Merlin Molybdenum / Rhenium Project, 2014

Neal Valk
General Manager Operations
Disclaimer

Forward Looking Statements

This presentation includes certain “forward-looking statements.” All statements, other than statements of historical fact, are forward-looking statements that involve various risks and uncertainties. There can be no assurances that such statements will prove accurate and actual results and future events could differ materially from those anticipated in such statements. Such information contained herein represents management’s best judgment as of the date hereof based on information currently available. The company does not assume the obligation to update any forward-looking statement.

Competent Person

- The technical information in this presentation has been reviewed by one or more competent persons and accurately reflects, data compiled or supervised by Mr Geoff Phillips, Manager Resource Planning, who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Chinova Resources Pty Limited. Mr Phillips 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, (JORC Code 2012). Mr Phillips consents to the publication of the Mineral Resource Estimate based on the information in the form and context in which it appears.
- Mr Phillips notes that this report is the first public update of a Mineral Resource previously prepared for the 2012 Merlin Feasibility Study by Ivanhoe Australia. The Mineral Resource changes are shown in this presentation and are supported by “JORC 2012 Table 1” details on the public website: http://www.chinovaresources.com
Chinova Resources

- Previously publicly listed as Inova (2013-14) and Ivanhoe Australia (2008-13)

- Shanxi Donghui Coal Coking & Chemicals Group Co Ltd acquired Inova in December 2013, it’s first business acquisition outside China. Other business interests including coal, real estate and investment in the high tech sector

- From January 2014, Chinova Resources became a 100% owned private company

- Chinova Resources operates the Cu/Au Osborne and Kulthor mines and is forecast to produce:
  
  100kt of Cu concentrate in 2014

- Chinova Resources has rights to **39** Exploration Permits for Minerals and **30** mining leases within the Cloncurry region and continues to be an active explorer for Cu-Au, Mo, Pb-Zn-Ag and U

- Merlin Project is covered by existing Mining Leases owned by Chinova
Location Map of Merlin

Large Exploration Package
Merlin Project

Worlds highest grade known Molybdenum-Rhenium deposit with an updated Mineral Resource

<table>
<thead>
<tr>
<th>Classification</th>
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<th>Re ppm</th>
<th>Mo kt Metal</th>
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<tr>
<td>Measured</td>
<td>0.8</td>
<td>2.3</td>
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Cut off Grade 0.3% Mo

- 2008 Discovery Hole
- 2010 Scoping study report completed
- 2011 Pre-feasibility report completed
- 2012 Full feasibility report completed
- 2012 Development decline completed
- 2013 Engineering Optimisation study completed
- 2014 Underground development 84 m along strike of upper orebody
- 2014 Infill Drilling and updated Resource Estimate

Nov 2014: Updated Feasibility Study Report
Molybdenum is a silvery dense metal. Most ore production comes from the mineral Molybdenite.

Molybdenum can withstand extreme temperatures without significantly expanding or softening (2610 deg C) - useful in applications that involve intense heat.

World production of 200ktpa, mainly as a by-product of copper. Merlin to produce 2.5%

86% of molybdenum produced is used in metallurgical applications such as alloys;
  - Structural steel 35%,
  - Stainless steel 25%,

Most high-strength steel alloys contain 0.25% to 8% molybdenum.

Molybdenum is an essential nutrient for plant growth and is non-toxic for humans.
Rhenium

Silvery transition metal, first processed and identified as an element in 1925

Rhenium (Re) is always ductile. Will not fracture from 0° Kelvin (-273°C) to a melting point (3180°C). It has the 3rd highest known melting point

Used in superalloys for aerospace turbines

 Allows faster turbines with more power, less emissions and better fuel efficiencies: A380, Joint Strike Fighter and Dreamliner

Global Re production about 70 tonnes a year from Molybdenite

Merlin to produce about 10% of Global production

Aircraft turbine require 25 kg of Re
At Merlin, high-grade Molybdenite mineralisation occurs in three lenses (5, 6 and 7)

Molybdenite ores are essentially the only source for rhenium

Re displays a close relationship with Mo at Merlin, in a ratio of about 16:1 (ppm v %)
Showing

- Starra Ironstone hosted Cu-Au deposits
- Mount Dore Copper Deposit
- Merlin Molybdenum-Rhenium Deposit
Merlin Geology Cross Section (updated for 2014 drilling)

- Quartzite
- Shales/Phyllite
- Granite
- Calc-Silicates

Existing Development and UG Diamond Drilling

Mo Lens 5
Mo Lens 6
Mo Lens 7

Cu
Merlin-Trial Mining Level in 2014

Sill Drive with Ore in the face

Portal

4300 Level

64m

20m
## Mineral Resource Update

### 2014

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Cut off Grade 0.3% Mo

Infill drilled – confirmed mineralisation

No infill drilling – locally variable mineralisation

### 2012

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Cut off Grade 0.3% Mo
Merlin Long Projection showing high grade areas

- Lens 5
- Lens 6
- Lens 7

Existing Development

4300 rl - 1050 m

Mo %

- [0.1,0.3]
- [0.3,0.75]
- [0.75,1.5]
- [1.5,3]
- [3,5]
- [5,CEILING]
Merlin Mine Design

Plan View

Portal

South Exhaust

Egress

Existing Development

4300rl

4100rl

DAF (Drift and Fill)

North Exhaust

Stopes

Diamond Drill Drives
Infrastructure

New
- Crusher
- Process Plant
- Offices
- Power lines

Relocated
- Village
- Concrete Batch Plant
- Paste Fill

Already in place
- Gas Power Station
- Airport
- Tailings Dams
- Water
- Service Corridor to Osborne

Permits Well Advanced
- Cultural Heritage Agreement
- Granted Mining Leases
- Environmental Authority to be Submitted
- Plan Of Operations Update
Logistics to China

Map showing maritime routes from Fangchenggang, Guangxi, through Singapore, Philippines, and possibly other countries to China.
Concentrate Treatment Plant
Molybdenum Exploration

Exploration Model

Structure

- Deep seated structures to tap granitic source
- e.g. Mount Dore Fault Zone intersecting Williams Granite

Lithology

- Mineralisation formed at the faulted contact between Black Shale and Calc-silicate lithologies

Geochemistry

- Molybdenum soil sample results greater than 16ppm considered anomalous (using pXRF analyser)

Prospective areas within Chinova’s tenements include:

- Mount Dore Trend (shown on map)
- Victoria Trend (south of Merlin)
- Elana M Trend (50km to north of Merlin)
Chinova Exploration

Chinova is exploring ~ 5000sq km south of Cloncurry, including JV’s with Exco and Red Metal

Targeting large Iron Oxide Copper Gold deposits similar to Osborne and Mt Elliot/SWAN - Drilling of Emu Ck target underway

Secondary Targets for molybdenum to enhance the Merlin production profile and Pb-Zn-Ag -new soil targets emerging

Palaeochannel Uranium target to be drilled early 2015 with co-funding from the Queensland Government

*Check at Booth for more details*
Molybdenite breccia in Lanhams Shaft hole LAD0003, located 50 km north of Merlin.