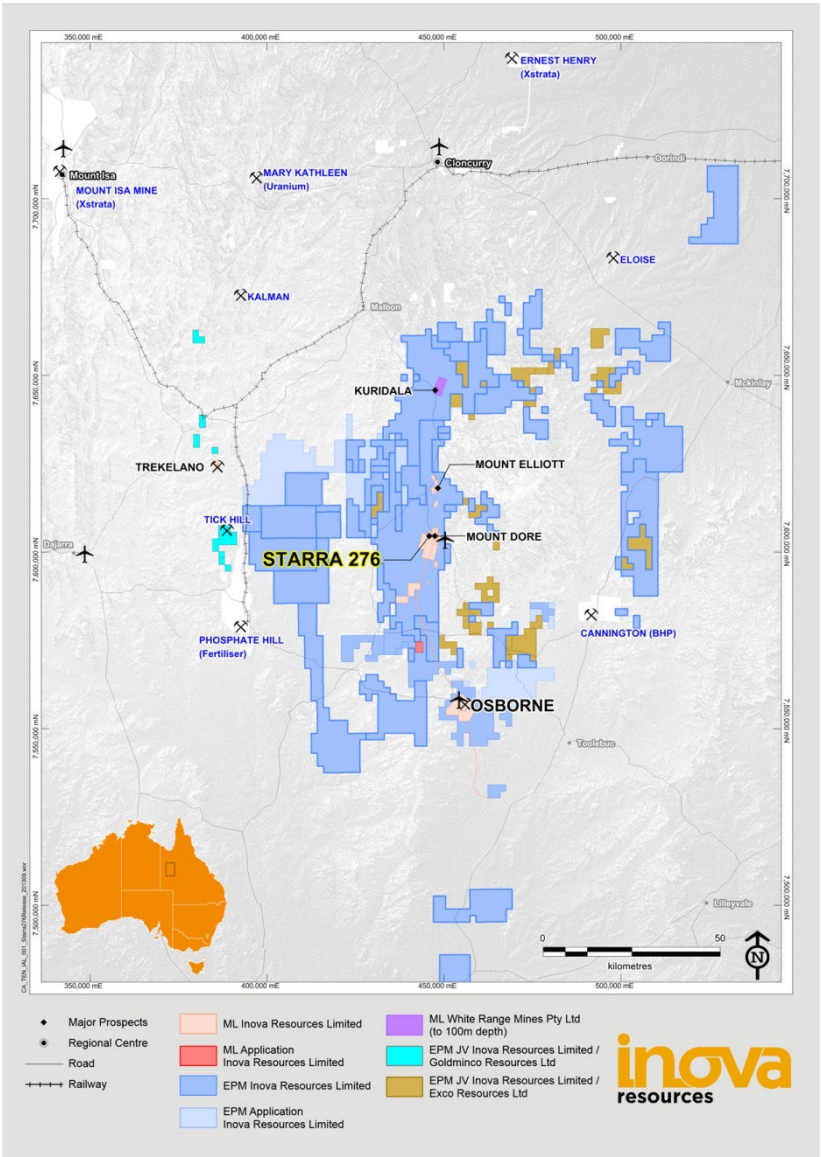


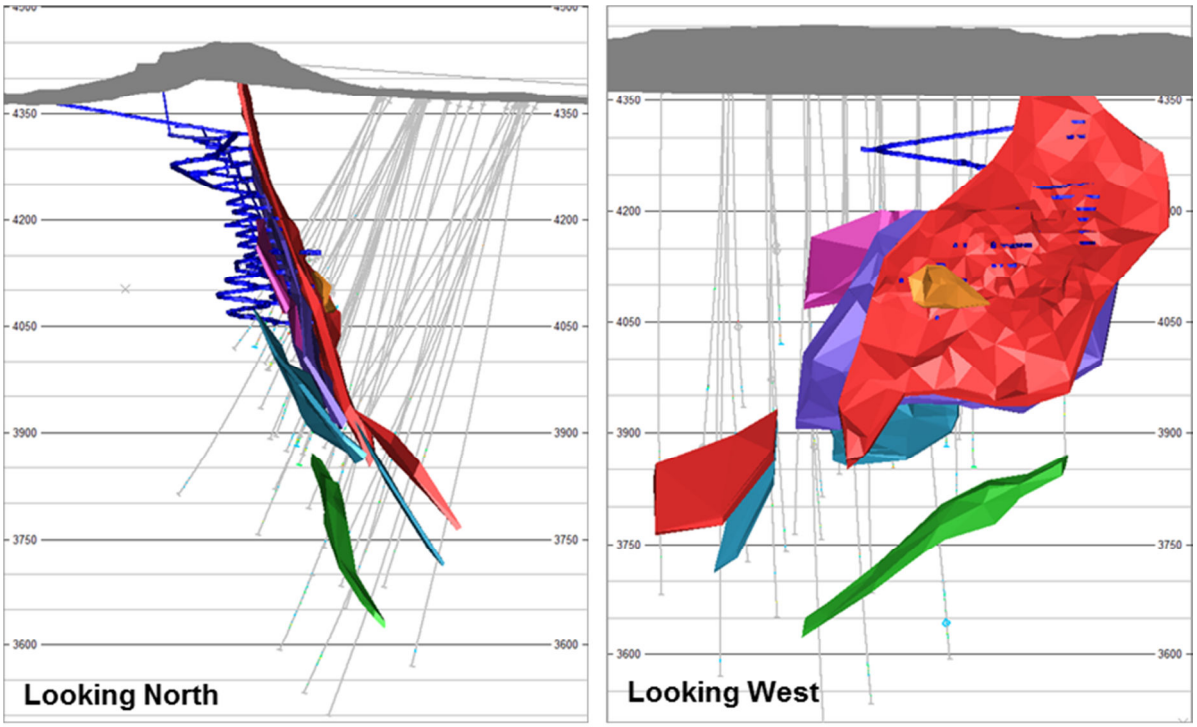
Figure 1: Location of Starra 276 and Inova tenements

Starra 276 geology and history

The deposit lies within the Eastern Fold Belt of the Mount Isa Inlier and is classified as an iron ore copper-gold deposit (IOCG). Mineralisation hosted by a series of magnetite-hematite-quartz "ironstones" that appear to have replaced calcareous beds within the banded calc-silicates of the host Staveley Formation. These ironstones have been incorporated into a major regional shear zone (the 'Starra Shear') that has been strongly chlorite-magnetite altered. Chalcopyrite-bornite mineralisation is associated with late-stage hematite-alteration of these ironstone bodies and the host shear zone. Mineralisation is zoned into predominantly copper only, gold only, and copper and gold zones within a number of ironstone units, and includes:

- Oxide mineralisation comprises deep red-brown hematite schist dominated by native copper, cuprite, chrysocolla, malachite, azurite, and gold.
- Transitional oxide/sulfide areas are dominated by native copper and minor malachite/azurite, chalcocite, ± chalcopyrite, and bornite and gold.
- Sulfide mineralisation comprises grey-black magnetite schist dominated by chalcopyrite and bornite and gold.

Since 2010 Inova has drilled 41 underground holes and 42 surface holes totalling 26 794 m. Inova surface holes have been drilled as exploration or infill holes. The undergrounds holes are drilled for grade control and to further discriminate the ironstone lenses. Most surface drilling was diamond core with HQ size, reducing to NQ at greater depth or according to ground conditions. Some surface holes were pre-collared with RC or commenced with PQ core. Drilling for the combined project area includes 304 drill holes, totalling 85 342 m. – Surface drill hole traces are displayed with respect to the resource wireframes in Figure 2 and in plan view in Figure 3.



Top left: Mineralisation domains looking north, indicating the proximity of the ironstone lenses to each other.
Top right: Mineralised domains looking west.

Figure 2: Starra 276 perspective views from local grid SRG

Inova successfully commenced underground mining of Starra 276 in March 2013, with stope blasting and production loading being achieved. This follows completion of development at Starra 276 in February 2013 to RL4100, with the decline now at RL4025. Starra 276 is the third underground mine that Inova has successfully re-commissioned for its Osborne Copper-Gold Project. Mining at Starra 276 ramped up to full production rate of approximately 650 000 tonnes per year in June 2013.

Starra 276 ore is being trucked to Osborne via the Mount Dore - Osborne haul road. The road is meeting expectations with daily truck movements of up to a capacity of 2 400 tonnes per day.

