



Cove Resources Limited
(Subject to Deed of Company Arrangement)
ACN 131 445 335

Prospectus

Public Offer

For the conditional offer of up to 600,000,000 Shares to the public at an issue price of \$0.0025 each, together with 1 free attaching New Option for every 2 Shares issued, to raise up to \$1,500,000 before costs (**Public Offer**). The Public Offer has a minimum subscription of \$1,300,000.

Additional Offers

For the conditional offers of:

- 125,000,000 Shares to the Class A Noteholder pursuant to the conversion of the Class A Notes (**Conversion Offer A**);
- 155,000,000 Shares to the Class B Noteholders pursuant to the conversion of the Class B Notes (**Conversion Offer B**);
- 38,000,000 Shares and 19,000,000 New Options to the Suppliers in consideration of services provided to the Company (**Supplier Offer**);
- up to 36,000,000 Shares and 18,000,000 New Options to the Brokers in consideration of services provided to the Company (**Broker Offer**);
- 250,000,000 New Options to the Proponent in accordance with the Reconstruction Deed (**Proponent Offer**); and
- 11,369,000 Shares to the Priority Creditor in accordance with the DOCA (**Creditor Offer**).

Conditions

The Offers are conditional upon certain events occurring. Please refer to Section 1.2 for further details.

Important notice

This document is important and it should be read in its entirety. If you are in any doubt as to the contents of this Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay. The securities offered by this Prospectus should be considered highly speculative.

The Deed Administrator of Cove Resources Limited (Subject to Deed of Company Arrangement) has delegated the authority to prepare and issue this Prospectus to Mr Winton Willesee in his capacity as a Director. In this regard, this Prospectus has been prepared by Mr Willesee and the Deed Administrator is not responsible for its contents. Accordingly, the Deed Administrator and his servants, agents or employees, do not make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the information contained in this Prospectus and do not accept responsibility or liability for the accuracy of any information included, or any failure to include information in this Prospectus.

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IMPORTANT INFORMATION

General

This Prospectus is dated 21 April 2015 and a copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to this Prospectus to be admitted for quotation on ASX.

No securities will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Deed Administrator

The Deed Administrator of Cove Resources Limited (Subject to Deed of Company Arrangement) has delegated the authority to prepare and issue this Prospectus to Mr Winton Willesee in his capacity as a Director. In this regard, this Prospectus has been prepared by Mr Willesee and the Deed Administrator is not responsible for its contents.

Accordingly, the Deed Administrator and his servants, agents or employees, do not make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the information contained in this Prospectus and do not accept responsibility or liability for the accuracy of any information included, or any failure to include information in this Prospectus.

Electronic Prospectus

Pursuant to Class Order 00/044, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company at +61 8 9389 3110 and the Company will send you, at no cost, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.cve.net.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Applications for securities

Persons wishing to apply for securities pursuant to an Offer must do so using the appropriate Application Form attached to or accompanying this Prospectus. Before applying for securities, investors should carefully read this Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the Shares, the assets and liabilities of the Company, its financial position and performance, profits and losses, and prospects. By returning a completed Application Form, the applicant acknowledges that it has received and read this Prospectus, has

acted in accordance with the terms of the relevant Offer, agrees to all of the terms and conditions set out in this Prospectus and makes the statements set out in the relevant Application Form.

Offer restrictions

The Offers of securities under this Prospectus do not constitute offers in any jurisdiction outside Australia. The Offers are not made to persons or places to which, or in which, it would not be lawful to make such an offer of securities. Any persons in such places who come into possession of this Prospectus should seek advice on and comply with any legal restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Risk factors

Any investment in the Company should be considered speculative. Before deciding to invest in the Company, investors should read the entire Prospectus. In considering the prospects for the Company, investors should consider the assumptions underlying the prospective financial information and the risk factors set out in Section 3 that could affect the performance of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

Representations

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offers.

Forward looking statements

This Prospectus contains forward looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events, as at the date of this Prospectus, are expected to take place, but there is no guarantee that such will occur as anticipated or at all given that many of the events are outside the Company's control.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur. Further, the Company may not update or revise any forward looking statement if events subsequently occur or information subsequently becomes available that affects the original forward looking statement.

Competent Person's statement

The information in this Prospectus that relates to exploration results is based on information compiled or reviewed by Ms Felicity Repacholi-Muir who is a Member of the Australian Institute of Geoscientists (AIG). Ms Repacholi-Muir is the Principal of FRM Geological Services which provides geological consulting and contracting services.

Ms Repacholi-Muir has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which she is undertaking in respect of the Goongarrie Project and Quartz Circle Project to qualify as a "Competent Person" as defined in the 2012 Edition of the Joint Ore Reserves Committee (**JORC**) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Repacholi-Muir consents to the inclusion in this Prospectus of the matters based on information in the form and context in which it appears.

Interpretation

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in Section 11.

A reference to "\$" in this Prospectus is a reference to Australian currency unless otherwise stated.

All references to time in this Prospectus relate to the time in Perth, Western Australia.

CORPORATE DIRECTORY

Directors

Winton Willesee (Executive Chairman)
Erlyn Dale (Non-Executive Director)
Greg Miles (Non-Executive Director)

Company Secretary

Erlyn Dale

Registered Office

Suite 25, 145 Stirling Highway
Nedlands WA 6009

Administrator/ Deed Administrator*

Bryan Hughes
Pitcher Partners
Level 1, 914 Hay Street
Perth WA 6000

Share Registry*

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
Perth WA 6000

Auditor*

Ernst and Young
The EY Building
Mounts Bay Road
Perth WA 6000

Independent Geologist

Felicity Repacholi-Muir
FRM Geological Services
56 London Street
North Perth WA 6006

Investigating Accountant

Hall Chadwick Corporate (NSW) Limited
Level 40, 2 Park Street
Sydney NSW 2000

Legal Adviser

Price Sierakowski Corporate
Level 24, 44 St Georges Terrace
Perth WA 6000

ASX Code

CVE

Website

www.cve.net.au

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus

CHAIRMAN'S LETTER

Dear Investor

On behalf of the Directors of Cove Resources Limited (Subject to Deed of Company Arrangement), I am pleased to present this Prospectus to you and invite you to invest in the Company.

The Company is a gold and copper focused exploration company which listed on the ASX on 27 January 2011. The Company holds the prospective Goongarrie Project located approximately 90kms north of Kalgoorlie in the Western Australian goldfields along with the Quartz Circle Project located approximately 200kms south east of Port Hedland in the Pilbara region of Western Australia.

Through the recent period of restructuring for the Company, the Directors have worked to retain these prospective Projects and keep together the important elements of the strong team that can maximise the benefit of these and any other assets for the Company and its Shareholders.

The Company's strategy is to progress its Projects in the most cost effective manner whilst seeking complimentary opportunities to ultimately benefit its Shareholders.

I encourage you to read the contents of this Prospectus carefully, and in particular Section 3 which sets out the risks of investing in the Company. Detailed information about the Offers is contained in Section 1 and an overview of the Company and its Projects is set out in Section 2.

On behalf of the Board, I look forward to you joining us as a Shareholder and sharing what we believe will be a bright future for the Company and its Shareholders.

Yours sincerely



Winton Willesee
Executive Chairman

21 April 2015

KEY OFFER DETAILS

Key financial information ¹	Minimum Subscription	Full Subscription
Offer Price per Share	\$0.0025	\$0.0025
Existing Shares on issue	65,422,861	65,422,861
Shares to be issued under the Public Offer	520,000,000	600,000,000
Amount to be raised under the Public Offer (before costs)	\$1,300,000	\$1,500,000
Shares to be issued under Conversion Offer A	125,000,000	125,000,000
Shares to be issued under Conversion Offer B	155,000,000	155,000,000
Shares to be issued under the Supplier Offer	38,000,000	38,000,000
Shares to be issued under the Broker Offer	36,000,000	36,000,000
Shares to be issued under the Creditor Offer	11,369,000	11,369,000
Total Shares on issue upon completion of the Offers ²	950,791,861	1,030,791,861
New Options to be issued under the Offers ²	547,000,000	587,000,000
Market capitalisation at the Offer Price on completion of the Offers ²	\$2,276,980	\$2,576,980

Notes:

1. Assumes full subscription under the Additional Offers.
2. Market capitalisation is determined by multiplying the total number of Shares on issue by the price at which the Shares trade on the ASX from time to time. In the case above, the price is calculated at the Offer Price. The total number of Shares on issue assumes that capital raising fees are paid in securities. Please refer to Section 1.9 for further information.
3. Please refer to Section 1.6 for further details relating to the proposed capital structure of the Company.

Indicative timetable	
Prospectus lodged with ASIC and ASX	21 April 2015
Opening Date for the Offers	28 April 2015
General Meeting of Shareholders	4 May 2015
Closing Date for the Offers	19 May 2015
Issue of all new securities under the Offers	25 May 2015
Payments to Deed Administrator, DOCA effectuated and Deed Administrator retires	25 May 2015
Expected date for Shares to be reinstated to trading on ASX	29 May 2015

Note: The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to invest in the Company.

INVESTMENT OVERVIEW

This Section is not intended to provide full information for investors intending to apply for securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the securities.

Topic	Summary	More information
Introduction		
Who is the issuer of this Prospectus?	Cove Resources Limited (Subject to Deed of Company Arrangement) ACN 131 446 335 (Company).	Section 2.1
Who is the Company and what does it do?	The Company is an Australian public company that has been listed on the ASX since 2011. The Company's principal activities are the exploration for minerals in Australia.	Sections 2.1 and 2.5
What is the Company's business model and strategy?	<p>The Company's business model is to enhance Shareholder wealth by undertaking exploration work programs on mineral projects it holds while continuing to evaluate additional exploration and other projects both within Australia and overseas. These projects may be in commodities other than the Company's existing focus.</p> <p>The Company currently has interests in the following projects (Projects) which it intends to explore and evaluate in line with its business model:</p> <ul style="list-style-type: none"> • Quartz Circle Project; and • Goongarrie Project. <p>Upon being reinstated to trading on the ASX, the Company will seek to explore and, potentially, develop its Projects. In addition to exploring and evaluating the potential of its existing Projects, once reinstated the Company will actively pursue new projects in line with its operational history by way of acquisition and investment.</p>	Section 2.5

Topic	Summary	More information																																																																								
What are the Company's key assets?	The Company's key assets are its interests in the following mining tenements:	Sections 2.6, 4 and 5																																																																								
	<table><tr><th>No.</th><th>Type</th><th>Prospective minerals</th><th>% interest</th></tr><tr><td colspan="4">Quartz Circle Project</td></tr><tr><td>P46/1360</td><td>Prospecting licence</td><td>Copper, gold</td><td>80%</td></tr><tr><td>P46/1361</td><td>Prospecting licence</td><td>Copper, gold</td><td>80%</td></tr><tr><td>P46/1362</td><td>Prospecting licence</td><td>Copper, gold</td><td>80%</td></tr><tr><td>P46/1363</td><td>Prospecting licence</td><td>Copper, gold</td><td>80%</td></tr><tr><td>P46/1364</td><td>Prospecting licence</td><td>Copper, gold</td><td>80%</td></tr><tr><td>P46/1365</td><td>Prospecting licence</td><td>Copper, gold</td><td>80%</td></tr><tr><td>P46/1366</td><td>Prospecting licence</td><td>Copper, gold</td><td>80%</td></tr><tr><td>P46/1752</td><td>Prospecting licence</td><td>Copper, gold</td><td>100%</td></tr><tr><td>P46/1753</td><td>Prospecting licence</td><td>Copper, gold</td><td>100%</td></tr><tr><td>P46/1754</td><td>Prospecting licence</td><td>Copper, gold</td><td>100%</td></tr><tr><td>M46/371*</td><td>Mining lease</td><td>Copper, gold</td><td>80%</td></tr><tr><td>P46/1825*</td><td>Prospecting licence</td><td>Copper, gold</td><td>80%</td></tr><tr><td>P46/1826*</td><td>Prospecting licence</td><td>Copper, gold</td><td>80%</td></tr><tr><td>P46/1827*</td><td>Prospecting licence</td><td>Copper, gold</td><td>80%</td></tr><tr><td>P46/1828*</td><td>Prospecting licence</td><td>Copper, gold</td><td>80%</td></tr><tr><td>P46/1829*</td><td>Prospecting licence</td><td>Copper, gold</td><td>80%</td></tr></table>		No.	Type	Prospective minerals	% interest	Quartz Circle Project				P46/1360	Prospecting licence	Copper, gold	80%	P46/1361	Prospecting licence	Copper, gold	80%	P46/1362	Prospecting licence	Copper, gold	80%	P46/1363	Prospecting licence	Copper, gold	80%	P46/1364	Prospecting licence	Copper, gold	80%	P46/1365	Prospecting licence	Copper, gold	80%	P46/1366	Prospecting licence	Copper, gold	80%	P46/1752	Prospecting licence	Copper, gold	100%	P46/1753	Prospecting licence	Copper, gold	100%	P46/1754	Prospecting licence	Copper, gold	100%	M46/371*	Mining lease	Copper, gold	80%	P46/1825*	Prospecting licence	Copper, gold	80%	P46/1826*	Prospecting licence	Copper, gold	80%	P46/1827*	Prospecting licence	Copper, gold	80%	P46/1828*	Prospecting licence	Copper, gold	80%	P46/1829*	Prospecting licence	Copper, gold	80%
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	<table><tr><th colspan="4">Goongarrie Project</th></tr><tr><td>P29/2153</td><td>Prospecting licence</td><td>Gold</td><td>70%</td></tr><tr><td>P29/2154</td><td>Prospecting licence</td><td>Gold</td><td>70%</td></tr><tr><td>P29/2155</td><td>Prospecting licence</td><td>Gold</td><td>70%</td></tr><tr><td>P29/2156</td><td>Prospecting licence</td><td>Gold</td><td>70%</td></tr></table> <p>Note: Tenements marked with an asterisk (*) are applications and have not been granted. The Company understands that M46/371 will not be granted. If and when P46/1825, P46/1826, P46/1827, P46/1828 and P46/1825 are granted, they will replace P46/1360, P46/1361, P46/1362, P46/1363, P46/1364, P46/1365 and P46/1366. Refer to Section 2.6 for further information.</p>	Goongarrie Project				P29/2153	Prospecting licence	Gold	70%	P29/2154	Prospecting licence	Gold	70%	P29/2155	Prospecting licence	Gold	70%	P29/2156	Prospecting licence	Gold	70%	
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What are the Offers?	<p>Public Offer</p> <p>The Company is undertaking a conditional offer to the public of up to 600,000,000 Shares at an issue price of \$0.0025 each, together with 1 free attaching New Option for every 2 Shares issued, to raise up to \$1,500,000 before expenses. The Public Offer has a minimum subscription of \$1,300,000.</p> <p>Conversion Offer A</p> <p>The Company is undertaking a conditional offer to the Class A Noteholder of 125,000,000 Shares pursuant to the conversion of the Class A Notes.</p> <p>Conversion Offer B</p> <p>The Company is undertaking a conditional offer to the Class A Noteholders of 155,000,000 Shares pursuant to the conversion of the Class B Notes.</p> <p>Supplier Offer</p> <p>The Company is undertaking a conditional offer to the Suppliers of 38,000,000 Shares and 19,000,000 New Options in consideration of services provided to the Company.</p> <p>Broker Offer</p> <p>The Company is undertaking a conditional offer to the Brokers of up to 36,000,000 Shares and</p>	Section 1.1																				

