

QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2014

Covata Limited (formerly Prime Minerals Limited)

LAKE MASON URANIUM PROJECT, WESTERN AUSTRALIA

Prime holds 100% of exploration licence (E 57/785) located central to the Lake Mason palaeo-drainage in the Southern Cross region of Western Australia. The palaeo-drainage system contains calcrete-hosted carnotite mineralisation in Lake Mason and its surrounds. This style of uranium mineralisation is similar to that at Mega Uranium's Lake Maitland project and Cameco's Yeelirrie project.

No field work was conducted this quarter, with the Board focusing on the Company's change of focus.



CORPORATE – CHANGE OF FOCUS

The Company's focus during the quarter was implementation of the merger of Company with Cocoon Data Holdings Limited [ACN 127 993 300] ("Cocoon") pursuant to the takeover bid announced to ASX on 30 June 2014.

The takeover offer was made to Cocoon shareholders on 27 August 2014.

The Company received shareholder approval for a change to the nature and scale of activities, consolidation of capital (on a 10 to 1 basis, completed on 30 September 2014), creation of the performance share class, issues of shares and options, amendment of the constitution and other resolutions including appointment of new directors in connection with the implementation of the merger at the general meeting held on 23 September 2014.

Settlement of the merger occurred on 31 October 2014 (the date of this report).

Settlement followed the takeover offer for Cocoon being declared unconditional. At settlement, the Company issued 237,314,632 ordinary and 34,544,140 performance shares to Cocoon shareholders who accepted the takeover offer before 31 October 2014. The Company has issued compulsory acquisition notices for the remainder of the shares of Cocoon. The Company will progressively issue further ordinary shares and performance shares in response to acceptances of the takeover offer up to the close of the offer on 6 November 2014.

At settlement the Company also issued:

- 75,000,000 ordinary shares to subscribers under the placement associated with the merger, to raise \$15,000,000 before costs;
- 13,650,000 ordinary shares to Cocoon convertible note holders whose convertible notes converted directly into fully paid ordinary Covata shares;
- 10,000,000 fully paid ordinary shares to advisors; and
- 34,722,656 options under the prospectus option offer.

Messrs Michael Scivolo, Robert Collins and Sol Majteles, the former Board of Prime Minerals Limited, resigned as Directors of the Company and Mr Norman Grafton resigned as the Company Secretary, with effect at settlement. Mr Charles (Chuck) Archer (Executive Chairman), Mr Trent Telford (Executive Director and Chief Executive Officer) and Mr Philip King (Non-Executive Director) took office as Directors pursuant to the resolutions for their election passed at the general meeting on 23 September 2014. Mr Phillip Dunkelberger and Mr Joseph Miller have been appointed as Non-Executive Directors. The new Board took office on the date of this report. Mr Nicholas (Nick) Chiarelli has been appointed as Company Secretary.

The name of the Company changed from "Prime Minerals Limited" to "Covata Limited".

The Company will change its registered office and principal place of business to Level 4, 156 Clarence Street, Sydney, NSW 2000 (Cocoon's existing Australian office).

It is anticipated the Company will be reinstated to quotation on 6 November 2014 under the current timetable. This will be subject to satisfaction of ASX's remaining requirements for reinstatement and to a formal announcement by ASX.

The Company's focus following settlement of the merger is expansion of the Covata business operations by employing additional personnel and acceleration of its global marketing efforts as described in the Company's Prospectus announced to ASX on 22 September 2014.

An application for renewal of the mining tenement held by the Company has been lodged. No decision regarding whether the mining tenement will be retained or disposed of has been made to date.

For further information please contact:

Nick Chiarelli, Company Secretary
Phone (02) 8412 8200

Or consult our website:

<http://www.covata.com>

Competent Persons Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Matthew Painter, who is a consultant to Prime Minerals Limited and is a member of The Australasian Institute of Geoscientists and the Society of Economic Geologists. Dr Painter has sufficient experience that is relevant to the various styles of mineralisation and types of deposit under consideration, and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Dr Painter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Prime Minerals Limited's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Prime Minerals Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Appendix 1 – Schedule of Mining and Exploration Tenements

| Country | State/Region | Project | Tenement ID | Area (km ²) | Grant date | Interest |
|-----------|--------------|--------------------|-------------|-------------------------|------------|----------|
| Australia | WA | Lake Mason uranium | E 57/785 | 12.17 | 16/01/2009 | 100% |