Underground drilling commenced Q3 2012 and has continued on a campaign basis. The data is used to update grade control and resources models. Underground mapping, sludge holes and wall sampling are assisting in the updating of the models.

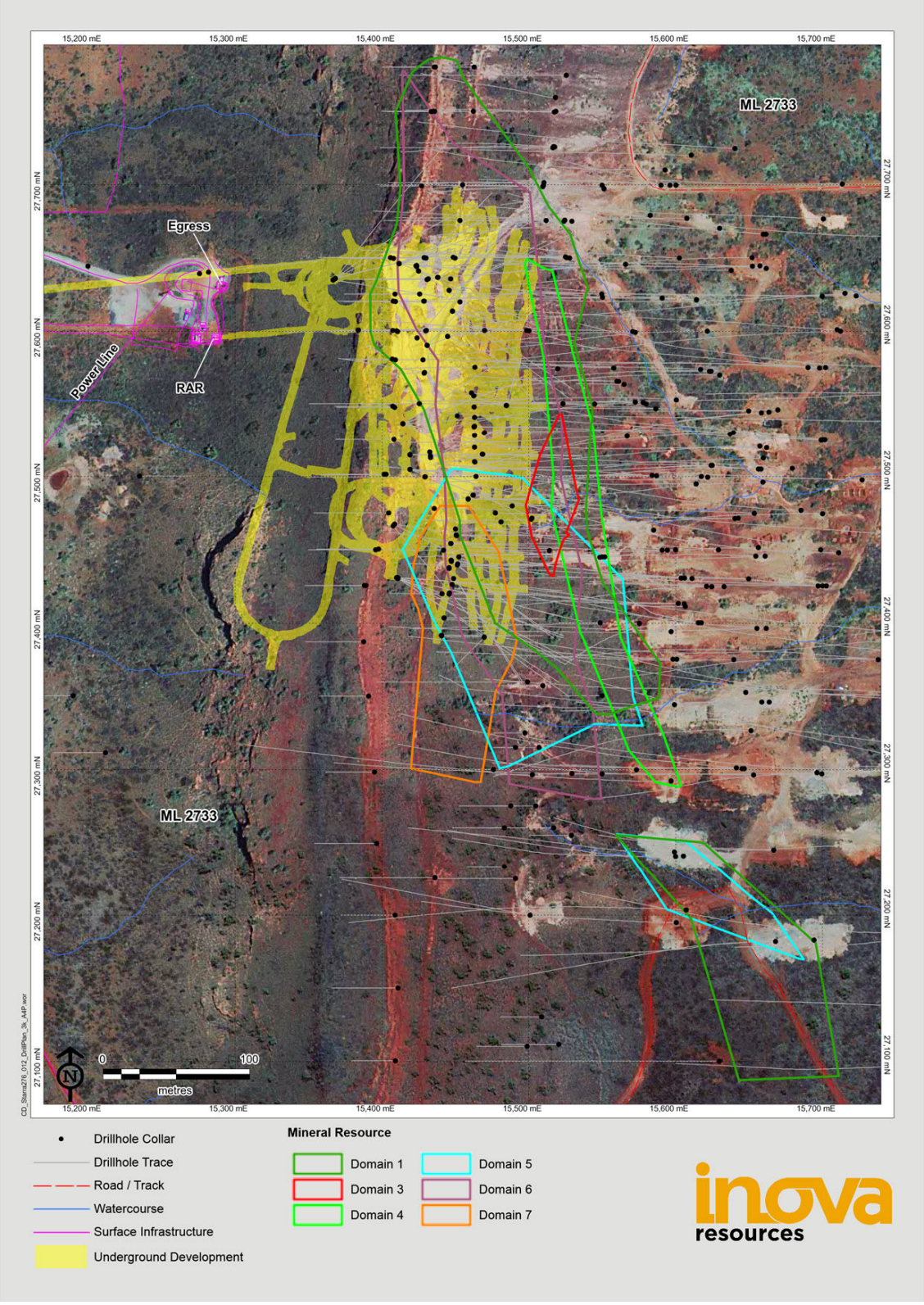


Figure 3: Plan showing location of drilling, outline of Mineral Resource domains and infrastructure

A cross section through Starra 276 showing the lithology, copper mineralisation domains, copper equivalent drill hole intercepts and existing underground mine development is shown in Figure 4. Figure 5 and Figure 6 show additional cross sections through Starra 276 displaying the estimated block grades and resource classification.

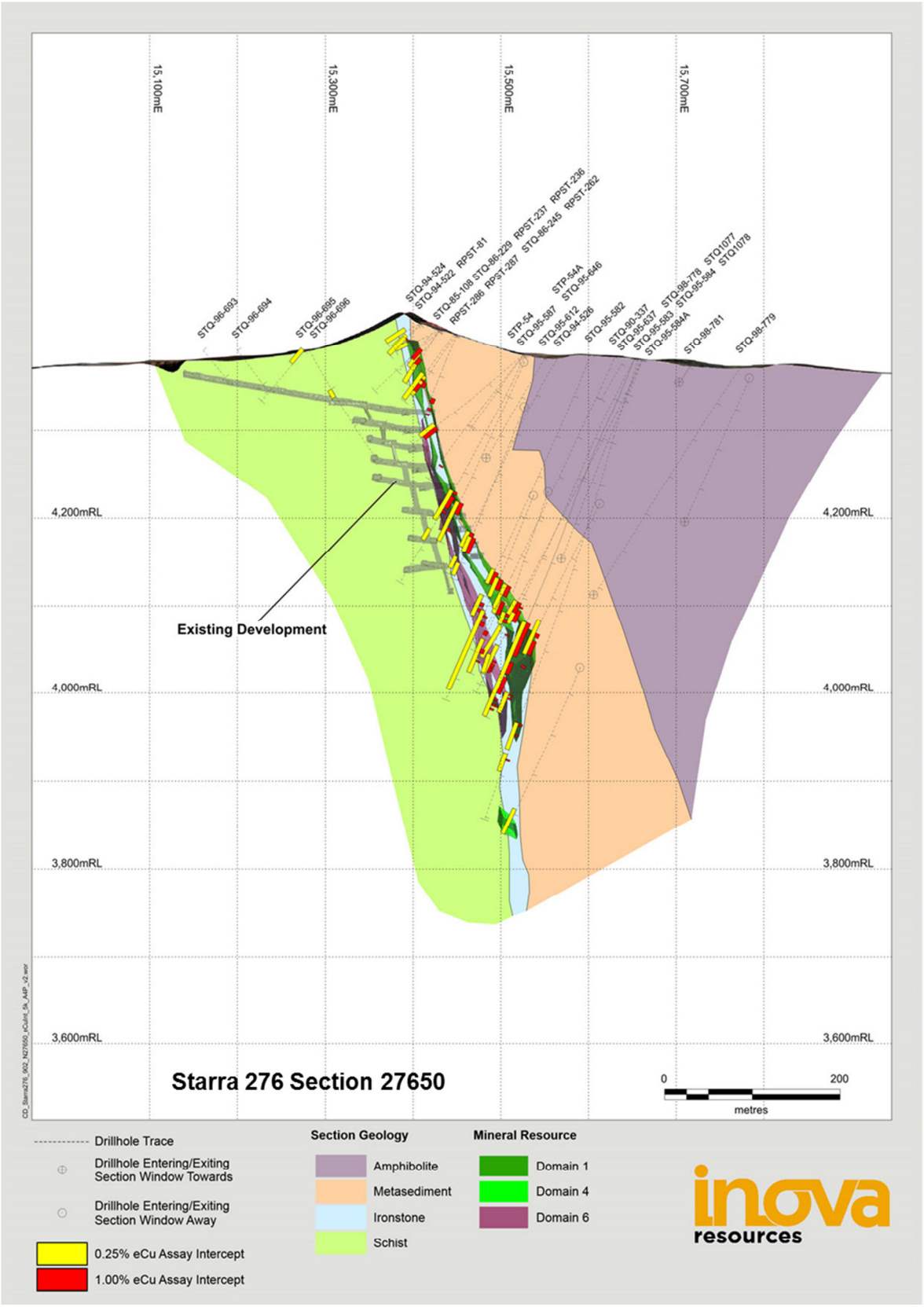


Figure 4: Starra 276 section 27650N showing equivalent copper drill hole intercepts, lithology, copper mineralisation domains and existing development