Topic	Summary	More information
	<p>18,000,000 New Options in consideration of services provided to the Company.</p> <p>Proponent Offer</p> <p>The Company is undertaking a conditional offer to the Proponent of 250,000,000 New Options in accordance with the Reconstruction Deed.</p> <p>Creditor Offer</p> <p>The Company is undertaking a conditional offer to the Priority Creditor of 11,369,000 Shares in accordance with the DOCA.</p>	
What are the conditions to the Offers?	<p>The Offers are subject to the following conditions:</p> <ul style="list-style-type: none"> the Company achieving a minimum level of subscription for the Public Offer of \$1,300,000; Shareholders approving the Specified Resolutions at the General Meeting of the Company to be held on 4 May 2015; the Company being reasonably satisfied of its ability to satisfy ASX's conditions to ASX Reinstatement, including that the Company will have \$1,000,000 in cash, net of all liabilities, immediately prior to ASX Reinstatement; and the DOCA being terminated due to having been wholly effectuated. 	Section 1.2
Why are the Offers being conducted?	<p>The purposes of the Offer are to:</p> <ul style="list-style-type: none"> complete the Recapitalisation Proposal so that the DOCA can be terminated wholly effectuated and full control of the Company can be returned to the Board; comply with ASX's conditions to ASX Reinstatement so that the Company's securities can recommence trading on the ASX; raise funds for the purposes set out in Section 1.5; discharge the Company's obligations to the Noteholders under the Notes; discharge certain debt payable by the Company to the Suppliers, Brokers and Priority Creditor; and "cleanse" securities to be issued under the 	Section 1.4

Topic	Summary	More information
	Additional Offers so that the securities are not subject to any secondary sale restrictions under the Corporations Act.	
Recapitalisation Proposal		
Why is the Company subject to a Deed of Company Arrangement?	<p>In light of falling commodity prices and difficult market conditions for junior resources companies, on 22 July 2013, the Company's securities were suspended from quotation on the official list of ASX at the request of the Company.</p> <p>On 20 December 2013, the Company entered into a reconstruction deed (Reconstruction Deed) with Cygnet Capital Pty Ltd (Proponent) for the reconstruction and recapitalisation of the Company.</p> <p>On 17 January 2014, Bryan Hughes was appointed as the administrator of the Company by resolution of the Board. Following his appointment, the Administrator called for proposals to recapitalise the Company with a view to seeking reinstatement of the Company's securities to trading on the ASX. The Administrator ultimately accepted the proposal put forward by the Proponent in the Reconstruction Deed with some minor variations.</p> <p>On 24 February 2014, the Company obtained the approval of its creditors to enter into a deed of company arrangement (DOCA) in respect of, and for the purposes of giving effect to, the Reconstruction Proposal. On 10 March 2015, the Company obtained approval from its creditors to vary the DOCA.</p>	Section 2.2
What is the Recapitalisation Proposal?	The Recapitalisation Proposal involves the restructuring and recapitalisation of the Company for the primary purposes of wholly effectuating the DOCA and enabling the Company to recommence trading on the ASX.	Section 2.3
What are the key terms of the Recapitalisation Proposal?	<p>The key terms of the Recapitalisation Proposal are as follows:</p> <ul style="list-style-type: none"> the Company raising up to \$1,500,000 (before costs) from the issue to the public of up to 600,000,000 Shares, together with 1 free attaching New Option for every 2 Shares issued, under the Public Offer; the Company raising \$310,000 from the 	Section 2.3

Topic	Summary	More information
	<p>issue of Class B Notes to the Class B Noteholders, pursuant to which it is proposed that 155,000,000 Shares will be issued to the Class B Noteholders under Conversion Offer B;</p> <ul style="list-style-type: none"> the Company paying \$180,000 in cash to the Deed Administrator for distribution in accordance with the DOCA; the Company issuing 38,000,000 Shares and 19,000,000 New Options to the Suppliers in consideration of services provided to the Company; the Company issuing up to 36,000,000 Shares and 18,000,000 New Options to the Brokers in consideration of services provided to the Company; the Company issuing 250,000,000 New Options to the Proponent in accordance with the Reconstruction Deed; the Company issuing 11,369,000 Shares to the Priority Creditor in accordance with the DOCA; the DOCA being terminated upon it being wholly effectuated, with the Deed Administrator retiring and the Company being fully released and discharged from all creditor claims capable of being released by the DOCA; and the Company's securities being reinstated to trading on the ASX. <p>As part of the Recapitalisation Proposal, the Company has restructured its Board with Garry Hemming ceasing to be a Director, and Erlyn Dale joining Winton Willesee and Greg Miles on the Board.</p> <p>In addition, the Company raised \$250,000 from the issue of Class A Notes, pursuant to which it is proposed that 125,000,000 Shares will be issued to the Class A Noteholder. These funds were raised in 2013 – prior to the Company entering administration – and were applied towards working capital requirements.</p>	
What approvals will be sought at the General Meeting?	At the General Meeting to be held on 4 May 2015, the Company will seek Shareholder approval to various resolutions (Specified Resolutions) to facilitate the following:	Section 2.4

Topic	Summary	More information
	<ul style="list-style-type: none"> the issue of Shares and New Options under the Public Offer; the issue of Shares to the Class A Noteholder under Conversion Offer A; the issue of Shares to the Class B Noteholder under Conversion Offer B; the issue of Shares and New Options to the Suppliers under the Supplier Offer; the issue of Shares and New Options to the Brokers under the Broker Offer; the issue of New Options to the Proponent under the Proponent Offer; and the issue of Shares to the Priority Creditor under the Creditor Offer. <p>The Specified Resolutions are interconditional and must be passed by Shareholders in order for the Offers to proceed.</p> <p>In addition, the Company will seek Shareholder approval to the following resolutions at the General Meeting:</p> <ul style="list-style-type: none"> the approval of remuneration reports for the financial years ended 30 June 2013 and 30 June 2014; the approval of a spill resolution (n.b. the vote on this resolution is conditional on the outcome of the votes on the remuneration reports); the re-election of Greg Miles as a Director; the re-election of Winton Willesee as a Director; the appointment of Erlyn Dale as a Director; the right for the Directors to apply for Shares under the Public Offer; and an increase of the Company's placement capacity to 25% for the purposes of ASX Listing Rule 7.1A. 	

Topic	Summary	More information
Summary of key risks		
<p>Prospective investors should be aware that subscribing for securities in the Company involves a number of risks. The risk factors set out in Section 3, and other general risks applicable to all investments in listed securities, may affect the value of the securities in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises only some of the risks which apply to an investment in the Company and investors should refer to Section 3 for a more detailed summary of the risks.</p>		
Exploration risks	<p>Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company.</p> <p>There can be no assurance that exploration of the Tenements or any other exploration properties that may be acquired in the future will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.</p>	Section 3.2(a)
Resources estimates	<p>The Company does not currently have any JORC compliant resources. Should a JORC compliant resource be delineated in the future, any resource estimate will be an expression of judgement based on knowledge, experience and industry practice. If the Company encounters ore bodies or formations which differ from those suggested by past sampling and analysis, resource estimates may have to be adjusted and any production plans altered accordingly which may adversely impact the Company's plans.</p>	Section 3.2(b)
Title risk	<p>The Tenements are granted or applied for under, and governed by, the laws of Western Australia and will be subject to conditions, including minimum annual expenditure commitments and reporting requirements. Failure to comply with these conditions may result in forfeiture of the Tenement.</p>	Section 3.2(c)
Operations risks	<p>The operations of the Company may be negatively affected by various factors, including:</p> <ul style="list-style-type: none"> • failure to locate or identify mineral deposits; • failure to achieve predicted grades in exploration and mining; • mechanical failure or plant breakdown; and • unexpected shortages or increases in the costs of consumable, spare parts, plant and 	Section 3.2(d)

Topic	Summary	More information
	equipment.	
Future profitability	The Company has incurred significant losses in the past, ultimately resulting in the appointment of the Administrator. It is not possible to evaluate the Company's future prospects based on past performance. The past performance is not expected to impact on the future opportunities of the Company.	Section 3.2(e)
Future acquisitions	Going forward, the Company may make acquisitions of, or significant investments in, other projects in line with its business model. Such transactions are inherently accompanied by risk. In addition, an acquisition may be subject to Shareholder and regulatory approvals, which may include re-compliance with Chapters 1 and 2 of the Listing Rules.	Section 3.2(f)
Regulatory approvals	Regulatory approvals are generally required prior to any work being undertaken on mining tenements. The granting of such approvals may take time and there is no assurance that the approvals will be granted at all.	Section 3.2(h)
Commodity prices and exchange rates	As the Company's potential earnings are more likely to be largely derived from the sale of mineral commodities, the Company's future revenues and cash flows will be impacted by changes in the prices and available markets of these commodities. Any substantial decline in the price of those commodities or in the transport or distribution costs may have a material adverse effect on the Company and the value of its securities.	Section 3.2(i)
Environmental risk	The proposed activities of the Company are subject to the laws and regulations concerning the environment. The Company intends to conduct its activities in an environmentally responsible manner and in compliance with all applicable laws. However, complying with environmental laws may be costly and results in delays to the Company's activities. Further, the Company may be the subject of accidents or unforeseen circumstances that could subject it to extensive liability.	Section 3.2(j)

Topic	Summary	More information																
Proposed use of funds and other key terms of the Offers																		
What is the proposed use of funds raised under the Offer?	The Company intends to apply the funds raised from the Offer as set out in Section 1.5.	Section 1.5																
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offers, the Company will have sufficient working capital to carry out its stated objectives.	Section 1.5																
What are the key dates of the Offer?	<table><tr><th>Event</th><th>Date</th></tr><tr><td>Prospectus lodged with ASIC and ASX</td><td>21 April 2015</td></tr><tr><td>Opening Date for the Offers</td><td>28 April 2015</td></tr><tr><td>General Meeting of Shareholders</td><td>4 May 2015</td></tr><tr><td>Closing Date for the Offers</td><td>19 May 2015</td></tr><tr><td>Issue of all new securities under the Offers</td><td>25 May 2015</td></tr><tr><td>Payments to Deed Administrator, DOCA effectuated and Deed Administrator retires</td><td>25 May 2015</td></tr><tr><td>Expected date for Shares to be reinstated to trading on ASX</td><td>29 May 2015</td></tr></table> <p>The above dates are indicative only and may change without notice.</p>	Event	Date	Prospectus lodged with ASIC and ASX	21 April 2015	Opening Date for the Offers	28 April 2015	General Meeting of Shareholders	4 May 2015	Closing Date for the Offers	19 May 2015	Issue of all new securities under the Offers	25 May 2015	Payments to Deed Administrator, DOCA effectuated and Deed Administrator retires	25 May 2015	Expected date for Shares to be reinstated to trading on ASX	29 May 2015	“Key Offer Details”
Event	Date																	
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Payments to Deed Administrator, DOCA effectuated and Deed Administrator retires	25 May 2015																	
Expected date for Shares to be reinstated to trading on ASX	29 May 2015																	
What rights and liabilities attach to the securities being offered?	All Shares issued under the Offers will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 9.1. The terms and conditions of the New Options are set out in Section 9.2.	Sections 9.1 and 9.2.																
Are any of the Offers underwritten?	No, none of the Offers are underwritten.	Section 1.8																
Will the securities issued under the Offers be listed?	The Company will apply to ASX no later than 7 days from the date of this Prospectus for official quotation of the Shares and New Options on the ASX.	Section 1.14																

Topic	Summary	More information
What are the tax implications of investing in securities under the Offers?	The tax consequences of any investment in securities will depend upon your particular circumstances. Prospective investors should obtain their own tax advice before deciding to invest in the Company.	Section 1.19
What is the Company's dividend policy?	<p>The Company does not expect to pay dividends in the near future as its focus will primarily be on using cash reserves to grow and develop its business.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business sentiment and other factors considered relevant by the Board. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.</p>	Section 1.10
How do I apply for securities under an Offer?	<p>Public Offer</p> <p>Applications for Shares under the Public Offer must be made by completing a Public Offer Application Form and must be accompanied by a cheque in Australian dollars for the full amount of the application at \$0.0025 per Share. Cheques must be made payable to "Cove Resources Limited (Subject to Deed of Company Arrangement)" and should be crossed "Not Negotiable".</p> <p>Additional Offers</p> <p>Applications for securities under the Class A Conversion Offer, Class B Conversion Offer, Supplier Offer, Broker Offer, Proponent Offer or Creditor Offer must be made by completing the relevant Application Form attached to or accompanying this Prospectus.</p>	Section 1.7
When will I receive confirmation that my application has been successful?	It is expected that holding statements will be sent to successful applicants under the Offers by post on or about 25 May 2015.	Section 1.10
How can I find out more about this Prospectus or the Offers?	<p>Questions relating to the Offers can be directed to the Company on +61 8 9389 3110.</p> <p>Questions relating to applications for securities can be directed to the Share Registry, Computershare Investor Services Pty Limited,</p>	Section 1.20

Topic	Summary	More information
	on 1300 850 505 (if calling from within Australia) or +61 3 9415 4000 (if calling from outside Australia).	
Board		
Who are the Directors of the Company?	<p>The Directors of the Company are:</p> <ul style="list-style-type: none"> • Winton Willesee – Executive Chairman; • Erlyn Dale – Non-Executive Director; and • Greg Miles – Non-Executive Director. 	Section 7.2
What are the significant interests of the Directors?	The interests of the Directors in securities of the Company, remuneration, and agreements with the Company are set out in Section 7.4.	Section 7.4
Miscellaneous		
What material contracts is the Company a party to?	<p>The material contracts of the Company include:</p> <ul style="list-style-type: none"> • the Reconstruction Deed; • the DOCA; • the Creditors' Trust Deed; • the Class A Convertible Note Agreement; • the Class B Convertible Note Agreement; • the Joint Venture Agreement; and • the Farm-In Agreement. 	Section 8
What is the financial position of the Company?	Refer to the Investigating Accountant's Report included in Section 6 which sets out historical financial information and pro forma financial information for the Company.	Section 6
Will any securities be subject to escrow?	No securities issued under the Offers will be subject to escrow.	Section 1.11

1. DETAILS OF THE OFFER

1.1 Structure of the Offers

Public Offer

By this Prospectus, the Company is undertaking a conditional offer to the public of up to 600,000,000 Shares at an issue price of \$0.0025 each, together with 1 free attaching New Option for every 2 Shares issued, to raise up to \$1,500,000 before costs.

The Public Offer is subject to the conditions set out in Section 1.2.