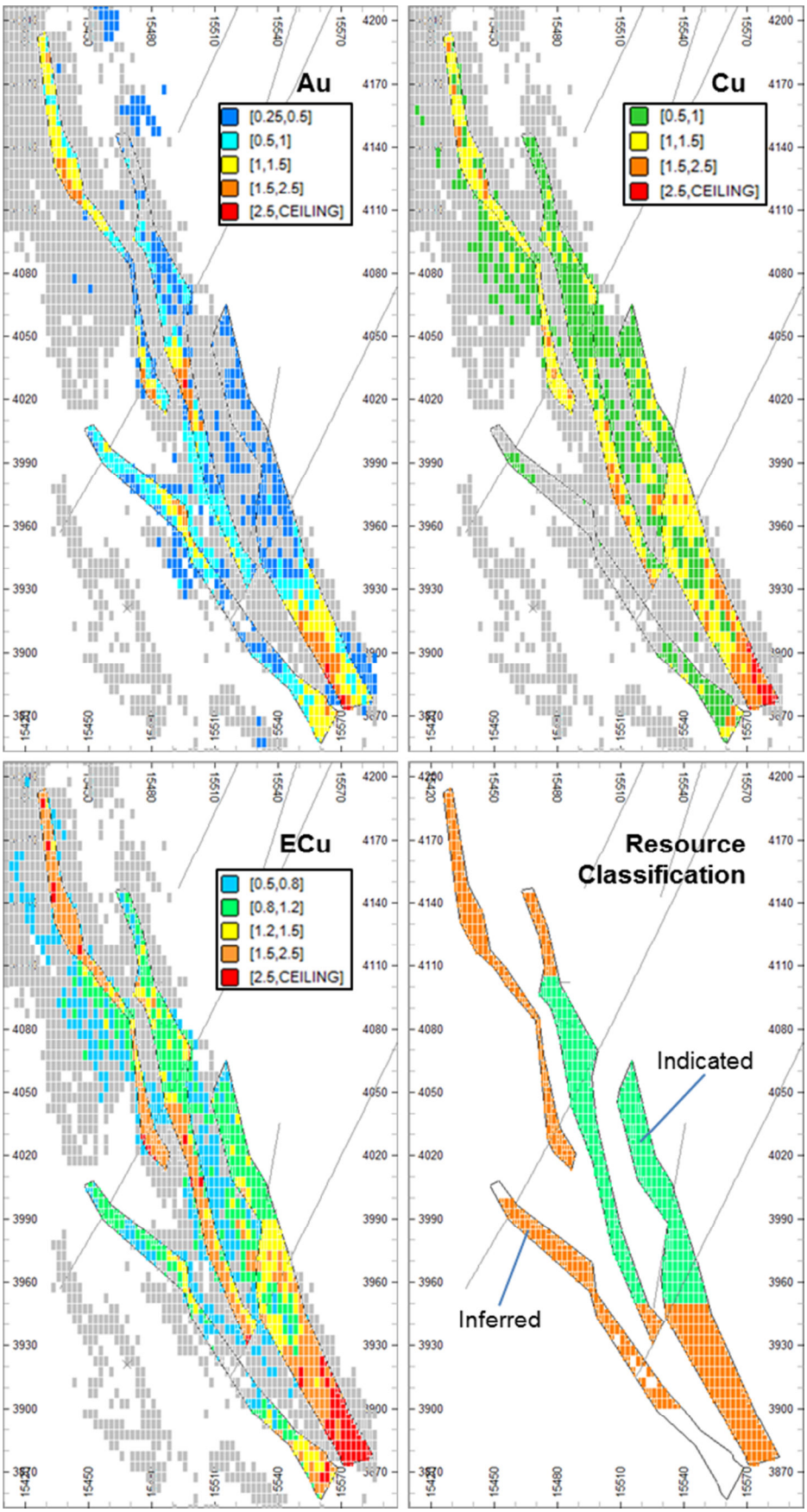


Figure 5: Starra 276 section 27380N showing estimated gold, copper, equivalent copper and Mineral Resource classification

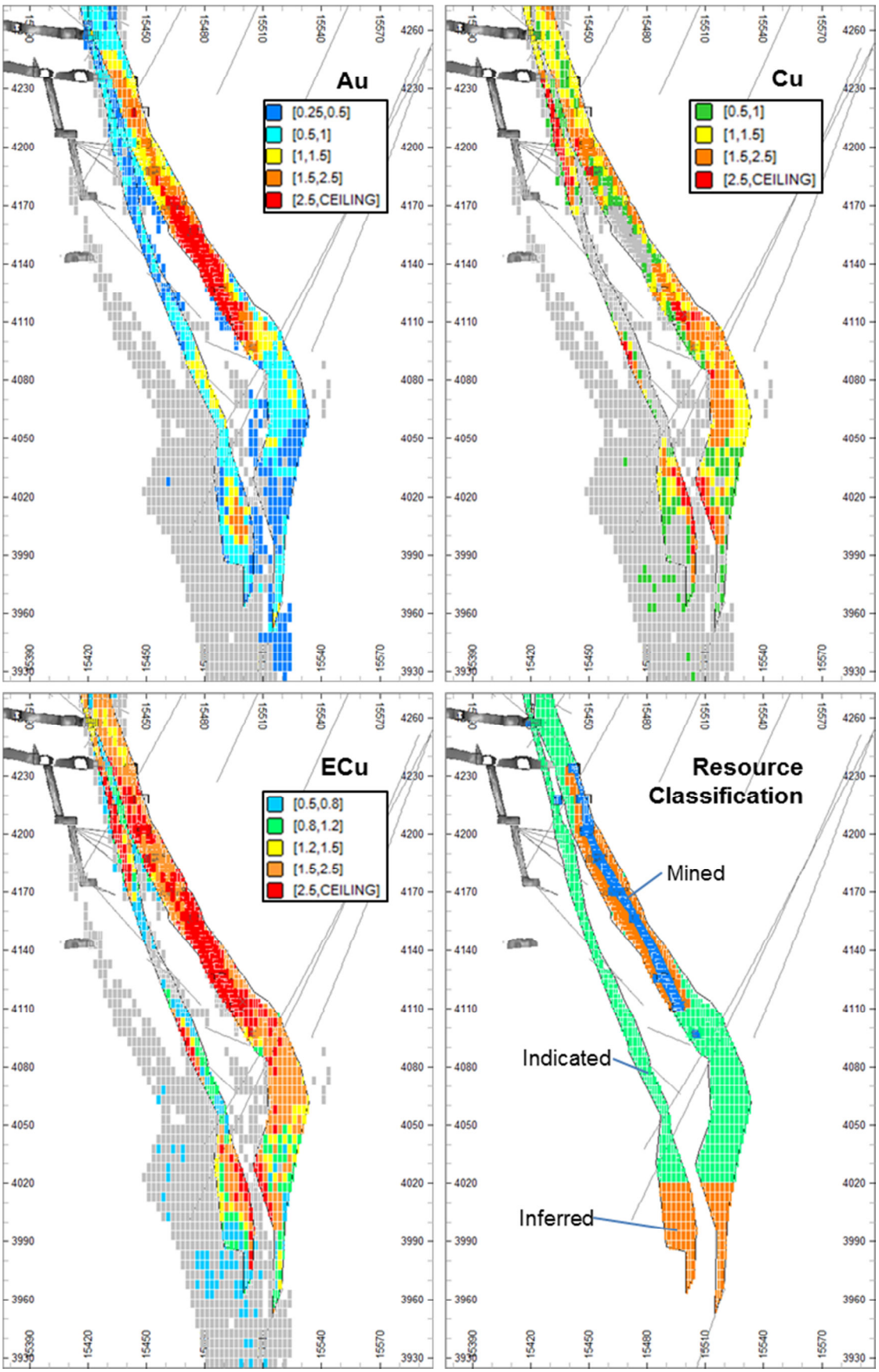


Figure 6: Starra 276 section 27650N showing estimated gold, copper, equivalent copper and Mineral Resource classification

JORC 2012 supporting information

A technical report has been prepared that documents aspects of the Mineral Resource estimate. The following tables provide a brief summary of that information in the order and form of the JORC (2012) Table1.

Criteria	Explanation
Sampling techniques	Sampling used in the resource estimate consisted predominately of half-core sampling of 1 m intervals from HQ diamond drilling in ore with RC precollars also sampled on 1 m intervals used in waste zones. Underground core is generally half core of 1 m intervals from NQ2 diamond drilling. At times underground drilling samples whole core There were no diamond drilling or core recovery factors that might have resulted in sampling biases for samples. In addition, the sampling procedures that were set up and followed for diamond drilling have provided samples that adequately represent the entire original drill core. Most samples are derived from diamond and RC sampling was not considered significant to the resource.
Drilling techniques	Drilling at Starra 276 is by a mix of drilling types including Airtrack, percussion, reverse circulation, diamond (mainly HQ size) and underground sludge drilling methods. Airtrack and percussion drilling was used to define near surface oxide mineralisation while RC and diamond drilling was used to define deeper oxide and sulfide mineralisation. Diamond drilling occurred from both surface and underground. The airtrack, percussion and underground sludge drill holes were not included in the resource estimate due to the lower quality sampling of these methods and lack of QAQC data.
Drill sample recovery	The average diamond core recovery by Inova is 98%. Drilling at Starra 276 have intersected zones of very broken ground with running ironstone sands. These have proved difficult to drill and will likely cause ground stability issues underground. Average recovery of the older drilling is 98%.Recovery logs indicate adequate core recovery for resource estimation purposes.
Logging	Geological logging by Inova comprises: recording the core size, sampling intervals, the lithology zone, the dominant lithology, major silicate minerals, the dominant alteration and alteration minerals, the opaque minerals in order of abundance, brecciation and the nature of clasts and matrix, and the oxidation horizon. Inova record RQD and other geotechnical information as part of their routine core logging. Orientated core is available for some of the drilling that is not vertical and where reliable orientations could be obtained. The core is sufficiently broken that only some core is orientated. Measurement of vein characteristics and structure is conducted on oriented core. Drill hole logging data is entered directly into acQuire using notebook computers. Validation of the drill hole logging data is done during data entry. Data is saved interactively via wireless connection onto the main server reducing the risk of data loss on the notebooks. Diamond drill core is photographed prior to sampling.
Sub-sampling techniques and sample preparation	Diamond core generally half core sampled. Inova mark a cut line to ensure regular sampling of the same side of the core. RC chips are split by Inova to 5 kg at the drill rig.

Quality of assay data and laboratory tests	The Inova drilling sample preparation, analytical, and security procedures were adequate to ensure high quality drill hole assay data acceptable for geological modelling and reliable resource estimation. There is an unbroken chain of custody from the site to the analytical laboratory; sufficient reference materials have been used to control analytical processes; appropriate analytical procedures were used that take rock matrices into account and provide acceptable levels of precision; and sufficient checking work has been done to demonstrate that the data are unbiased. Inova QAQC procedures comprise inserting of standard reference materials (SRMs), field blanks (FBs), and duplicates (DPs) into sample dispatches. Three types of duplicate samples were collected: field, coarse, and pulp. Field duplicates were obtained from DD core; coarse duplicates, from crushed samples; and pulp duplicates, from pulverized samples. In addition, the analytical laboratory used internal reference materials and pulp replicates. SRMs are used to measure accuracy; FBs, to check for contamination and mix-ups; and DPs to monitor precision at several stages of sample preparation. Inova field banks display no elevated values indicating no significant contamination. Inova undertakes regular check analyses programmes and has monitored the current ALS method for copper and gold for several years. The regular QAQC samples and periodic check sample programmes have not resulted in any significant assaying issues. Selwyn QAQC sampling are reported only for the Starra 222 deposit by (Selwyn 2002) but pertain to a combined Starra 222 and 276 drilling programme. The data included: pulp duplicate samples, repeat assays, check samples for copper and gold for the Selwyn Laboratory verse ALS and SRM's from Gannet Holding Ltd Pty in Perth. The results raise some concerns regarding gold repeatability. However, the small data set is not statistically significant. Nor is the influence of the Selwyn data significant to the resource estimate.
Verification of sampling and assaying	Inova completed a check sample programme in 2011. Diamond core drilled by Arimco in 1993, 1994, 1995 and 1998 were selected for re-sampling. These intervals include most of the significant drilling programmes. The check samples of ⅛, ¼ and ½ core were submitted to the ALS laboratory. Results show that overall there is no significant bias between the check sample assays and the original assays. Inova also undertook check sampling for density measurements.
Location of data points	For Inova drilling the location of the drill hole collars is initially by hand held GPS then by a registered survey using differential GPS. Wherever possible, Inova have resurveyed the locations of the historic drill holes. Drill hole locations have been surveyed in a number of grid systems including: MGA using datum GDA94 zone 54, Starra Regional Grid (SRG) and Starra Mine Grid (SMG). Collar survey data are stored in an acQuire Database in MGA coordinates with the historic drill hole collar data converted to MGA. The highest quality survey method is allocated in acQuire and the collar coordinates are converted into SRG coordinates. Drill hole locations converted to SRG are used for resource estimation. Downhole surveys were conducted using a range of methods. For majority of these surveys an initial onsite method (single or multi-shot camera on approximately 30 m intervals) was used which was then followed by a downhole survey tool (Maxibore or Gyro) on a campaign basis. Drilling prior to IAL was routinely surveyed by Eastman single shot camera usually on 30 m intervals and only read for dip changes as the magnetite present in the host rock can deflect the magnetic bearings. In the case where there is no other superior method available the collar bearing is used for the entire drill hole length. Inova surveyed both new and historic holes with north seeking gyroscopic tools on a campaign basis. Topography data is provided by a detailed LiDAR survey completed by Inova in 2004. This provides sub-meter topography accuracy implemented in a topography surface model using 1 m contours. The local grid system is the same used during previous mining operations in the later 1990's and has good ground control. The local grid was reviewed by Inova before readopting.

Data spacing and distribution	Majority of the drill holes were sampled on regular 1 m intervals with some sub-sampling of diamond core at irregular intervals undertaken by Inova. Accordingly, the drill hole samples were composited to 1 m downhole intervals on a copper domain basis. The sample spacing is adequate to define the continuity of the geology and copper mineralisation for the estimation of the Starra 276 Mineral Resource.
Orientation of data in relation to geological structure	At Starra 276 the surface drill holes are oriented -65° to -75° toward local grid west while the underground drilling is fanned from underground development from +30° to -55° toward local grid east. The drilling intersects the copper mineralisation which dips approximately 70° toward local grid east at an appropriate angle.
Sample security	All bulk bags for shipping samples were sealed with individually numbered tamper-proof security tags and transported by NQX, a contractor transport company, to the ALS Laboratory in Mt. Isa. SSMs, corresponding to the shipment dispatches, were sent electronically to the laboratory; shipments were examined upon arrival at the laboratory; and Work Order confirmations are sent back to Inova, marked with a confirmation of the state of the security seals on boxes, the presence of all samples comprising each batch, and laboratory report numbers assigned to each batch. Following completion of assaying, samples were stored at the laboratory and then transported back to the work site by a contract transport company for long-term storage.

Audits or reviews	Snowden Mining Industry Consultants Pty Ltd in 2001 undertook a major review of the Starra Line database for Selwyn Mines prior to resource estimation for open pit and underground assessment. This was the basis of the Fluor engineering study for the plant recommissioning and upgrade. There is documentation of the database corrections both in onsite files by Snowden which indicates a significant audit of digital against paper records. Golder reviewed the procedures and processes available during the site visit which included: drilling, sampling, logging, density measurement, downhole surveys, database and interpretation processes. Golder completed the following verification and audit processes: • Golder observed drilling at two locations and sited high quality HQ core with high recovery. • Golder reviewed core from 9 drill holes and observed significant intervals of visible copper as chalcopyrite from both historic and current drilling. • Although Inova undertook the check sampling of historic core, Golder inspected the remaining core for consistency with the results and discussed the processes which were overseen by several experienced Inova geologist all of whom would individually qualify as competent persons for NI43-101 or JORC purposes. • Golder collated and assessed the 267 check samples data independently from any Inova analysis. These provide a firm basis for verification of the historic drill core and indicate the existing drilling is suitable for resource estimation purposes. • Golder verified the database integrity by undertaking an audit of the historic database against hard copy records. Some minor errors were discovered that have assisted in directing Inova towards further data corrections and future checks. • Golder collated all new assay data for Inova drilling from digital data indicating the current database collation processes are error free. • Golder investigated the bias in downhole survey results between historic downhole surveys and the new gyroscopic surveys undertaken on 47 historic drill holes. This was mostly explained by a significant 1.7° rotation error in locating the historic drilling grid determined during the data audit. All the historic records were corrected for the resource estimate. The remaining discrepancies between historic and new downhole surveys are relatively minor and are not material to the resource estimate; • Golder independently surveyed 23 collars during the site visit with a hand help Garmin GPS60csx. The comparison of the collar surveys to the GPS coordinates and track log confirmed the location of the prospect and accuracy of the collar surveys. • Independent laboratory density measurements of 59 core samples confirmed the general tenor of density measured on older drill core. Golder has been provided access to all requested areas. Some historic records have only limited data available or duplicate sets of data. This is particularly the case for downhole survey data where multiple surveys have been undertaken and only one set used in the database. Historic QAQC is limited but sufficient to indicate the available copper grades are relatively reliable. The current QAQC review process by Inova is excellent. Golder has limited the depth of its review of the Inova QAQC data due to the regular ongoing reviews and reports undertaken by an expert in QAQC from Inova. Golder considers the drilling database and its collation using specialised third party database software and the processes meets industry standard practises. The resource drilling data is suitably supported and maintained for resource estimation purposes.
Mineral tenement and land tenure status	All resources are within one granted mining leases (ML 2733) 100% owned by Inova Resources Cloncurry Mines Pty Ltd (IRICM) a wholly-owned subsidiary of Inova.