Shares to be issued under the Public Offer will be of the same class and will rank equally in all respects with existing fully paid ordinary shares on issue. A summary of the rights and liabilities attaching to the Shares is set out in Section 9.1.

Each New Option will have an exercise price of \$0.005 and an expiry date of 30 June 2019. The Company will apply to ASX for quotation of the New Options on ASX. Full terms and conditions of the New Options are set out in Section 9.2.

The Public Offer is open to the general public. Applications must be made using the Public Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. See Section 1.7 for further details and instructions.

Conversion Offer A

In 2013, the Company entered into a convertible note agreement with the Class A Noteholder, pursuant to which the Company issued 5 Class A Notes to the Class A Noteholder and in return the Company received \$250,000. These funds were applied towards working capital requirements of the Company which arose prior to the Company entering administration. A summary of the terms of the Class A Convertible Note Agreement is set out in Section 8.4.

The Company is undertaking a conditional offer to the Class A Noteholder of 125,000,000 Shares pursuant to the conversion of the Class A Notes, and in full satisfaction of the Company's obligations under the Class A Convertible Note Agreement.

Conversion Offer A is subject to the conditions set out in Section 1.2.

Shares to be issued under Conversion Offer A will be of the same class and will rank equally in all respects with existing fully paid ordinary shares on issue. A summary of the rights and liabilities attaching to the Shares is set out in Section 9.1.

Conversion Offer A is open to the Class A Noteholder (and/or its nominees) only. Applications must be made using the Conversion Offer A Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. See Section 1.7 for further details and instructions.

Conversion Offer B

The Company has entered into convertible note agreements with the Class B Noteholders to raise \$310,000 by the issue of Class B Notes. These funds have or

will be used in accordance with the table in Section 1.5. A summary of the terms of the Class B Convertible Note Agreements is set out in Section 8.5.

The Company is undertaking a conditional offer to the Class B Noteholders of 155,000,000 Shares pursuant to the conversion of the Class B Notes, and in full satisfaction of the Company's obligations under the Class B Convertible Note Agreements.

Conversion Offer B is subject to the conditions set out in Section 1.2.

Shares to be issued under Conversion Offer B will be of the same class and will rank equally in all respects with existing fully paid ordinary shares on issue. A summary of the rights and liabilities attaching to the Shares is set out in Section 9.1.

Conversion Offer B is open to the Class B Noteholders (and/or their nominees) only. Applications must be made using the Conversion Offer B Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. See Section 1.7 for further details and instructions.

Supplier Offer

The Company is undertaking a conditional offer to the Suppliers of 38,000,000 Shares and 19,000,000 New Options in consideration of corporate and other services provided by the Suppliers to the Company. No cash consideration is payable for the securities as they are being issued in satisfaction of approximately \$95,000 owing by the Company for services.

The Supplier Offer is subject to the conditions set out in Section 1.2.

Shares to be issued under the Supplier Offer will be of the same class and will rank equally in all respects with existing fully paid ordinary shares on issue. A summary of the rights and liabilities attaching to the Shares is set out in Section 9.1.

Each New Option will have an exercise price of \$0.005 and an expiry date of 30 June 2019. The Company will apply to ASX for quotation of the New Options on ASX. Full terms and conditions of the New Options are set out in Section 9.2.

The Supplier Offer is open to the Suppliers (and/or their nominees) only. Applications must be made using the Supplier Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. See Section 1.7 for further details and instructions.

Broker Offer

The Company may engage various licenced Brokers to support and procure investment in the Public Offer. The Company anticipates that it will be required to pay capital raising fees equal to 6% of the funds raised by each Broker under the Public Offer (i.e. up to \$90,000 in total). The Broker Offer enables each Broker to take its capital raising fees in securities instead of cash, on the basis of 1 Share for every \$0.0025 payable to the relevant Broker, plus 1 New Option for every 2 Shares issued.

Accordingly, the Company is undertaking a conditional offer to the Brokers of up to 38,000,000 Shares and 19,000,000 New Options in consideration of capital raising services provided or to be provided by the Brokers to the Company. No cash

consideration is payable for the securities as they are being issued in satisfaction of up to \$90,000 that may otherwise be payable by the Company in capital raising fees.

The Broker Offer is subject to the conditions set out in Section 1.2.

Shares to be issued under the Broker Offer will be of the same class and will rank equally in all respects with existing fully paid ordinary shares on issue. A summary of the rights and liabilities attaching to the Shares is set out in Section 9.1.

Each New Option will have an exercise price of \$0.005 and an expiry date of 30 June 2019. The Company will apply to ASX for quotation of the New Options on ASX. Full terms and conditions of the New Options are set out in Section 9.2.

The Broker Offer is open to the Brokers (and/or their nominees) only. Applications must be made using the Broker Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. See Section 1.7 for further details and instructions.

Proponent Offer

The Company is undertaking a conditional offer to the Proponent of 250,000,000 New Options in consideration of services provided to the Company in connection with the Recapitalisation Proposal and in accordance with the Reconstruction Deed. No cash consideration is payable for the New Options under as they are being issued in consideration of services.

The Proponent Offer is subject to the conditions set out in Section 1.2.

Each New Option will have an exercise price of \$0.005 and an expiry date of 30 June 2019. The Company will apply to ASX for quotation of the New Options on ASX. Full terms and conditions of the New Options are set out in Section 9.2.

The Proponent Offer is open to the Proponent (and/or its nominees) only. Applications must be made using the Proponent Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. See Section 1.7 for further details and instructions.

Creditor Offer

The Company is undertaking a conditional offer to the Priority Creditor of 11,369,000 Shares in satisfaction of the Priority Creditors claim and in accordance with the DOCA. No cash consideration is payable for the Shares as they are being issued in satisfaction of approximately \$28,422.50 owing by the Company in wages prior to it entering administration.

The Creditor Offer is subject to the conditions set out in Section 1.2.

Shares to be issued under the Creditor Offer will be of the same class and will rank equally in all respects with existing fully paid ordinary shares on issue. A summary of the rights and liabilities attaching to the Shares is set out in Section 9.1.

The Creditor Offer is open to the Priority Creditor (and/or its nominees) only. Applications must be made using the Creditor Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. See Section 1.7 for further details and instructions.

1.2 Conditional Offers

The Offers made under this Prospectus are subject to the conditions set out below. In the event that any of these conditions are not met within 3 months of the date of this Prospectus (or such later date agreed by ASIC in accordance with the Corporations Act), all Application Monies will be returned to applicants without interest in accordance with the Corporations Act.

(a) Minimum Subscription

The Offers are conditional on the Company achieving a minimum level of subscription for the Public Offer of \$1,300,000.

(b) Shareholder approval

The Offers are conditional on the Company obtaining Shareholder approval to the Specified Resolutions at the Company's General Meeting to be held on 4 May 2015. See Section 2.4 for further information on the General Meeting.

(c) Satisfaction of ASX requirements

The Company has received approval from ASX to have its securities reinstated to trading on the ASX subject to satisfying certain conditions, including that the Company holds \$1,000,000 in cash, net of all liabilities, immediately prior to ASX Reinstatement. The Offers are conditional upon the Company being reasonably satisfied of its ability to satisfy the requirements of the ASX for ASX Reinstatement.

(d) Termination of the DOCA

The Offers are conditional upon the Company being reasonably satisfied that all material requirements for termination of the DOCA as wholly effectuated have been satisfied other than the Company's requirement to issue securities under the Offers. The Board anticipates that the Company will issue securities under the Offers within 3 business days of the Closing Date, at which time the DOCA will be wholly effectuated and the Deed Administrator will retire. See Section 8.2 for a summary of the DOCA.

1.3 Minimum Subscription

The Public Offer has a minimum level of subscription of \$1,300,000. No other Offer has a minimum level of subscription.

1.4 Purpose of the Offers

The principal purposes of the Offers are to:

- complete the Recapitalisation Proposal so that the DOCA can be terminated wholly effectuated and full control of the Company can be returned to the Board;
- comply with ASX's conditions to ASX Reinstatement so that the Company's securities can recommence trading on the ASX;
- raise funds for the purposes set out in Section 1.5;

- discharge the Company's obligations to the Noteholders under the Notes;
- discharge certain debt payable by the Company to the Suppliers, Brokers and Priority Creditor; and
- "cleanse" securities to be issued under the Additional Offers so that the securities are not subject to any secondary sale restrictions under the Corporations Act.

1.5 Proposed use of funds

The Company intends to use the funds raised under the Public Offer and pursuant to the Class B Notes as follows:

Use of funds	Minimum Subscription		Full Subscription	
	Amount	%	Amount	%
Payment to the Deed Administrator in accordance with the DOCA	\$180,000	11.2%	\$180,000	9.9
Costs associated with the Recapitalisation Proposal ¹	\$388,000	24.1%	\$400,000	22.1
Review and evaluation of the Projects	\$265,000	16.5%	\$265,000	14.6
Review and evaluation of new assets and projects	\$80,000	5%	\$80,000	4.4
Working capital ²	\$697,000	43.3%	\$885,000	48.9
Total	\$1,610,000	100.00%	\$1,810,000	100.00%

Notes:

1. Assumes that all capital raising fees are paid by the Company to the Brokers in cash rather than securities under the Broker Offer. See Section 1.9 for further information. To the extent that the Brokers elect to take securities instead of cash, costs associated with the Recapitalisation Proposal will decrease, and the amount of working capital will increase by the same amount.

The amounts shown in this line include all costs associated with all aspects of the Recapitalisation Proposal, including those costs already paid by the Company using funds raised via the Class B Notes. Of the amounts shown above, the Company estimates that approximately \$155,000 is still to be paid by the Company in relation to costs associated with the Recapitalisation Proposal (assuming capital raising fees are paid in cash).

2. Working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, other items of a general administrative nature and cash reserves which may be used in connection with the

Company's existing Projects or any projects that the Company acquires an interest in in the future, as determined by the Board at the relevant time

The above table is a statement of current intentions as of the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including exploration success or failure, and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Whilst the Directors are satisfied that upon completion of the Offers the Company will have sufficient working capital to meet its stated objectives, investors should be aware that the Company may use and expend its cash reserves more quickly than contemplated.

Further, any future investments and acquisitions that may be contemplated by the Company may exceed the current or projected working capital of the Company. Accordingly, any such investments and acquisition may need to be funded by debt and/or equity issues and may be subject to Shareholder approvals (if required).

1.6 Capital structure

The proposed capital structure of the Company upon completion of the Offers is set out in the following table:

Capital structure	Existing	Minimum Subscription	Full Subscription
Existing Shares	65,422,861	65,422,861	65,422,861
Shares to be issued under the Public Offer	-	520,000,000	600,000,000
Shares to be issued under Conversion Offer A ¹	-	125,000,000	125,000,000
Shares to be issued under Conversion Offer B ²	-	155,000,000	155,000,000
Shares to be issued under the Supplier Offer	-	38,000,000	38,000,000
Shares to be issued under the Broker Offer ³	-	36,000,000	36,000,000
Shares to be issued under the Creditor Offer	-	11,369,000	11,369,000
Total Shares	65,422,861	950,791,861	1,030,791,861
New Options to be issued under the Offers ⁴	-	547,000,000	587,000,000
Fully diluted Share capital	65,422,861	1,497,791,861	1,617,791,861

Notes:

1. Shares offered to the Class A Noteholder pursuant to the conversion of the Class A Notes. See Section 8.4 for a summary of the Class A Convertible Note Agreement.
2. Shares offered to the Class B Noteholder pursuant to the conversion of the Class B Notes. See Section 8.5 for a summary of the Class B Convertible Note Agreement.
3. These Shares, together with up to 18,000,000 New Options, will only be issued to the extent that the Brokers agree to accept securities instead of cash in payment of capital raisings fees in relation to the Public Offer. See Section 1.9 for further information.
4. Each New Option has an exercise price of \$0.005 and an expiry date of 30 June 2019. See Section 9.2 for full terms and conditions of the New Options.
5. Assumes that each Additional Offer is fully subscribed.

1.7 Applications for securities

Public Offer

If you wish to participate in the Public Offer, you should complete the Public Offer Application Form. Applicants may apply for a minimum parcel of 200,000 Shares, representing a minimum investment of \$500. However, the Company will accept applications from existing Shareholders under the Offer for less than the minimum parcel of 200,000 shares if the application would increase the Shareholders' parcel to the minimum amount of 200,000 Shares. Applicants seeking additional Shares must apply thereafter for Shares in multiples of 200,000 (equivalent to \$500).

All applications must be completed in accordance with the detailed instructions on the Public Offer Application Form and be accompanied by a cheque or bank cheque drawn on an Australian bank and made payable to "Cove Resources Limited (Subject to Deed of Company Arrangement)" (**Subscription Account**) and should be crossed "Not Negotiable". No brokerage or stamp duty is payable.

Completed Public Offer Application Forms and accompanying cheques must be received by the Share Registry before 5.00pm (WST) on the Closing Date by being posted to the following address:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001

All Application Monies received with duly completed Public Offer Application Forms will be paid into the Subscription Account.

The Company will deal with the Application Monies held in the Subscription Account after the Board instructs the Share Registry to:

- transfer all of the Application Monies received under this Prospectus and held in the Subscription Account to the Company; and
- issue the Shares offered under this Prospectus.

An original, completed and lodged Public Offer Application Form together with a cheque for the Application Monies constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Public Offer Application Form. The Public Offer Application Form does not need to be signed to be valid.

If the Public Offer Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may still be treated by the Company as valid. The Board's decision as to whether to treat a Public Offer Application Form as valid and how to construe, amend or complete the Public Offer Application Form is final, however an applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

Applicants are encouraged to lodge their Public Offer Application Forms as soon as possible as the Offer may close early without notice.

Conversion Offer A

If you are the Class A Noteholder (or a nominee) you may apply for Shares under Conversion Offer A by completing the Conversion Offer A Application Form.

Conversion Offer A Application Forms must be received by the Company before 5.00pm (WST) on the Closing Date by being posted to the following address:

Cove Resources Limited
(Subject to Deed of Company Arrangement)
c/- Azalea Consulting Pty Ltd
Suite 25, 145 Stirling Highway
Nedlands WA 6009

An original, completed and lodged Conversion Offer A Application Form constitutes a binding and irrevocable offer to convert the relevant Class A Notes into Shares. The Conversion Offer A Application Form does not need to be signed to be valid.

If the Conversion Offer A Application Form is not completed correctly, it may be treated by the Company as valid. The Board's decision as to whether to treat a Conversion Offer A Application Form as valid and how to construe, amend or complete the Conversion Offer A Application Form is final.

Conversion Offer B

If you are a Class B Noteholder (or a nominee) you may apply for Shares under Conversion Offer B by completing the Conversion Offer B Application Form. Conversion Offer B Application Forms must be received by the Company before 5.00pm (WST) on the Closing Date by being posted to the following address:

Cove Resources Limited
(Subject to Deed of Company Arrangement)
c/- Azalea Consulting Pty Ltd
Suite 25, 145 Stirling Highway
Nedlands WA 6009

An original, completed and lodged Conversion Offer B Application Form constitutes a binding and irrevocable offer to convert the relevant Class B Notes into Shares. The Conversion Offer B Application Form does not need to be signed to be valid.