Exploration done by other parties	Initial exploration by rock chip sampling by Amoco/Cyprus in the 1980's was followed up with near surface drilling and later by deeper diamond drilling. Exploration followed the Starra Line anomalies evident as a strong north-south line of ridges with outcropping iron stones, which host the copper-gold mineralisation. Exploration and resource definition of the southern deposits led to the mine development of four other deposits with both open pit and underground operations.
Geology	The Starra Line deposits, including Starra 276 are classified as iron oxide copper-gold (IOCG) type deposits. The deposits lie within the Eastern Fold Belt of the Mount Isa Inlier. Copper-gold mineralisation is hosted within a series of magnetite-hematite-quartz "ironstones". These ironstones form narrow lenses that appear to have replaced calcareous beds within the banded calc-silicates of the host Staveley Formation. These ironstones have been incorporated into a major regional shear zone (the 'Starra Shear') that has been strongly chlorite-magnetite altered. Chalcopyrite-bornite mineralisation is associated with late-stage hematite-alteration of these ironstone bodies and the host shear zone. The deposits are in close proximity to the contact between the Kuridala and Staveley Formations, the Williams-Naraku Batholith intrusion and regional north-south trending shear and fault zones.
Drill hole information	Exploration results and individual drill holes are not presented in this report.
Data aggregation methods	Exploration results and aggregates are not presented in this report. The metal equivalent calculation used by Inova resources was applied to the drill hole data to facilitate interpretation of the mineralisation envelopes. Also, metal equivalence is calculated in the resource block model using the estimated copper and gold grades. The metal equivalent formula is: ECu % = Cu % + 0.6 Au g/t The metal equivalence formula has been used for Inova studies and operations since 2011 and although slight changes could be applied to the formula depending on metal recoveries and prices; it remains the standard for assessing the mine-ability of Mineral Resources for treatment in the Osborne flotation concentrator. A more detailed study of the assumptions in this calculation is given in the report lodged on the Canadian "SEDAR" website established for the Toronto Stock Exchange and the Inova Resources Website entitled.
Relationship between mineralisation widths and intercept lengths	Exploration results are not presented in this report.
Diagrams	A map is provided in Figure 3. Example sections are provided in Figure 4, Figure 5 and Figure 6. Figure 2 shows three-dimensional perspective views of the deposit.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* Exploration results are not presented in this report.
Other substantive exploration data	Resources are primarily defined by drilling and assaying. Geophysics and surface geochemistry are used in exploration but have no meaningful input to the resource definition.

Further work	Recent surface drilling at the Starra 276 mine has been targeting extensions to the known Mineral Resources with the aim of extending the mine life. The most recent drill holes are detailed in Market release 9 July 2013. Further drilling is planned. Underground drilling below 4050RL commences in September 2013.
Database integrity	Inova has been using the acQuire database as the company geological database since 2009. This system allows the use of priorities for reporting the best quality data available for each drill hole or sample and provides a mechanism for maintaining multiple sources of data. The system is well establish by Inova and is maintained by dedicated staff and reviewed regularly. Assay data is imported directly into the acQuire database electronically from the laboratory (ALS). Assay priorities are assigned by assay method if different methods were used for the same interval. “Best” assay is the highest priority. Repeats are not averaged to produce the “best” assay. Inova drill hole logs are generally entered directly into acQuire loggers at the core shed allowing the entry forms to perform basic validation during logging. Golder audited the historic database with the following findings: • Discrepancies with the historic downhole surveys were attributed to the historic SRG surveys incorrectly loaded into acQuire as MGA and have been corrected for the estimate. • Recent gyroscopic downhole surveys measured in true grid were incorrectly uploaded as MGA and have been corrected for the estimate. • Digital assay uploads by IAL were error free. • A small number of assay and downhole survey errors were noted in the historic drilling when comparing 15 holes to physical hard copy records. Where identified the errors were corrected and the error rate is considered relatively small and not likely to be material to the current resource estimate.
Site visits	John Horton, employed by Golder as Principal Geologist, visited the Starra 276 site several times since 2011. The purpose of the visits was to: inspect drill hole sites and drill core, observe current drilling and sampling procedures, collation of data and interpretations, data verification and obtain latest data for resource modelling. The outcome of the data verification is described in the Audits or reviews and Database integrity sections. The last site visit was in May 2013 and included an inspection of the underground mine.

Geological interpretation	Geological interpretation of the lithology was based mainly on the logged lithology captured in the drill hole database. The interpretations have evolved during several iterations of the resource estimation from Snowden in 2001, QG in 2008, to Golder in 2011 and 2012 and recently in 2013. Up until 2013 the interpretations had not changed dramatically other than to either expand the shapes or adjust to capture additional mineralisation or to better reflect the complex ironstone lenses. In 2013, the mineralisation was dramatically re-interpreted, based on recent drilling and underground mapping, resulting in an increase in the number of lenses by splitting the previously interpreted lenses and removing internal waste. The area is dominated by two sub-parallel ironstone units that converge at 27650N within the resource area. The ironstones are locally developed along contacts between well banded hanging wall metasediments “the local eastern ironstone” and the strongly foliated footwall schists “western ironstone“ and contained within the Starra Shear Zone. Mineralisation is associated with both ironstone units and, in places with the intervening meta-sedimentary schists, footwall chlorite schists immediately adjacent to the western ironstone, and with the hanging wall meta-sedimentary breccia’s immediately adjacent to the eastern ironstones. The schists and Starra shear ironstones strike north-northeast and are steeply dipping from 70˚-80˚ to the east. The main magnetite, and transitional lenses follows this trend, along with the hematite lens above 4000RL. The hematite lens below 4000RL flattens to between 55˚ and 75˚ and strikes more easterly then the main lenses. It is this area, south of 27100N that further surface drilling is targeting. The geological interpretations of the ironstones were used to define estimation domains for Mineral Resource modelling. The mineralisation is varied within each ironstone lens and dominated by a different copper species. Distinguishing the lens has been done on visual logging, sulfur and iron assays where available.
Dimensions	Starra 276 has an extent of about 700 m (strike) by 800 m (depth) dipping towards the local grid north at 70° and a width of a couple of meters up to 25 m.

Estimation and modelling techniques	CAE Studio was used for constructing the block model, estimating grades and reporting grade-tonnages. Macros were used to automate the modelling process, allow for rapid reconstruction (and updating and testing parameters) of the model and used for auditing. Outlier samples within the drill hole sample data were restricted by applying top-cut values determined from summary statistics. The top-cut values represent the 99.5 percentile of the data and do not have a significant impact on the average grade. A block model was constructed from the geological interpretations and LiDAR topography. The block size is 2.5 x 10 x 5 m and allowed to split into 2 x 2 x 2 sub-blocks (minimum size of 1.25 x 5 x 2.5 m). Further sub-blocking down to a minimum sub-block size of 0.5 x 0.5 x 0.5 m was allowed for filling mining volumes. Ordinary kriging (OK) with locally varying anisotropy was used to estimate grades into the block model. Grades were estimated on a parent block basis using block discretisation of 2 by 3 by 3. Inverse distance to the power of 2 and nearest neighbour estimation methods were also used for validating the OK estimates. Dip and dip-direction used for local anisotropy directions were estimated into the block model from the interpretation wireframe surfaces. Geological and grade domains were estimated separately using hard boundaries (only samples from that domain were included in the estimate). A three pass search ellipse was used with search radii based on the variogram ranges. The maximum search range (used in pass 3) was 120 x140 x 32 m. Those blocks that were not estimated in the third pass were assigned a default of 0.01% Cu, 0.01 g/t Au and 3.53 t/m^3 density. Copper and gold show good correlation and were estimated together. Density estimates for blocks within the mining voids were set to absent. All other density estimates were reduced by 5% to account for the estimated average porosity that is not adequately measured by the current field measurement methods. The estimate was validated by: visual inspection of the model, construction of swath plots in easting, northing and RL comparing drilling with model estimates, discreet Gaussian change of support to compare the expected selectivity from the global drill hole distribution with the estimated model distribution and comparison of mean grades between the drill hole data, nearest neighbour estimates (declustered data), inverse distance estimates and the ordinary kriging estimates. The estimate was also compared with the previous Mineral Resource.
Moisture	All density samples are calculated on a dry basis and dry bulk density used for the resource estimate.
Cut-off parameters	A Cut-off grade of 0.5% ECu is used for reporting the geological resource and comparison with previous resource estimates. A higher grade 1.5% ECu was also used for reporting the resource and is currently used for underground mine production targeting. A lower 1.2%ECu is sometimes used onsite for marginal ore definition for broken stocks.
Mining factors or assumptions	Underground mining is considered for the Starra 276 deposit. The deposit is currently being mined by sublevel open stoping with ore trucked to the Inova Osborne mill approximately 50 km from the mine. Models for the existing mine development and stopes were provided by Inova. Historic mine working plans were not available to verify the model though these are identical to those developed by Selwyn and used by AMC in 2001. The stope volume roughly matches the reported mine production.
Metallurgical factors or assumptions	The sulfide mineralisation at Starra 276 is expected to exhibit high recovery in a conventional flotation processing plant. Metallurgical performance for the Starra 276 underground material considers its performance as combined feed to the Osborne processing plant and taking into account the differing responses of Strara 276's magnetite and haematite ores. The combined recoveries are copper of 87% and gold of 70% with a target concentrate grade of 23% copper. These estimates reflect recent operating experience.

Environmental factors or assumptions	There are no significant known environmental liabilities on the Starra mining leases. However, there are some ongoing maintenance issues regarding the old waste dumps and tailings dams that may incur some liabilities.
Bulk density	Dry bulk density was measured on most drill core by Arimco and Inova using similar methods. The method involved measuring the specimen weight dry in air and submerged in water. The difference allows the calculation of dry density. Potential issues with this method include sample selection bias (where larger specimens tend to be selected) and the inability to measure any permeability (in particular the large voids present in many of the ironstone samples). Ironstone samples dominated by either haematite or magnetite display high bulk density values consistent with their mineralogy and texture. The theoretical maximum density value for ironstone is approximately 5.5 t/m^3. Inova undertook some check sampling of the old core by Arimco and tested the specimens using a wax technique at an independent laboratory (ALS). The measurements are comparable to previous measurements for the same interval. High variation is expected as the specimens tested will generally not be the same selected from the 1 m interval. ALS results are generally high and are consistent with additional sample selection bias as the checks were undertaken on old cut core where only the most robust samples remain intact.
Classification	Classification of the Mineral Resource into JORC 2012 categories considered the quality of the drilling, complexity and continuity of the geology and mineralisation, uncertainty with the historic drilling and estimation quality parameters (kriging variance, slope of regression, estimation pass and number of samples). Classification was undertaken in long section for each domain to define well informed areas in contiguous zones suitable for mine planning purposes i.e. on a rough 15 m panel size. Material outside the domain interpretations were not classified but modelled for the purposes of mining dilution and visualisation of any minor unconstrained mineralisation. All resource within the interpreted domain boundaries were considered to have sufficient continuity to warrant Inferred Mineral Resource classification. Indicated Mineral Resource classification was assigned on the basis of a target drill spacing of 25 to 30 m. The average drill spacing in north south-long section is 24 m for the drill holes within the Indicated polygon. Blocks with 2.5 m vertical and 5 m lateral horizontal directions of the existing stopes models were down-graded to Inferred Mineral Resource classification on the basis of potential errors in the stope location and possible sterilisation due to previous mine openings. The lower haematitic footwall domain 70 and 50 was left as Inferred Mineral Resource, though the drilling density could support a higher classification in parts. The geometry of this zone requires further refinement to warrant a higher classification.
Audits or reviews.	The resource estimate was reviewed by Golder. Check estimates were run with varying estimation parameters and the results show that the estimate is insensitive to changing parameters.

Discussion of relative accuracy/ confidence	No statistical or geostatistical method (non-linear or simulation) was used to quantify the relative accuracy of the estimate within confidence limits. Accuracy of the estimate is strongly dependent on: accuracy of the interpretation and geological domaining, accuracy of the drill hole data (location and values), orientation of local anisotropy and estimation parameters which are reflected in the global resource classification. The grade control modelling for the Starra 276 Resource has been on-going since November 2012 and is updated on a regular basis as new assays from drilling, underground mapping, and lithological pickups are done. The parameters used in the model are similar to those in the used to estimate the Mineral Resource. The most notable change is the smaller block sizes. There have been no notable disparities of the actual grade to the grade control model. However, reconciliation work is on-going. There seems to be small pods of haematitic ore within the magnetite zone which makes modelling the distinction in this lens difficult, however these pods contain the higher grade copper.

John Horton
Principal Geologist

JH/MN/JH

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srk consulting

10 Richardson Street
West Perth WA 6005, Australia

PO Box 943
West Perth WA 6872, Australia

T: +61 8 9288 2000
F: +61 8 9288 2001
E: perth@srk.com.au

www.srk.com.au

Starra 276 Mineral Reserve (Ore Reserve) Statement

The Ore Reserve at Starra 276, as at 31 May 2013, presented in Table 1, is reported in accordance with JORC 2012. The Starra 276 Ore Reserve Estimate uses the 2013 Mineral Resource Estimate by Golders and includes revenue, mining dilution and ore loss, updated costs and metallurgical recovery assumptions.

Table 1: Starra 276 2013 Ore Reserve Estimate

Classification	Tonnes (kt)	Copper (%)	Gold (g/t)	eCu (%)	Contained Copper (kt)	Contained Gold (kozs)
Proven	-	-	-	-	-	-
Probable	854	1.52	0.87	2.05	13	24
Total Ore Reserve	**854**	**1.52**	**0.87**	**2.05**	**13**	**24**

1) The Ore Reserves are reported as at 31 May 2013 and exclude material mined to this date.
2) The cut-off grade used to determine the Ore Reserves is 1.5% copper equivalent (eCu), where eCu = Cu (%) x 0.6 Au (g/t).
3) Rounding is to the nearest 1000.
4) The information in this report that relates to Ore Reserves is based on information compiled by Ms Anne-Marie Ebbels, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and is full-time employee of SRK Consulting (Australasia) Pty Ltd. Ms Ebbels has sufficient experience in that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Ebbels consents to the inclusion in the report of matters based on her information in the form and context in which it appears.

The Ore Reserve was estimated from the underground mine design for the Starra 276 deposit based on the geotechnical parameters and a cut-off grade of 1.5% eCu. The Ore Reserve includes the Indicated Mineral Resource and has been classified as Probable Ore Reserve based on the geological confidence.

The difference between the 2012 Ore Reserve and the 2013 Ore Reserve is presented in Table 2 and Figure 1.

The factors contributing to the difference in the Ore Reserve Estimate are:

- An update to the Mineral Resource model completed in May 2013;
- Increased operating costs; and
- Increased thickness of designed sill pillars.

The 2013 Ore Reserve that was undertaken in July 2013 indicated a 40% reduction in tonnage after depletion to 31 May 2013 compared to the 2012 Ore Reserve. This reduction is largely a result of changes in the interpretation that underpins the revision to the 2013 Mineral Resource model based on underground drilling completed in 2013 and to a lesser extent by an increase in operating costs and change in geotechnical design parameters.