If the Conversion Offer B Application Form is not completed correctly, it may be treated by the Company as valid. The Board's decision as to whether to treat a Conversion Offer B Application Form as valid and how to construe, amend or complete the Conversion Offer B Application Form is final.

Supplier Offer

If you are a Supplier (or a nominee) you may apply for securities under the Supplier Offer by completing the Supplier Offer Application Form. Supplier Offer Application Forms must be received by the Company before 5.00pm (WST) on the Closing Date by being posted to the following address:

Cove Resources Limited
(Subject to Deed of Company Arrangement)
c/- Azalea Consulting Pty Ltd
Suite 25, 145 Stirling Highway
Nedlands WA 6009

An original, completed and lodged Supplier Offer Application Form constitutes a binding and irrevocable offer to subscribe for securities. The Supplier Offer Application Form does not need to be signed to be valid.

If the Supplier Offer Application Form is not completed correctly, it may be treated by the Company as valid. The Board's decision as to whether to treat a Supplier Offer Application Form as valid and how to construe, amend or complete the Supplier Offer Application Form is final.

Broker Offer

If you are a Broker (or a nominee) you may apply for securities under the Broker Offer by completing the Broker Offer Application Form. Broker Offer Application Forms must be received by the Company before 5.00pm (WST) on the Closing Date by being posted to the following address:

Cove Resources Limited
(Subject to Deed of Company Arrangement)
c/- Azalea Consulting Pty Ltd
Suite 25, 145 Stirling Highway
Nedlands WA 6009

An original, completed and lodged Broker Offer Application Form constitutes a binding and irrevocable offer to subscribe for securities. The Broker Offer Application Form does not need to be signed to be valid.

If the Broker Offer Application Form is not completed correctly, it may be treated by the Company as valid. The Board's decision as to whether to treat a Broker Offer Application Form as valid and how to construe, amend or complete the Broker Offer Application Form is final.

Proponent Offer

If you are the Proponent (or a nominee) you may apply for securities under the Proponent Offer by completing the Proponent Offer Application Form. Proponent Offer Application Forms must be received by the Company before 5.00pm (WST) on the Closing Date by being posted to the following address:

Cove Resources Limited
(Subject to Deed of Company Arrangement)
c/- Azalea Consulting Pty Ltd
Suite 25, 145 Stirling Highway
Nedlands WA 6009

An original, completed and lodged Proponent Offer Application Form constitutes a binding and irrevocable offer to subscribe for securities. The Proponent Offer Application Form does not need to be signed to be valid.

If the Proponent Offer Application Form is not completed correctly, it may be treated by the Company as valid. The Board's decision as to whether to treat a Proponent Offer Application Form as valid and how to construe, amend or complete the Proponent Offer Application Form is final.

Creditor Offer

If you are the Priority Creditor (or a nominee) you may apply for securities under the Creditor Offer by completing the Creditor Offer Application Form. Creditor Offer Application Forms must be received by the Company before 5.00pm (WST) on the Closing Date by being posted to the following address:

Cove Resources Limited
(Subject to Deed of Company Arrangement)
c/- Azalea Consulting Pty Ltd
Suite 25, 145 Stirling Highway
Nedlands WA 6009

An original, completed and lodged Creditor Offer Application Form constitutes a binding and irrevocable offer to subscribe for securities. The Creditor Offer Application Form does not need to be signed to be valid.

If the Creditor Offer Application Form is not completed correctly, it may be treated by the Company as valid. The Board's decision as to whether to treat a Creditor Offer Application Form as valid and how to construe, amend or complete the Creditor Offer Application Form is final.

1.8 No underwriting

None of the Offers are underwritten.

1.9 Capital raising fees

The Company may pay to licenced Brokers a capital raising fee of up to 6% on applications received under the Public Offer that have been broker stamped and accepted by the Company. The Company will offer each Broker the option to accept its fees in securities, on the basis of 1 Share for every \$0.0025 payable to the relevant Broker, plus 1 New Option for every 2 Shares issued. These securities will be offered via the Broker Offer.

1.10 Dividend policy

The Company does not expect to pay dividends in the near future as its profits will primarily be on using cash reserves to grow and develop the business. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the financial results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that, any of the dividends may attach franking credits.

1.11 Escrow

No securities issued under the Offers will be subject to escrow.

1.12 Allocation and issue of securities

In respect of the Public Offer, the Board reserves the right to reject any Application Form or to issue a lesser number of securities than that applied for. If the number of securities allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded without interest.

The issue of securities pursuant to this Prospectus will occur as soon as practicable after the Closing Date. Upon the securities being issued, holding statements will be sent to Shareholders as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the securities. Applicants who sell securities before they receive their holding statement will do so at their own risk.

If securities are not issued to an applicant, a cheque will be drawn and the relevant Application Monies will be refunded as soon as practicable after the Closing Date.

1.13 Application Monies

The Application Monies for securities to be issued pursuant to the Public Offer will be held in the Subscription Account on behalf of applicants until the securities are issued or, if the securities are not issued, until the Application Monies are returned to applicants.

If any of the conditions set out in Section 1.2 are not satisfied within 3 months of the date of this Prospectus (or such later date agreed by ASIC in accordance with the Corporations Act), all Application Monies will be refunded to applicants in full without interest in accordance with the Corporations Act. All interest earned on Application Monies (including those which do not result in the issue of securities) will be retained by the Company.

1.14 ASX quotation

The Company's securities have been suspended from trading on the ASX since 22 July 2013. The Company will apply to ASX no later than 7 days from the date of this Prospectus to have the Shares and New Options to be issued pursuant to this Prospectus quoted on the ASX.

If approval for quotation of the Shares and New Options is not granted within 3 months of the date of this Prospectus, all Application Monies will be refunded to applicants in full without interest in accordance with the Corporations Act.

ASX does not take any responsibility for the contents of this Prospectus. The fact that ASX may grant quotation of the Shares and New Options issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or its securities.

1.15 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). ASX Settlement Pty Ltd (**ASX Settlement**), a wholly-owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

ASX Settlement will send a CHESS statement to Shareholders who are broker sponsored as soon as reasonably practicable following the issues of securities under the Offers. Each CHESS statement will set out the number of securities issued to each applicant under this Prospectus, and provide details of the applicant's holder identification number and the participant identification number of the sponsor. CHESS issue advices will be sent by the Share Registry.

The Share Registry will send a statement to applicants who are registered on the Issuer Sponsored sub-register as soon as reasonably practicable following the issues of securities under the Offers. Each statement will contain the number of securities issued to the applicant under this Prospectus and the applicant's security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes.

1.16 Overseas investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise permit an offer of Shares in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of Shares offered pursuant to this Prospectus.

1.17 Privacy disclosure

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Shares will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry.

1.18 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or financial projection would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

1.19 Taxation

It is the responsibility of all investors to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. Neither the Company nor its Directors or officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

1.20 Enquiries

This document is important and it should be read in its entirety. If you are in any doubt as to the contents of this Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay.

Questions relating to the Offers can be directed to the Company on +61 8 9389 3110 during normal business hours in Perth, Western Australia.

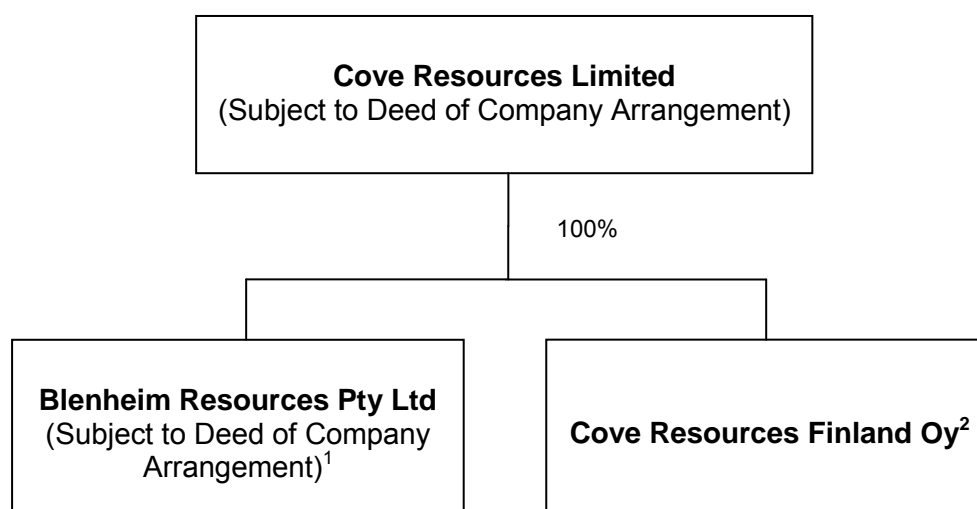
Questions relating to the completion of an Application Form can be directed to the Share Registry on 1300 850 505 (if calling from within Australia) or +61 8 9415 4000 (if calling from outside Australia).

2. COMPANY OVERVIEW AND THE RECAPITALISATION PROPOSAL

2.1 The Company

The Company was registered in 4 June 2008 and listed on the ASX on 27 January 2011 with a focus on the exploration and evaluation of gold development opportunities including the Goongarrie Project in the Eastern Goldfields of Western Australia, and the evaluation of complementary investment and acquisition opportunities.

The current structure of the Company's group is as follows:



Notes:

1. Blenheim Resources Pty Ltd (Subject to Deed of Company Arrangement) (**Blenheim**), a company registered in Australia. Blenheim is a wholly owned subsidiary of the Company, which holds the Company's interests in the Quartz Circle Project. Blenheim is also currently subject to a deed of company arrangement. It is expected that this deed will terminate as wholly effectuated on the same date that the DOCA is terminated as wholly effectuated.
2. Cove Resources Finland Oy (**Cove Finland**), a company registered in Finland. Cove Finland is a company wholly owned by the Company. Cove Finland does not have any material assets or liabilities, and the Company intends to either liquidate or sell the company following ASX Reinstatement.

2.2 Background

Following its listing, the Company completed the required drilling at the Goongarrie Project with successful results and, accordingly, earned a 70% interest in the Project.

On 2 July 2012, the Company entered into an agreement to acquire the Koivu Titanium Project located in Finland. The terms of the acquisition provided that the Company pay a staged consideration. Whilst the Company progressed the Koivu Project, the market for ilmenite declined significantly and ultimately the Company was not able to secure the funding it required to complete the acquisition of the Koivu Project.

On 22 July 2013, the securities of the Company were suspended from official quotation on the official list of ASX at the request of the Company.

On 20 December 2013, the Company entered into a reconstruction deed (**Reconstruction Deed**) with Cygnet Capital Pty Ltd (**Proponent**) in relation to the reconstruction and recapitalisation of the Company.

On 17 January 2014, Bryan Hughes (**Administrator**) was appointed as administrator of the Company pursuant to section 436A of the Corporations Act by resolution of the directors of the Company.

Following his appointment, the Administrator called for proposals to recapitalise the Company with a view to seeking reinstatement to trading of the Company's securities on ASX. The Administrator ultimately accepted the proposal put forward by the Proponent in the Reconstruction Deed with some minor variations.

On 24 February 2014, the Company obtained the approval of its creditors to enter into a deed of company arrangement (**DOCA**) to facilitate acceptance of the Reconstruction Proposal, and the Administrator became the administrator of the DOCA (**Deed Administrator**). On 10 March 2015, the Company obtained approval of its creditors to vary the DOCA to facilitate acceptance of some further variations to the Reconstruction Proposal.

2.3 Recapitalisation Proposal

The Reconstruction Deed sets out the process for the Company's proposed reconstruction and recapitalisation. Under the Recapitalisation Proposal, and subject to Shareholders approving the Specified Resolutions, it is proposed that:

- the Company will raise (or has raised) up to \$1,810,000 (before costs) via the following capital raisings:
 - up to \$1,500,000 (before costs) from the issue to the public of up to 600,000,000 Shares, together with 1 free attaching New Option for every 2 Shares issued, under the Public Offer;
 - \$310,000 from the issue of Class B Notes to the Class B Noteholders, pursuant to which it is proposed that 155,000,000 Shares will be issued to the Class B Noteholders under Conversion Offer B;
- the Company will make the following payments:
 - \$180,000 in cash to the Deed Administrator for distribution by the Deed Administrator in accordance with the DOCA;
 - the issue of 38,000,000 Shares and 19,000,000 New Options to the Suppliers in consideration of services provided to the Company;
 - the issue of up to 36,000,000 Shares and 18,000,000 New Options to the Brokers in consideration of services provided to the Company;
 - the issue of 250,000,000 New Options to the Proponent in accordance with the Reconstruction Deed;

- the issue of 11,369,000 Shares to the Priority Creditor in accordance with the DOCA ;
- the DOCA will be terminated upon it being wholly effectuated, with the Deed Administrator retiring and the Company being fully released and discharged from all creditor claims capable of being released by the DOCA; and
- the Company's securities will be reinstated to trading on the ASX.

As part of the Recapitalisation Proposal, the Company has restructured its Board with Garry Hemming ceasing to be a Director, and Erlyn Dale joining Winton Willesee and Greg Miles on the Board.

In addition, the Company raised \$250,000 from the issue of Class A Notes, pursuant to which it is proposed that 125,000,000 Shares will be issued to the Class A Noteholder. These funds were raised in 2013 – prior to the Company entering administration – and were applied towards working capital requirements.

2.4 General Meeting

The General Meeting will be held on 4 May 2015 to seek Shareholder approval to the following resolutions (**Specified Resolutions**):

- **Public Offer:** the issue of Shares and New Options under the Public Offer;
- **Conversion Offer A:** the issue of Shares to the Class A Noteholder under Conversion Offer A;
- **Conversion Offer B:** the issue of Shares to the Class B Noteholder under Conversion Offer B;
- **Supplier Offer:** the issue of Shares and New Options to the Suppliers under the Supplier Offer;
- **Broker Offer:** the issue of Shares and New Options to the Brokers under the Broker Offer;
- **Proponent Offer:** the issue of New Options to the Proponent under the Proponent Offer;
- **Creditor Offer:** the issue of Shares to the Priority Creditor under the Creditor Offer; and
- **Director participation in Public Offer:** the right for the Directors to apply for Shares under the Public Offer.

The Specified Resolutions are interconditional and must be passed by Shareholders in order for the Offers to proceed.

In addition, the Company will seek Shareholder approval to the following resolutions at the General Meeting:

- **Remuneration reports:** the approval of remuneration reports for the financial years ended 30 June 2013 and 30 June 2014;

- **Spill resolution:** the approval of a spill resolution (n.b. the vote on this resolution is conditional on the outcome of the votes on the remuneration reports);
- **Re-election of Director:** the re-election of Greg Miles as a Director;
- **Re-election of Director:** the re-election of Winton Willesee as a Director;
- **Appointment of Director:** the appointment of Erlyn Dale as a Director; and
- **Placement capacity:** an increase of the Company's placement capacity to 25% for the purposes of ASX Listing Rule 7.1A.