The 2013 Mineral Resource model refined the structural layout of mineralisation into several narrower lenses over the whole strike and depth of the orebody. The 2012 Mineral Resource model had less definition and presented mineralisation as a single wider zone. This changed definition was consistent with the results from the closer spaced underground drilling carried out between the 2012 and 2013 Mineral Resource models.

Operating costs have increased approximately 13% since compilation of the 2012 Ore Reserve. The Ore Reserve is sensitive to operating cost increases because the average Ore Reserve grade is close to the operational break even cut-off grade.

The designed sill pillar height was increased by 50%. This design change has occurred due to back analysis of the performance of the first stopes mined at Starra 276.

Table 2: Comparison of 2012 versus 2013 Ore Reserve Estimate

	Ore (kt)	Copper (%)	Gold (g/t)	eCu (%)	Contained Copper (kt)	Contained Gold (kozs)
2012 Ore Reserve	1,508	1.24	0.81	1.72	19	39
Depletion to April 2013	58	1.24	0.82	1.73	1	2
Resource Changes	595	0.84	0.72	1.27	5	14
2013 Ore Reserve	**854**	**1.52**	**0.87**	**2.05**	**13**	**24**

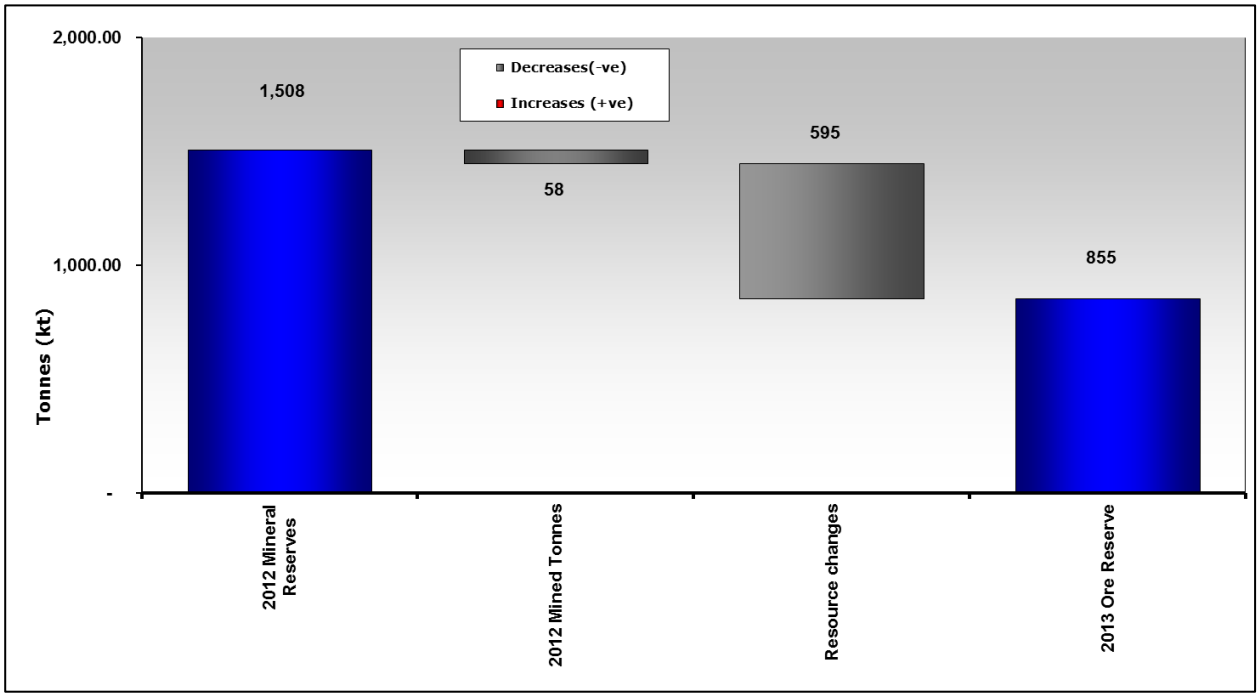

Figure 1: Graph of difference between 2012 and 2013 Ore Reserve Estimates

Figure 2 shows a long section of the 2013 Ore Reserve Estimate overlaying the Mineral Resource by classification.

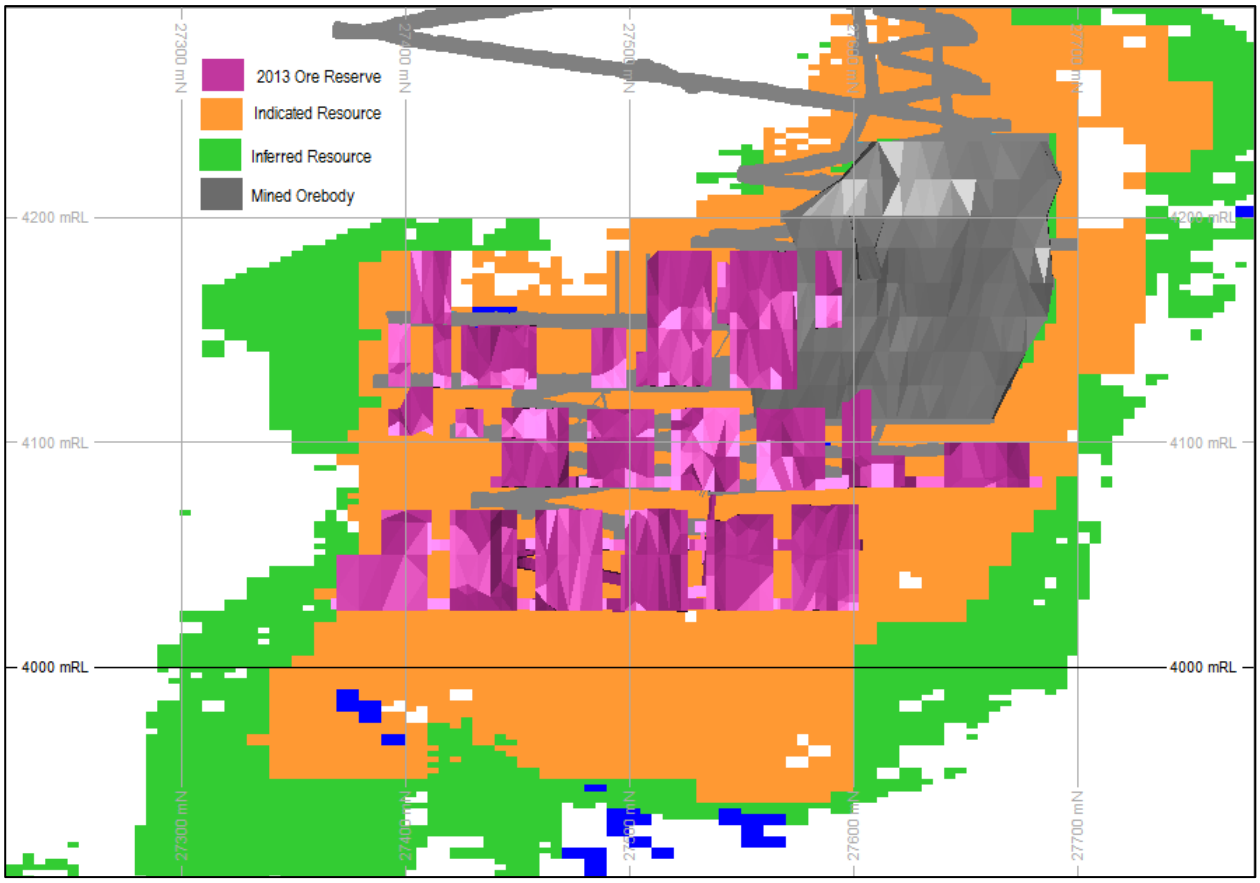

Figure 2: Long Section of the Starra 276 Ore Reserve Estimate

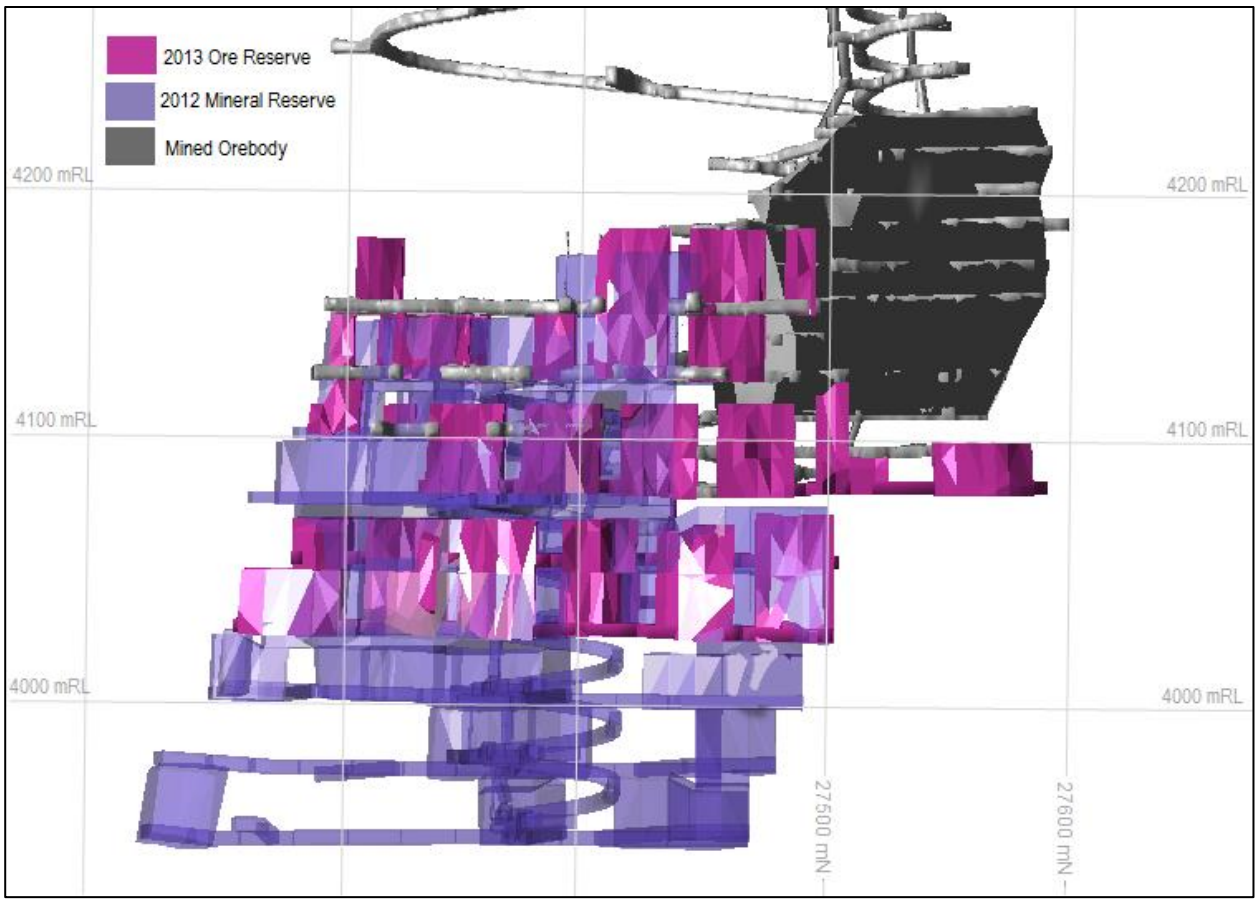

Figure 3: Comparison between the 2012 Mineral Reserve and the 2013 Ore Reserve

Table 3 summarises the supporting information for the Ore Reserve Estimate in the form of the JORC (2012) Table 1.

Table 3: JORC Code, 2012 Edition – Table 1

Criteria	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• Golder Associates prepared the updated Mineral Resource estimate for Starra 276 deposit. The Indicated Mineral Resource is estimated, at a cut-off grade of 1.5% eCu, to be 2.9 Mt at 1.60% Cu and 1.08 g/t Au. • The Mineral Resources are reported inclusive of the Ore Reserves.
Site visits	• A site visit was completed by the competent person in June 2012 for familiarisation of the site and discussion with the site personnel.
Study status	• The mine is an ongoing operation and this is the first time that the Ore Reserves have been release under JORC 2012. The inputs into the Ore Reserve are based on the historical information from mining of the orebody to date.
Cut-off Parameters	• The cut-off grade of 1.5% eCu is based on the operating and sustaining capital cost from the 2013 budget. • The cut-off grade calculations include the mining, processing, freight, shipping and treatment costs sustaining capital, and royalties.
Mining factors or assumptions	• The orebody has widths between 5 m to15 m with an average of about 10 m and is steeply dipping, which suits uphole stoping. It has a competent hangingwall and footwall. Uphole open stoping was the primary method of extraction utilised at Inova's Osborne operation and is a generally well understood and accepted extraction technique. The sub-level spacing of 25 m floor to floor with a sill pillar of 10 m at every second sublevel has been designed taking consideration of stable spans and drilling accuracies. • The Starra 276 underground mine design has sill and rib pillars incorporated into the design to increase the stability of the mine while reducing the requirement for a cemented or hydraulic backfill. The dimensions of the pillars have been modelled using industry standard software. • The mining dilution is applied based on the width of the stopes and ranges between 9% and 15%. • The mining recovery is applied based on the width of the stopes and ranges between 10% and 15%. • A minimum mining width of 5 m has been applied to the Ore Reserves Estimate. • No Inferred Mineral Resource has been used in the project economics for Starra 276. • The infrastructure requirements are all in place for Starra 276.
Metallurgical factors or assumptions	• The copper and gold are recovered by conventional industry methods of: – Comminution – Flotation; and – Thickening and Filtration. • The metallurgical process is conventional and the Osborne processing plant has been operating since 1995. • Metallurgical performance for the Starra 276 underground material is based on a combined feed to the Osborne processing plant and takes into account the differing responses of Starra 276's magnetite and haematite ores. The combined recoveries are 87% for copper and 70% for gold with a target concentrate grade of 23% copper. These estimates reflect recent operating experience. • No allowances have been made for deleterious elements. • No bulk sampling has occurred because the deposit is an ongoing operation. • The metallurgical results are not determined by a product specification.
Environmental	• All required permitting is in place. • Sampling of the existing Starra 276 waste dumps shows that the material stored is predominantly non-acid forming.
Infrastructure	• Starra 276 is an ongoing operation and the power, water, accommodation and labour are already in place. • The haul road from the mine to the processing plant is operational.

Criteria	Commentary
Costs	• There is no significant capital expenditure required for the Starra 276 going forward. • The costs used for the economic assessment are based on the operating performance of the Starra 276 underground to date. • All calculations have been undertaken in Australian dollars. • Royalties that are applied by the Queensland government have been taken into account.
Revenue factors	• Commodity prices are based on consensus forecast from broker going forward. • Head grade is based on operating performance of the processing plant.
Market Assessment	• Due to the volume of product Inova Resources Limited sell the copper concentrate on the spot market. • The key export markets for the copper are China and Japan.
Economic	• The Starra 276 is sensitive to the commodity prices and operating costs given the low grade nature of the deposit. The commodity prices used were AUD 3.25 /lb for copper and AUD1,400 /oz for gold. • Because Starra 276 provides feed to the Osborne processing plant that is also fed by other sources such as Kulthor the economic value to Inova Resources Limited is in the Osborne Copper-Gold project as a whole.
Social	• The Starra 276 deposit is on the Starcross Pastoral Holding which is owned by Ivanhoe Cloncurry Mines Pty Ltd, which is wholly owned by IAL.
Other	• IAL have received the relevant mining licences from the Queensland Government which are valid until 31 May 2029. • SRK has not identified any additional risks with the ongoing operation of the mine.
Classification	• The Ore Reserve was classified in accordance with the JORC (2012) code. Standard modifying factors and conversions were applied as described above. No known issues existed at the time which required the levels of confidence of the Ore Reserve to be downgraded. • The methods used are considered by the Competent Person to be appropriate for the style and nature of the deposit. • No Measured Mineral Resource has been classified as Probable in the Ore Reserves Estimate.
Audits or reviews	• An audit of the 2012 and 2013 Ore Reserve process was undertaken by AMC Consultants Pty Ltd, no fatal flaws were found in the audit.
Discussion of relative accuracy/ confidence	• There are no unforseen modifying factors at the time of this statement that will have any material impact on the Ore Reserve estimate. • Mining of the stopes commenced in 2013 and the first stopes have been extracted. The design has incorporated the assessment of the performance of the stopes and has been altered accordingly.

Yours faithfully

SRK Consulting (Australasia) Pty Ltd

Signed by: **Signed by:**

Anne-Marie Ebbels **Peter Fairfield**

Principal Consultant (Mining) Principal Consultant (Project Evaluations)