2.5 Business model and strategy

The Company's business model is to enhance Shareholder wealth by undertaking exploration work programs on mineral projects it holds while continuing to evaluate additional exploration projects both within Australia and overseas. These projects may be in commodities other than the Company's existing focus.

The Company currently has interests in the following projects (**Projects**) which it intends to explore and evaluate in line with its business model:

- Quartz Circle Project
- Goongarrie Project

Upon being reinstated to trading on the ASX, the Company will seek to explore and, potentially, develop its Projects. In addition to exploring and evaluating the potential of its existing Projects, once reinstated the Company will actively pursue new exploration projects by way of acquisition and investment.

2.6 Project overview

This section provides a brief summary of the Company's Projects. Investors are referred to the Independent Geologist's Report in Section 4 of this Prospectus, where the Projects and exploration programs are described in more detail.

The Company holds a portfolio of tenements in two exploration properties in Western Australia, namely the Goongarrie Project located in the eastern Goldfields and the Quartz Circle Project located in the eastern Pilbara.

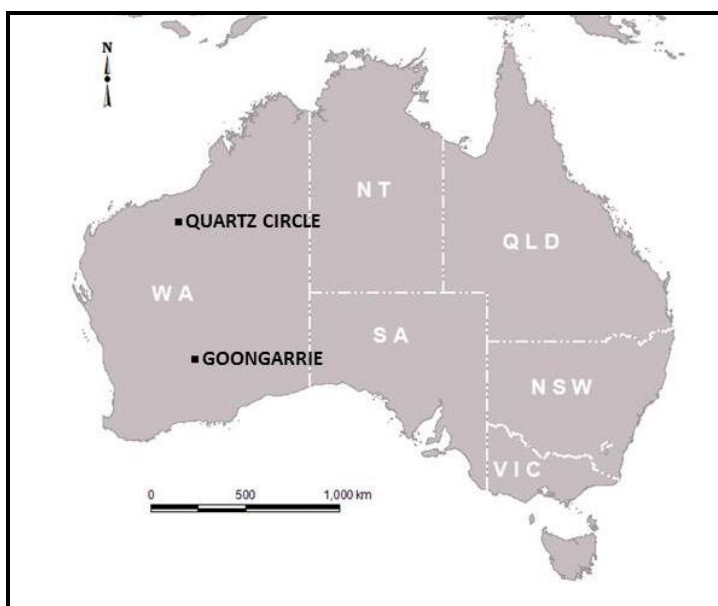


Figure 1: Location of the Quartz Circle Project and Goongarrie Project

Quartz Circle Project

The Quartz Circle Project lies in the eastern Pilbara region of Western Australia, 40 kilometres by road north-northeast of Nullagine. Significant base metal, gold and silver mineralisation has been intersected in drilling by various companies over three decades. The Company's exploration programs will be focused on extending resources and finding clusters of large volcanogenic massive sulphide (**VMS**) deposits of high grade copper and gold.

The Tenements comprising the Quartz Circle Project are set out in the table below.

Important: Please refer to notes 2 and 3 below regarding Tenements marked with an asterisk (*).

Tenement No.	Type	Prospective minerals	% interest¹	Status²
P46/1360	Prospecting licence	Copper, gold	80%	Granted
P46/1361	Prospecting licence	Copper, gold	80%	Granted
P46/1362	Prospecting licence	Copper, gold	80%	Granted
P46/1363	Prospecting licence	Copper, gold	80%	Granted
P46/1364	Prospecting licence	Copper, gold	80%	Granted
P46/1365	Prospecting licence	Copper, gold	80%	Granted
P46/1366	Prospecting licence	Copper, gold	80%	Granted
P46/1752	Prospecting licence	Copper, gold	100%	Granted

P46/1753	Prospecting licence	Copper, gold	100%	Granted
P46/1754	Prospecting licence	Copper, gold	100%	Granted
M46/371*	Mining lease	Copper, gold	80%	Application
P46/1825*	Prospecting licence	Copper, gold	80%	Application
P46/1826*	Prospecting licence	Copper, gold	80%	Application
P46/1827*	Prospecting licence	Copper, gold	80%	Application
P46/1828*	Prospecting licence	Copper, gold	80%	Application
P46/1829*	Prospecting licence	Copper, gold	80%	Application

Notes:

1. The remaining 20% interest in P46/1360, P46/1361, P46/1362, P46/1363, P46/1364, P46/1365, P46/1366, P46/1825, P46/1825, P46/1825, P46/1825 and P46/1825 is held by Cazaly Resources Limited (**Cazaly**). The Company and Cazaly are party to the Joint Venture Agreement summarised in Section 8.6.
2. In 2005, the previous holders of P46/1360, P46/1361, P46/1362, P46/1363, P46/1364, P46/1365 and P46/1366 (**Original PLs**) made an application under section 49 of the Mining Act to convert the Original PLs into a mining lease, resulting in the creation of application M46/371. The Company understands that M46/371 will not be granted. Refer to the Legal Report of Tenements in Section 5 for further information.
3. The Original PLs are validly granted and are in full force. In 2014, applications were made under section 56B of the Mining Act to apply for new prospecting licences to replace the Original PLs, resulting in the creation of applications P46/1825, P46/1826, P46/1827, P46/1828 and P46/1829 (**New PLs**). These New PLs are yet to be determined by the DMP, and they don't carry any tenure until they are granted (if at all), however the Company is not aware of any genuine reason why the New PLs would not be granted. If and when the New PLs are granted, they will replace the Original PLs which will then cease to exist. In the meantime, the Company retains its tenure to the Original PLs and the rights and liabilities associated with such tenure. Refer to the Legal Report of Tenements in Section 5 for further information.

4. Goongarrie Project

The Goongarrie Project comprises 4 contiguous Prospecting Licences that cover the historic Goongarrie gold mining centre situated in the eastern Goldfields of Western Australia, approximately 90 kilometres north-northwest of Kalgoorlie.

Gold mining activity at Goongarrie occurred sporadically between 1893 and 1989 and cumulative gold production is estimated to be approximately 35,000oz from numerous pre-1942 small underground workings and five shallow open pits operated by Julia Mines NL from 1982 to 1987.

The results of recent field mapping and drilling indicate the potential for further shear-hosted high grade gold mineralisation to be identified at depth and along strike of known mineralisation in the Goongarrie Project. There also remains some lateritic nickel potential with some previous drill intersections and known resources in the surrounding district.

The Tenements comprising the Goongarrie Project are set out in the table below.

Tenement No.	Type	Prospective minerals	% interest	Status
P29/2153	Prospecting licence	Gold	70%	Granted
P29/2154	Prospecting licence	Gold	70%	Granted
P29/2155	Prospecting licence	Gold	70%	Granted
P29/2156	Prospecting licence	Gold	70%	Granted

Note: The remaining 30% interest in P29/2153, P29/2154, P29/2155 and P29/2156 is held by Clinton Hood (**Hood**). The Company and Hood are party to the Farm-In Agreement summarised in Section 8.7.

2.7 Future acquisitions

Upon ASX Reinstatement, a portion of the Company's assets will be comprised of cash. As such, disclosure is required regarding the expertise of the current Directors and, more specifically, how this level of expertise will assist the Company in making investment decisions.

The Directors have a broad range of commercial and public company experience. The Directors also have broad experience in project development, finance and corporate transactions for various listed and non-listed entities, which will be relevant to the assessment of potential projects for the Company. The Directors consider that their contacts and relevant experience will provide assistance in identifying and securing new projects for investment and acquisition.

The Directors are committed to the highest standards of corporate governance and they will make themselves readily available to meet the requirements of the Company and its operations going forward. The Directors will ensure that they devote sufficient time, attention and skill to the duties of their position and the Company's business.

Investment strategies may be adopted as and when suitable opportunities are identified by the Board. The Company may be subject to additional risks in the future relating to these investments that cannot be identified as at the date of this Prospectus.

3. RISK FACTORS

As with any share investment, there are risks associated with an investment in the Company. The numerous risk factors are both of a specific and a general nature. Some can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated.

This Section 3 identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional adviser before deciding whether to apply for securities.

3.1 Risks to ASX Reinstatement

(a) Termination of the DOCA

As the Company is currently subject to a Deed of Company Arrangement, there is a risk that if the terms and conditions of the DOCA are not satisfied then the Company may proceed into liquidation. The terms and conditions of the DOCA are summarised in Section 8.2. However, if the DOCA is not terminated wholly effectuated then investors will be repaid their Application Monies in accordance with Section 1.2.

(b) Compliance with ASX conditions for reinstatement

ASX requires the Company to satisfy certain conditions in order for its securities to be reinstated to trading on the ASX. One of these conditions is that the Company holds at least \$1,000,000 in cash, net of all liabilities, immediately prior to ASX Reinstatement, and that the DOCA is terminated fully effectuated. At the date of this Prospectus, the Directors are not aware of any genuine reason why the Company will not be able to satisfy ASX's conditions to ASX Reinstatement. However, if the Company does not achieve ASX Reinstatement then investors will be repaid their Application Monies in accordance with Section 1.14.

3.2 Other specific risks

(a) Exploration risks

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Among other things, success in this process involves:

- discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- access to adequate capital throughout the acquisition/discovery and project development phases;
- securing and maintaining title to mineral exploration projects;

- obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and
- accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

There can be no assurance that exploration of the Tenements or any other exploration properties that may be acquired in the future will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.

The exploration activities of the Company may be adversely affected by a range of factors including geological conditions, operational risks and changing government laws and regulations. Further, whether positive income flows result from projects on which the Company will expend exploration and development capital is dependent on many factors including successful exploration, establishment of production facilities, cost control, commodity price movements, successful contract negotiations for production and stability in the local political environment.

In addition, significant expenditure may be required to establish necessary metallurgical and mining processes to develop and exploit any mineral reserves identified on the Company's tenements. There is no assurance that the Company will have sufficient working capital or resources available to do this.

(b) Resource estimates

The Company does not currently have any JORC compliant resources. Should a JORC compliant resource be delineated in the future, any resource estimate will be an expression of judgement based on knowledge, experience and industry practice. Estimates which are valid when originally made may change appreciably when further information becomes available. Such resource estimates are by nature imprecise and depend to some extent on interpretations which may, with further exploration, prove to be inaccurate. If the Company encounters ore bodies or formations which differ from those suggested by past sampling and analysis, resource estimates may have to be adjusted and any production plans altered accordingly which may adversely impact the Company's plans.

(c) Title risk

The Company's title to many of the Tenements has not been formally registered with the DMP. However, to protect its interests, the Company has registered caveats over the granted Tenements which are not held in its name. The Company intends to register its interests in these Tenements as soon as practicable following ASX Reinstatement. Notwithstanding that the tenement register maintained by the DMP has not been updated, the Company does not consider that there is any threat to its interests in the Tenements. See the Legal Report on Tenements included in Section 5 for further information.

The Tenements are granted or applied for under, and governed by the laws of, Western Australia and will be subject to conditions, including minimum annual expenditure commitments and reporting requirements. Failure to comply with these conditions may result in forfeiture of the relevant Tenement.

Further, as is generally the case with mining tenements, the Tenements are subject to periodic renewal. Whilst there is no reason to believe that such renewals will not be granted, the Company cannot guarantee that this will occur. New conditions may also be imposed on the Company's tenement interests under the renewal process which may adversely affect the Company.

(d) Operations risks

The operations of the Company may be adversely affected by various factors, including:

- failure to locate or identify mineral deposits;
- failure to achieve predicted grades in exploration and mining;
- operational and technical difficulties encountered in mining;
- insufficient or unreliable infrastructure, such as power, water and transport;
- political or civil unrest, including outbreaks of violence or other hostilities;
- difficulties in commissioning and operating plant and equipment;
- mechanical failure or plant breakdown;
- unanticipated metallurgical problems which may affect extraction costs;
- adverse weather conditions;
- industrial and environmental accidents;
- industrial disputes; and
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(e) Future profitability

The Company has incurred significant losses in the past, ultimately resulting in the appointment of the Administrator. It is not possible to evaluate the Company's future prospects based on past performance. The past performance should not impact on the future opportunities of the Company.

While the Directors have confidence in the future revenue-earning potential of the Company, there can be no certainty that the Company will achieve or

sustain profitability or achieve or sustain positive cash flow from its operating activities.

The Company intends to invest in the exploration and development of the Tenements and any other mineral interests that it may acquire in the future. Therefore, it is anticipated that the Company will make losses in the foreseeable future.

(f) Future acquisitions

Going forward, the Company may make acquisitions of, or significant investments in, other projects in line with its business model. Such transactions are inherently accompanied by risk. In addition, an acquisition may be subject to Shareholder and regulatory approvals, which may include re-compliance with Chapters 1 and 2 of the Listing Rules.

(g) Government and policy changes

Government action or policy changes in Australia, particularly in relation to lands and infrastructure, compliance with environmental regulations, taxation and royalties, may adversely affect the Company's operations and financial performance.

(h) Regulatory approvals

Regulatory approvals are generally required prior to any work being undertaken on mining tenements. The granting of such approvals may take time and there is no assurance that the approvals will be granted at all.

(i) Commodity prices and exchange rates

As the Company's potential earnings will be largely derived from the sale of mineral commodities, the Company's future revenues and cash flows will be impacted by changes in the prices and available markets of these commodities. Any substantial decline in the price of those commodities or in transport or distribution costs may have a material adverse effect on the Company and the value of its Shares.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include current and expected future supply and demand, forward selling by producers, production cost levels in major mineral producing centres as well as macroeconomic conditions such as inflation and interest rates.

Furthermore, the international prices of most commodities are denominated in United States dollars while the Company's cost base will be in Australian dollars. Consequently, changes in the exchange rate of these currencies will impact on the earnings of the Company. The exchange rate is affected by numerous factors beyond the control of the Company, including international markets, interest rates, inflation and the general economic outlook.

(j) Environmental risk

The proposed activities of the Company are subject to the laws and regulations concerning the environment. The Company intends to conduct its

activities in an environmentally responsible manner and in compliance with all applicable laws. However, complying with environmental laws may be costly and results in delays to the Company's activities. Further, the Company may be the subject of accidents or unforeseen circumstances that could subject it to extensive liability.

(k) Insurance

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

3.3 General Risks

(a) Economic risks

The future viability of the Company is also dependent on a number of factors which may affect the performance of all industries and not just the exploration and mining industries including, but not limited to, the following:

- general economic conditions;
- changes in Government policies, taxation and other laws;
- the strength of the equity and share markets in Australia and throughout the world and, in particular, investment sentiment towards the commodities sector;
- movement in, or outlook on, exchange rates, interest rates and inflation rates; and
- natural disasters, social upheaval or war.

(b) Investment risks

The Shares to be issued pursuant to this Prospectus should be considered speculative due to the nature of the Company's business. There is no guarantee as to the payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid by the investor for the Shares.

Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(c) Share market risks

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. The market price of the Shares may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- commodity price fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

There is also no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few buyers or sellers of Shares on the ASX at any particular time.

(d) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, and such activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(e) Future capital needs

Further funding of projects may be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently, its performance.

(f) Dependence on personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. The Company may be detrimentally affected if one or more of the key management or other personnel cease their engagement with the Company.

4. INDEPENDENT GEOLOGIST'S REPORT



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Cove Resources Limited
Goongarrie Gold Project and Quartz Circle VMS Project
Independent Geologist's Report

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14th April 2015

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BSc (Geol & Soil Sc), GradCertAppFin, MAIG

Dear Directors

Cove Resources Limited (Cove or the Company) commissioned FRM Geological Services (FRM) to provide an Independent Geologist's Report (IGR or the Report) on the Company's portfolio of exploration projects. Cove's projects include the Quartz Circle VMS Project located in the eastern Pilbara and the Goongarrie Gold Project located in the Eastern Goldfields. Both projects are located in Western Australia and cover a total combined area of 1,679.1 hectares.

This Report is to be included in a Prospectus to be issued in support of a re-listing on the Australian Securities Exchange (ASX). The re-compliance prospectus will offer up to 600 million shares at an issue price of \$0.0025 per share along with one free attaching option for every two new shares issued to raise a total of \$1,500,000 before the costs of the offer (Prospectus).

Cove proposes to lodge the Prospectus with the Australian Securities and Investment Commission (ASIC) on 21 April 2015.

Cove has sought from FRM exploration programs that maximise the progress the Company can make on the projects within the funding availability anticipated from the capital raising and having received the suggestions of FRM has indicated to FRM that the amounts detailed within this report in both the first and second years have been adopted as the Company's intentions. FRM considers the intended expenditure as detailed within this report is justified given the exploration potential of the projects.

FRM is of the opinion that Cove has satisfactory and clearly defined exploration and expenditure programs which are reasonable having regard to the stated objectives of the Company. Cove's exploration programs are included in the report and have been phased over two years, but they may be altered in view of results gained which could revise the emphasis of current priorities.

Standard of the Report

This Report has been prepared to the standard of, and is considered by FRM to be, a Technical Assessment Report under the guidelines of the JORC and VALMIN Codes. The VALMIN Code is the code adopted by The Australasian Institute of Mining and Metallurgy (AusIMM) and the standard is binding upon all members of AusIMM and Australian Institute of Geoscientists (AIG). The VALMIN Code incorporates the JORC Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves.

This Report is not a Valuation Report and does not express an opinion regarding the value of the mineral assets or tenements involved, nor to the 'fairness and reasonableness' of any transaction between Cove and any other parties.

Statement of FRM Independence

This Report has been prepared by FRM strictly in the role of an independent expert. Neither FRM nor the author of this Report have any material present or contingent interest in the outcome of this Report, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of FRM.

Professional fees payable for the preparation of this Report constitutes FRM's only commercial interest in Cove. FRM's fee is based on normal professional rates, and the payment of that professional fee is not contingent upon the conclusions of this Report.

Information basis of this Report

FRM has derived the technical information, which forms that basis of its Report on information provided by Cove, information sourced from the public domain and information sourced from FRM's own extensive database. Further information has been drawn from discussions with consultants, directors and management of Cove. However, where discrepancies arise and no alternative comments are provided, interpretations provided by FRM prevail in this Report. The past exploration history for these tenements has been derived from previous explorers reports, which have been sourced from the public domain and reviewed by FRM.

The principal sources of information are included in a reference list at the end of the Report. FRM does not doubt the authenticity or substance of previous investigating reports. FRM has not however,

carried out a complete audit of the information but has relied on previous reporting and documentation where applicable and has used this for research purposes with qualifications applied, where necessary.

The Report has been prepared to include information available up to the date of this Report. Cove has stated that all information provided by Cove may be presented in the Report and that none of the information is regarded as confidential.

The work was based mainly on desk-top study reviews; however FRM has undertaken site visits in the past to both project areas. The work included development of a recommended exploration programme in line with Cove's proposed exploration budget.

Note on the Tenement Status and Material Contents

FRM has not independently verified ownership and the current standing of the tenements and is not qualified to make legal representations in this regard. Instead, FRM has relied on information provided by Cove. FRM has prepared this Report on the understanding that all the tenements of Cove are currently in good standing. FRM has not attempted to establish the legal status of tenements with respect to Native Title or potential environmental and access restrictions.

The current ownership status and legal standing of the tenements is subject to a separate Independent Solicitor's Report which is set out within the Prospectus.

Author

The author of this Report, Felicity Repacholi-Muir, who has compiled the information used in the Report, is a Member of the Australian Institute of Geoscientists (AIG) and has sufficient experience, which is relevant to the style of mineralisation and the type of deposit under consideration, and to the activity she is undertaking, 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" (the JORC Code).

Warranties and Indemnities

Cove has warranted in writing to FRM that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

As recommended by the VALMIN Code, Cove has provided FRM with an indemnity under which FRM is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required which:

- Results from FRM's reliance on information provided by Cove or to Cove not providing material information; or
- Relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

Consents

FRM consents to this Report being included, in full, in the Cove prospectus, in the form and context in which the technical assessment is provided, and not for any other purpose.

FRM provides this consent on the basis that the technical assessments expressed in the Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

Yours faithfully



FRM Geological Services

Felicity Repacholi-Muir, Principal Consultant
BSc (Geol & Soil Sc), GradCertAppFin, MAIG
Perth 14th April 2015

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LIST OF ABBREVIATIONS

Abbreviation	Meaning
AIG	Australian Institute of Geoscientists
Ag	Silver
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
Au	Gold
AusIMM	Australasian Institute of Mining and Metallurgy
Cu	Copper
Cu-Au	Copper Gold
DD	Diamond Drill hole
E	East
EL	Exploration licence
EM	Electromagnetic
Epi	Epithermal
E-W	east-west
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC), November 2012.
IP	Induced Polarisation
K	Potassium
Km	Kilometre
km ²	Square Kilometre
m	metre
MAIG	Member of Australian Institute of Geoscientists
Mt	million tonnes
Mtpa	million tonnes per annum
MVT	Mississippi Valley Type
N	north
NE	northeast
Ni	Nickel
NW	northwest
Pb	Lead
ppm	parts per million
ppb	parts per billion
RC	Reverse Circulation
RTP	Reduced to Pole
S	south
SE	southeast
FRM	FRM Geological Services
SW	southwest
T	tonne
TMI	Total Magnetic Intensity
U	Uranium
VALMIN	Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports
VMS	Volcanogenic massive sulphide
W	West
Zn	Zinc

1.0 EXECUTIVE SUMMARY AND SCOPE OF REPORT

1.1 Purpose of Report

Cove Resources Limited (Cove) holds a portfolio of tenements in two exploration properties in Western Australia, namely the Goongarrie Gold Project located in the Eastern Goldfields and the Quartz Circle VMS Project located in the eastern Pilbara. FRM Geological Services (FRM) has provided an Independent Geologist Report (IGR) for Cove. This report represents a Competent Persons report and is an independent assessment of the geology, exploration data and exploration potential of those assets located in Western Australia.

The objective of the report is to:

- Provide an overview of the regional and local geology of the exploration projects.
- Provide an opinion on the exploration potential of the project areas.
- Provide a summary of the current and previous exploration work undertaken at or around the project areas.
- Describe any assay test work undertaken.
- Describe any Mineral Resource Estimation work undertaken.
- Describe any metallurgical test work undertaken.
- Provide an opinion on the exploration strategy and proposed work programmes.

FRM understands that this report will form part of a prospectus document to be lodged with the Australian Securities and Investment Commission (ASIC) for a proposed re-listing on the Australia Securities Exchange (ASX).

1.2 Project Areas

The Goongarrie Gold Project covers the historical Goongarrie gold mining centre, approximately 90 kilometres north of Kalgoorlie. The area has been mined previously and a number of explorers have drilled to find mineralisation extensions. Follow up drilling by Cove has returned good results and work will be focused on the evaluation of this drilling in conjunction with all historical drilling to determine if a mineable gold resource is present and is suitable for toll treatment nearby.

The Quartz Circle VMS Project is located 200 kilometres to the southeast of Port Hedland in the Pilbara region of Western Australia. The Project contains Volcanogenic Massive Sulphide (VMS) mineralisation exhibiting classic alteration and metal zonation. Widespread base metals, gold and silver have been intersected in previous drilling. Exploration is aimed at delineating clusters of large VMS deposits of high grade copper and gold. There are large geophysical electro-magnetic and gravity anomalies to be investigated.

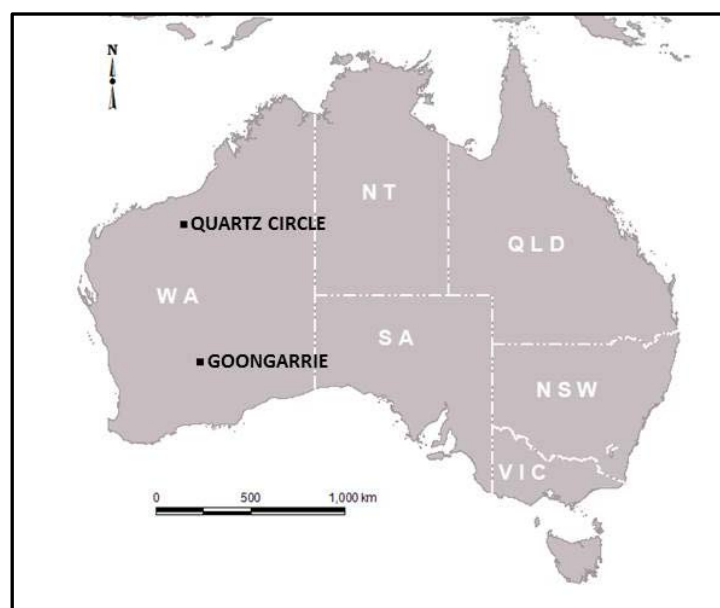


Figure 1: Cove Resources Limited's Project Locations

1.3 Exploration Strategy and Proposed Work Plan

Cove has sought from FRM exploration programs that maximise the progress the Company can make on the projects within the funding availability anticipated from the capital raising and having received the suggestions of FRM has indicated to FRM that the amounts detailed within this report in both the first and second years have been adopted as the Company's intentions. FRM considers the intended expenditure as detailed within this report is justified given the exploration potential of the projects.

FRM considers the exploration budget allocations and associated plans to be reasonable, given the potential for exploration success in each of the project areas. All work programs and budgets are subject to initial results, and budgets may be diverted to more prospective projects as warranted. The Directors of Cove are technically qualified to manage the proposed exploration programs and plan further work depending on the results.

2.0 GOONGARRIE GOLD PROJECT

2.1 INTRODUCTION

The Goongarrie Gold Project comprises four (4) contiguous Prospecting Licences that cover the historic Goongarrie gold mining centre situated in the Eastern Goldfields of Western Australia, approximately 90 kilometres north-northwest of Kalgoorlie.

Gold mining activity at Goongarrie occurred sporadically between 1893 and 1989 and cumulative gold production is estimated to be approximately 35,000oz from numerous pre-1942 small underground workings and five shallow open pits operated by Julia Mines NL from 1987-1989.

The results of recent field mapping and drilling indicate the potential for further shear-hosted high grade gold mineralisation to be identified at depth and along strike of known mineralisation in the Goongarrie Gold Project. There also remains some lateritic nickel potential with some previous drill intersections and known resources in the surrounding district.

2.2 LOCATION, ACCESS AND TENURE

The Goongarrie Gold Project is located approximately 90 kilometres north of Kalgoorlie near the historical Goongarrie townsite and lies astride the Goldfields Highway. Access around the tenements is provided by a number of old station tracks, haul roads and cleared gridlines.

The tenement group of the Goongarrie Gold Project is set out in Table 1. It comprises four granted Prospecting Licences, covering a total of 751 hectares. The tenements have a combined annual statutory commitment of \$30,040. Cove has earned a 70% interest in each of the Prospecting Licences.

The tenements lie on the Kalgoorlie (SH51-09) 1:250,000 map sheet and the Bardoc (3137) 1:100,000 map sheet. The tenements lie on vacant crown land.

The project area is typified by open, undulating country with occasional stands of mulga scrub and scattered eucalypt trees. The main mining area is characterised by numerous historical workings, open pits and associated earthworks (Fig 2).

The climate is sub-desert with rainfall of 50-125mm. The vegetation is mainly semi-arid scrubland, with areas of spinifex. The stream run-off is minimal.

Table 1: Goongarrie Gold Project Tenement Schedule

Tenement	Lease Status	Application Date	Grant Date	Expiry Date	Commitment	Area (Ha)
P29/2153	Granted	22/10/2009	22/07/2010	21/07/2018	\$7,960	199.00
P29/2154	Granted	22/10/2009	22/07/2010	21/07/2018	\$7,960	199.00
P29/2155	Granted	22/10/2009	22/07/2010	21/07/2018	\$7,640	191.00
P29/2156	Granted	22/10/2009	2/08/2010	1/08/2018	\$6,480	162.00



Figure 2: Typical environment surrounding the Goongarrie Mining Centre.

2.3 GEOLOGICAL SETTING

The Goongarrie Gold Project is located at the northern end of the Bardoc Tectonic Zone (BTZ), a major Greenstone Belt stretching between Kalgoorlie and Menzies within the Kalgoorlie Terrane of the Archaean Yilgarn Craton of Western Australia. The tenements are adjacent to the western edge of the BTZ which occupies the axis of this belt.

The generalised stratigraphy in the project area consists of five main units, that are, from west to east:

- sheared talcose ultramafic associated with strong regional north west trending strike-slip fault along its eastern margin
- tholeiitic basalt
- interlayered mafic intrusives gabbro, dolerites and basalts containing cherty and graphitic interflow sediments
- Tholeiitic basalt
- Felsic volcanics with minor interflow metasediments including greywacke and black shales

Structure is dominated by shearing associated with the BTZ creating pervasive sheared fabrics which provides the focus for gold mineralisation. Structure is the main control to gold mineralisation. All deposits are located on or adjacent to a major NNW trending strike parallel shear zone of varying intensity, from 20-200m wide. The intersection of oblique, NW-SE cross cutting faults with the main NNW zone is a fundamental locus for gold deposition. Chlorite and carbonate alteration is encountered across the trending foliation that strikes 340° and dips 70° towards the west and parallels the majority of mineralised shear zones found in the area. Mineralisation is associated with quartz veining and coarsely crystalline disseminated arsenopyrite, pyrite and chalcopyrite.

Gold mineralisation in the BTZ and adjacent greenstone sequences occurs in all rock types, although host rocks in most historical producers are dominantly mafic. Despite this, several historical and recent producers are hosted in other than mafic rocks. Gold mineralisation potential therefore exists throughout the region regardless of host-rock type.

Lateritic nickel mineralisation is known to be concentrated in the basal horizons of an eroded laterite profile, most commonly at the NW margin of the project area. Heron Resources Limited's Goongarrie South iron-nickel deposit lies within this unit, approximately 10km south of the project area.

2.4 PREVIOUS EXPLORATION BY OTHER PARTIES

Historically the Goongarrie mining centre produced 19,384oz of gold from 29,992t of extracted ore at an average grade of 20.1g/t Au mainly from the New Boddington mine between 1893 and 1942. During the late sixties and early seventies Allstate Exploration NL and Western Mining Corporation Ltd (WMC) undertook exploration programs for nickel and base metals in the Goongarrie district.

Minor production by tributers and prospectors continued until 1983 when Newmont Mining Corporation (Newmont) and Hunter Resources Limited (Hunter) commenced exploration for stockwork and vein hosted gold mineralisation. During 1984 Newmont completed a total of 1,303m of RC drilling in the area, including 19 holes around the historical New Boddington workings. Hunter completed a further seven holes during 1985 and intersected significant gold mineralisation in three of these at the New Boddington workings. Julia Mines NL (Julia) acquired the Hunter interests in March 1986 and commenced a program of diamond and RC drilling. A total of 70 RC holes for 4,900m and 17 NQ diamond holes for 3,007.4m were completed between April and August 1986. This work proved up sufficient resources at New Boddington and Franks Dam to allow mining to re-commence in 1987.

Further drilling to the north of the main open cut pits identified a number of shallow near surface ore zones that were extracted during the mining operation. Several holes also intersected significant laterite nickel mineralisation outside the current Goongarrie Gold Project area. Production from the five open cut pits is shown in Table 2.

Table 2: Production from the five open cut pits within the Goongarrie Gold Project.

Pit	Pit Depth m	Ore Mined t	Grade g/t Au	Gold Oz
Frank's Dam	81	64,548	2.97	6,170
New Boddington	82	56,783	2.60	4,746
Hick's Line North	26	34,109	2.70	2,961
Hick's Line South	34	16,677	2.60	1,393
Caledonian	unknown	15,009	1.80	869
TOTAL		187,126	2.68	16,125

Following the cessation of mining by Julia, Goldfields Exploration Ltd (Goldfields) farmed into the area and conducted mapping, aeromagnetic surveys and some drilling with a view towards locating oxide gold resources to feed their Paddington plant situated 45 kilometres to the south.

Goldfields undertook a programme of RAB and RC drilling testing the strike extensions of the known deposits as well as historic workings and soil anomalism, particularly in the area of the New Boddington Pit. An extensive programme of RC was completed by Goldfields north of the New Boddington Pit, however only limited data is available.

A detailed aeromagnetic, radiometric geophysical survey was completed in October 1997. Three of the four open cut mines were identified within a moderately magnetic gabbro unit and are associated with oblique WNW (*Frank's Dam, New Boddington*) or NE (*Hick's Line, Caledonian*) trending structures. Another common element to these deposits is the curvature or flexure of these magnetic units.

The Goongarrie Gold Project was acquired by Scimitar Resources Limited (Scimitar) in 2005. Scimitar analysed available aeromagnetic data and identified several targets in the licence area which corresponded to the setting of these deposits.

Scimitar followed on with an RC programme in 2005 comprising 12 holes for a total of 1,854m targeting gold mineralisation beneath and along strike of the *New Boddington* and *Frank's Dam* open pits. The gold mineralisation is hosted by a north striking package of sheared gabbro, basalt and chlorite schist and is associated with quartz veining and carbonate-biotite-arsenopyrite, pyrite and chalcopyrite alteration. This drilling successfully intersected several broad zones of low to medium grade gold mineralisation, in many cases including narrow high grade zones of mineralisation. A best result was returned from GNRC0001 of 10m at 9.62g/t Au from 14 metres with all drilling results included in Appendix A.

Scimitar also carried out geological mapping, concentrating around the workings and outcrops to the north and south of the *New Boddington* and *Frank's Dam* pits, extending to the northern workings and across to Lake Goongarrie along the eastern tenement boundary. The program located a number of old shafts and prospecting pits associated with narrow shear zones and cross cutting features and included the collection of 60 rock chip samples returning gold values up to 15.0g/t.

Despite the encouraging results from Scimitar's drilling and surface mapping, the company conducted no further work as its corporate focus changed to the uranium sector.

2.5 PREVIOUS EXPLORATION BY COVE

Cove acquired the Goongarrie Gold Project prior to listing in January 2011. A complete summary of drilling completed by Cove is included in Appendix A, with results summarised below.

Cove completed its maiden drilling program at the Project during February 2011. A total of 18 RC holes were completed for 1,405 metres. The program tested near surface mineralisation potential near the previously mined *Caledonian*, *New Boddington* and *Frank's Dam* pits, as well as more regional targets based on previous RAB drilling.

The area on the east side and beneath the historical *Caledonian Pit* contained numerous individual high grade intervals, including of 57m @ 1.23 g/t Au from 31 metres in GGRC11-01 and 22m @ 2.04 g/t Au from 52 metres in GGRC11-06. (ASX:CVE 14th February 2011)

Cove completed a soil sampling program within a portion of the Project that appeared to have no modern exploration undertaken on it. The purpose of the program was to examine the potential suitable lithological unit for both gold and nickel. A total of 375 soil samples were collected. An area of approximately 40 metres by 240 metres was deemed to be anomalous for gold and a coherent 1200-1500 metre long, nickel soil anomaly at the 800ppm level was delineated (ASX:CVE 16th June 2011). The nickel anomaly is located over ultramafics which Cove believes could be an indicator of lateritic nickel mineralisation.

An infill soil sampling program was completed circa the anomalous gold results, confirming the gold anomaly extent was over 300 metres in length. During the infill soil sampling, a number of historical prospecting pits were discovered along the strike of the gold anomaly, further supporting the soil work. No evidence or records of any modern exploration over this area were found. Cove subsequently referred to the area as *Goongarrie West*.

A total of 28 RC holes were completed for 2,232 metres during November 2011. The drilling focussed on the *Caledonian*, *Frank North* and *Goongarrie West Prospects*. Results from the *Caledonia Prospect* were encouraging, drilling identified a continuous zone of mineralisation over 120m strike length below the *Caledonian* shallow pit. A best result of 43m @ 1.55 g/t Au from 71 metres in CGW-20 was directly along strike from the previous intersection in GGRC11-01. Cove believes that drilling completed by previous explorers along strike may not have been deep enough to test this zone of mineralisation, which remains open. (ASX:CVE 15th December 2011)

The program also tested the prominent gold in soil anomaly at the *West Goongarrie Prospect*. Surface sampling in the historical pits returned a best result of 18.75 g/t Au and 19.7 g/t Ag. Drilling identified a mineralised structure which Cove stated that it required further work to determine its potential. (ASX:CVE 15th December 2011)

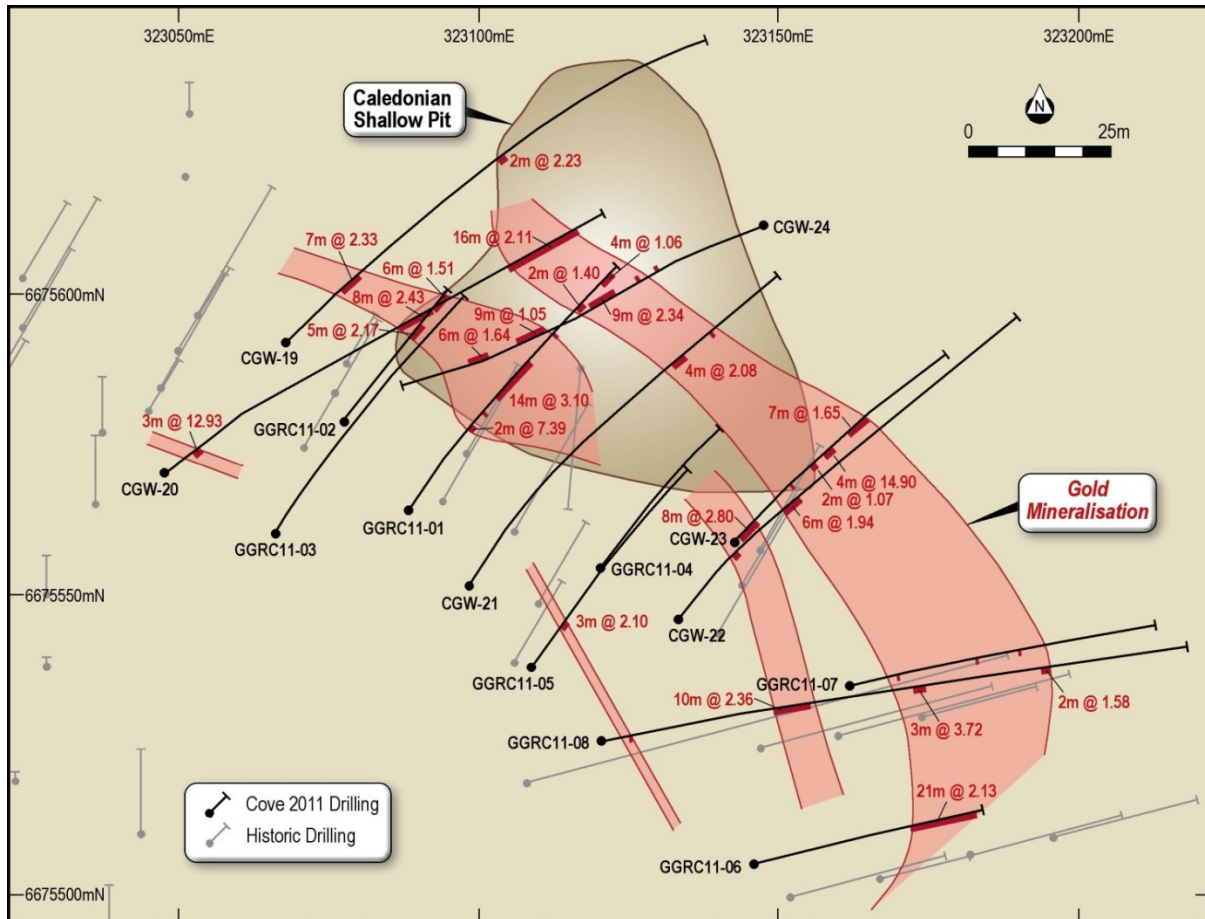


Figure 3: Caledonian Target drilling results showing schematic zones of gold mineralisation.

2.6 CONCLUSIONS, WORK PROGRAM AND BUDGET

There are a number of targets within the Goongarrie Gold Project worthy of further exploration. Work by previous explorers indicates that shear-hosted high grade gold mineralisation exists within the area with the potential for open cut, oxide and narrow veined, high grade gold resources.

In particular, potential exists below the *Frank's Dam*, *Caledonian* and *New Boddington* pits, below and along strike of recent drill intersections, the new *Goongarrie West* target requires further work and there are several aeromagnetic 'look-alike' anomalies that have yet to be adequately followed up.

As well as the gold targets, the southwest portion of the Goongarrie Gold Project is generally unexplored which covers thick ultramafic units has the potential to host gold or lateritic nickel mineralisation. The southern extensions of these units hold Heron Resources Limited's Goongarrie South Iron-Nickel Deposit located approximately 10km from the Goongarrie Gold Project

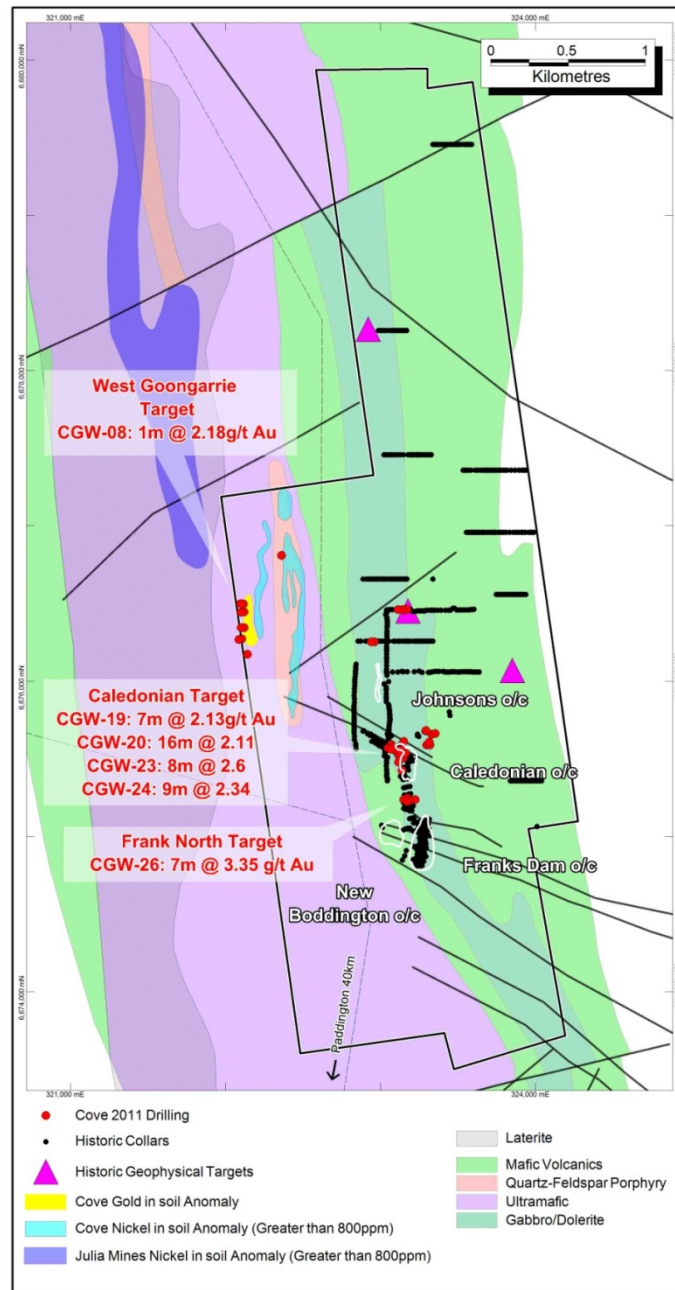


Figure 4: Goongarrie Gold Project drilling results and nickel soil results.

Cove's objective over the next two years is to determine the viability for the establishment of a toll treatment mining operation by trucking to one of the Paddington Gold Mills. There are a total of 703 drillholes now completed over the project, providing sufficient data for resource estimation work to proceed. Diamond drilling may be completed to provide core for metallurgical test work. A scoping study will commence when data on treatment costs, metallurgy and transport costs have been developed.

Cove has proposed an exploration program and budget for the first two years of exploration at the Goongarrie Gold Project upon re-listing on the ASX.

A budget of \$335,000 has been adopted by Cove for the initial two years of exploration, which is considered to be valid and consistent with the size of the Goongarrie Gold Project and will exceed the minimum statutory expenditure requirements of the tenements. The proposed work program expenditure for the project is presented below.

Table 3: Proposed Exploration Expenditure for Goongarrie Gold Project.

ACTIVITY	YEAR ONE \$000s	YEAR TWO \$000s	TOTAL \$000s
Wages / salaries / contractors	30	60	90
Resource Estimation	30	20	50
Diamond Drilling	40		40
Assays	15		15
Consultants – Metallurgical Test work / Scoping Studies	40	60	100
Field costs / consumables	15	15	30
Tenement costs	5	5	10
Totals	175	160	335

3.0 QUARTZ CIRCLE VMS PROJECT

3.1 INTRODUCTION

The Quartz Circle VMS Project lies in the eastern Pilbara region of Western Australia, 40 kilometres by road north-northeast of Nullagine. The Project contains Volcanogenic Massive Sulphide (VMS) mineralisation exhibiting classic alteration and metal zonation. The same VMS style of mineralisation and geology in the region hosts Venturex Resources Limited's Panorama, Whim Creek, Mons Cupri and Salt Creek deposits and Laconia Resources Limited's Lennon's Find deposit. VMS deposits tend to occur within a region in clusters, highlighting the Project's prospectivity.

Significant base metal, gold and silver mineralisation has been intersected in drilling by various companies over the past three decades. There are various intercepts which are not closed off through thorough drilling. The project has immediate drill ready copper-gold-silver targets and contains a small copper and gold Indicated Resource (93,000 tonnes grading 2.92% Cu and 0.24g/t Au – refer to Table 6). Exploration will be focused on extending resources and finding clusters of large VMS deposits of high grade copper and gold.

3.2 LAND, ACCESS AND TENURE

The Quartz Circle VMS Project lies in the Pilbara region of Western Australia, approximately 40 kilometres north-northeast of Nullagine in the East Pilbara District of Western Australia (Fig 1). Access to the Project is north from Nullagine via the Great Northern Highway for 25 kilometres and thence approximately 15 kilometres eastwards on unsealed station tracks. The main supply centre for the Project is Marble Bar, located 114 kilometres further to the north. Exploration activities are supported from both Nullagine and Marble Bar.

The tenement group of the Quartz Circle VMS Project is set out in Table 4. It comprises ten (10) granted Prospecting Licences (PLs) over 928.1 hectares, five (5) Prospecting Licence Applications over granted PLs and one Mining Licence Application covering 801 hectares over the granted PLs. The tenements have a combined annual statutory commitment of \$42,840. Cove has an 80% interest in the Project.

The tenements lie on the Nullagine (SF51-05) 1:250,000 map sheet and the Nullagine (2954) 1:100,000 map sheet. The Bonney Downs pastoral lease (3114/1208) covers the area.

The climate is semi-arid with hot summers and mild winters. Irregular rainfall is mostly derived from northern cyclonic disturbances and scattered summer thunderstorms. Like many of Australia's deserts, rainfall does seem high by desert standards, because even in the driest parts rainfalls rarely drop below 250 mm (9.8 in). The massive evaporation rate results in the desert classification. Summer daytime temperatures are amongst the hottest in Australia ranging from 38 to 42 °C in summer. Winter is short and warm, temperatures range from 25 to 30 °C. Winter nights can still be chilly in comparison to the sun drenched warm days (Wikipedia).

Table 4: Quartz Circle VMS Project Tenement Schedule

Tenement	Lease Status	Application Date	Grant Date	Expiry Date	Commitment	Area (Ha)
M46/0371	Application	20/05/2005				801
P46/1360	Granted	11/02/2002	21/05/2004		\$4,360.00	108.76
P46/1361	Granted	11/02/2002	21/05/2004		\$4,320.00	107.71
P46/1362	Granted	11/02/2002	21/05/2004		\$4,600.00	114.11
P46/1363	Granted	11/02/2002	21/05/2004		\$4,600.00	114.14
P46/1364	Granted	11/02/2002	21/05/2004		\$4,800.00	119.26
P46/1365	Granted	11/02/2002	21/05/2004		\$4,760.00	118.49
P46/1366	Granted	11/02/2002	21/05/2004		\$7,680.00	192.00
P46/1752	Granted	4/04/2011	7/03/2012	6/03/2016	\$3,720.00	92.5691
P46/1753	Granted	4/04/2011	7/03/2012	6/03/2016	\$2,000.00	2.2966
P46/1754	Granted	4/04/2011	7/03/2012	6/03/2016	\$2,000.00	36.0072
P46/1825	Application	30/06/2014				192.00
P46/1826	Application	30/06/2014				185.00

P46/1827	Application	30/06/2014				108.00
P46/1828	Application	30/06/2014				119.00
P46/1829	Application	30/06/2014				199.00

3.3 GEOLOGICAL SETTING

Regional Geology

The project area lies within the McPhee Dome of the Archaean Pilbara Craton of Western Australia. The McPhee Dome comprises volcanic rocks of the Warrawoona Group which hosts base metal and gold mineralisation in a variety of hydrothermal vein, stratabound volcanic and porphyry settings throughout the East and West Pilbara. The dome is a centre of calc-alkaline volcanism characterised by andesitic to dacitic debris-mass-flow breccia, lava flows, and minor lapilli tuff beds (Perring, 1992). The thick sequence of massive flow units and breccias is interpreted to represent a proximal facies to an elevated, possibly sub-aerial volcanic centre on an otherwise subdued tholeiitic basalt-dominated shallow-water platform (Perring, 1992)

Local Geology

Within the project area rocks of the Duffer Formation predominate and comprise dacitic tuffs (including lapilli tuffs), lavas and agglomerates with subordinate rhyolite, basalt and chert. Tourmaline bearing exhalite, volcanic agglomerate, chlorite alteration, sericite alteration and base metal mineralisation occur in proximity to each other. Geochronology has been carried out for Quartz Circle rocks (Dean, 1994) with broadly similar results around ~3.4Ga suggesting correlation with other deposits in the region. There is a gap between the age of the mineralisation and the age of the host rocks at Quartz Circle which suggests the mineralisation could post-date the host rocks by about 80 million years.

There are also minor basalts and ultramafics in the area. The succession has been variously intruded, folded, and faulted, but deformation is not strong when compared to the greenstone belts which form synclinal keels between the regional granites. Original spherical features such as lapilli are usually still spherical and there is no pervasive cleavage. A micro-granodiorite or tonalite intruded into the northern part of the project area is considered a potential source of mineralising fluids which contributed to the base metal mineralisation and possibly was the heat source which initiated convection of the hydrothermal system.

In the south the sequence has been intruded by a very large northeast-southwest trending late-Archaean gabbroic dyke belonging to the Black Range Dolerite suite and sometimes known as the Cadjebut Dyke. This dyke is reputed to be the feeder for the Fortescue Group mafic volcanics. Large mineral deposits often occur near large dykes, and there may be a long-lived crustal weakness in this general area offering a path of easy ascent for various intrusions such as kimberlites, for the Cadjebut Dyke itself, and for VMS deposits. Smaller cross-cutting dykes are also present in the area including an unusual xenolithic dyke which converges on the Cadjebut Dyke. The Archaean units are cut by several northwest-southeast trending faults and some of these may have been growth faults at the time of base metal deposition. Contrasting displacements of various geological units by these faults point to reactivation of the structures over geological time. Rock exposure is mostly excellent with outcrops forming prominent hills and ridges. Archaean rocks are poorly exposed in the alluvial plains adjacent to major creeks and rivers particularly in the southeast corner of the project area, but occasional outcrop is exposed within the drainage channels themselves.

The Quartz Circle VMS Project contains two massive quartz veins located at the southern and northern extremities of the project area. The southern vein, which outcrops as a 15 metre diameter circle, contains a small zone of sulphide gossan on the north eastern face and has a northerly plunge orientation of approximately 50°. The northern vein has been previously mined for copper and has a southerly plunge of about 40°. Petrographic studies of the quartz vein concluded that the textures and fluid inclusion characteristics were consistent with the sample representing a mesothermal quartz-sulphide unit (Ashley, 1994). The country rocks consist of quartz-sericite-leucoxene- altered dacite, with abundant small altered feldspar crystals.

3.4 MINERALISATION

Mineralisation at Quartz Circle is interpreted to comprise two styles of VMS mineralisation;

- “Feeder Pipes” consisting of small pods and pipes of massive sulphide within massive white quartz hosted by quartz-sericite-leucoxene altered dacitic lava (e.g. Igloo and Millers Prospects). Supergene processes have acted to concentrate copper into a flat lying zoned blanket of mineralisation containing malachite, chalcocite and abundant native copper. Underlying primary chalcopyrite and high order gold mineralisation is not yet understood.
- Volcanogenic sedimentary VMS Pb-Zn-Ag mineralisation overlying the acid volcanic pile with a 3km strike length (Emperor and Imperial Prospects). The drilling intersects encountered thus far may be the edges of a larger deposit at depth that is indicated by a deep gravity anomaly.

No production records for the Project area are known.

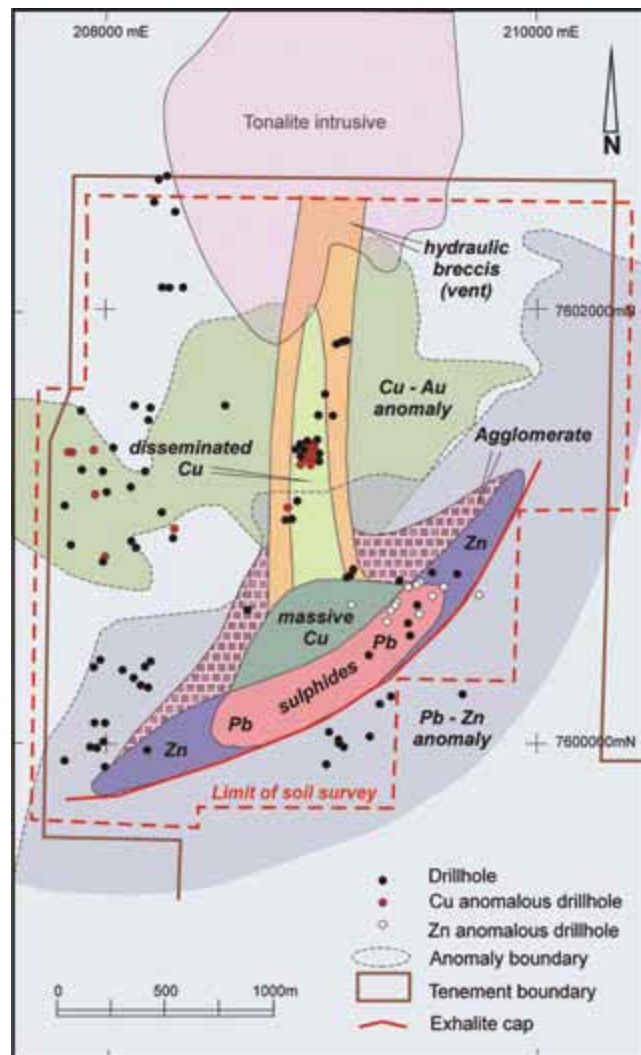


Figure 5: Quartz Circle VMS Exploration Model.

3.5 EXPLORATION BY OTHER PARTIES

Exploration has been conducted on the project area since 1971 by numerous companies including Placer Prospecting (Australia) Pty Ltd, Alcoa of Australia (WA) Ltd (Alcoa), BHP Minerals Pty Ltd, CRA Exploration Pty Ltd, Rension Consolidated Mines NL, Herald Resources Limited (Herald), Clackline Refractories (Herald's forerunner), Pancontinental Mining Limited (Pancontinental), RGC Exploration Pty Ltd (RGC), Cazaly Resources Limited (Cazaly) and Graynic Metals Limited (Graynic). A summary of previous exploration is detailed in Table 5.

Table 5: Previous Exploration within the Quartz Circle VMS Project

Period	Operator	Exploration Activities
1971-1973	Placer Dome Australia	Copper focus – mapping, stream and soil sampling
1976-1978	Alcoa Australia	Base metal focus – mapping, RC and diamond drilling
1981	GJ Hutton	Gold focus – Au assaying, RC drilling
1982	Penarroya	Rock chip sampling
1982-1983	BHP	Stream & rock chip sampling, airborne reconnaissance, re-logging
1983-1985	Clackline Refractories / RGC Ltd	Soil sampling, RC drilling, structural mapping
1987	Renison Goldfields Consolidated Exploration	Detailed 1:5000 mapping, rock chip sampling, structural analysis, RC drilling
1989	Herald Resources	Project review
1989-1995	Pancontinental Resources	Mapping, soil and rock chip sampling, RC drilling, SIROTEM and gravity survey, Pb isotope analysis, petrographic analysis
1995-1998	RGC Resources	Gold focus – gridding, soil sampling, ground magnetics, RC & Diamond drilling
1997	Herald Resources / RGC Resources	Resource Estimation
2003	Cazaly Resources Ltd / Straits Resources Ltd JV	MIMDAS survey, petrographic analysis
2004	Cazaly Resources Ltd	Diamond drilling
2005-2008	Graynic Metals Ltd	Aeromagnetic, electromagnetic and gravity surveys, RC & diamond drilling, Resource Estimation and scoping study

Preliminary work within the area initially comprised stream and soil sampling. Alcoa conducted some percussion and diamond drilling intersecting significant zones of sulphide containing galena and sphalerite in an area then referred to as the *Pb/Zn Prospect* (now the *Emperor Prospect*). Intercepts included 17.74m @ 16.1% Zn in ALC0019 from 46 metres and 7.5m @ 17.1% Zn, 1.9% Pb in ALC0026 from 69.1 metres (refer Appendix B for full results). Except for one drill hole, RGC assayed for gold only and did not significantly advance the search for base metals.

Pancontinental carried out several RC drilling programs at Emperor with mixed results and apparently no continuity of the mineralisation. The consensus view at the time was that the Pb-Zn mineralisation occurred in small pods. About 700 metres north of the *Emperor Prospect*, Pancontinental discovered a small copper deposit formerly known as the *Copper Prospect* but now called the *Igloo Prospect*. Pancontinental demonstrated the presence of a significant near-surface accumulation of chalcocite, malachite and native copper.

During 2003, MIM exploration, as part of a joint venture, conducted a program of induced polarisation and resistivity surveying over the copper gold anomaly utilising its in-house system called MIMDAS. The survey highlighted a 1.5 kilometres long highly chargeable anomaly. The anomaly lies coincides with an area of highly anomalous surface geochemistry. The anomaly was considered highly suggestive of a significant copper-gold sulphide system at depth that was deemed to be a priority target for MIM.

The target was not drilled by MIM, however, but was drilled by Cazaly during their 2004 drilling campaign. Drillhole QCRD0001 was designed to test the prominent MIMDAS anomaly generated by

MIM. The hole returned a best copper result of 10.05 m @ 0.22 % Cu from 203.95 m in a rhyodacite unit with minor disseminated chalcopyrite. Several significant gold intercepts were also returned including 3.22 m @ 1.20 g/t Au from 279.03 m and 22.66 m @ 0.48 g/t Au from 361.55 m associated with strongly silica-pyrite altered dacite. Significantly the drilling failed to explain the large conductive anomaly and further drilling and potentially downhole geophysics is required to explain the anomaly (ASX:CAZ 22nd July 2004). A complete list of drilling results is included in Appendix B.

During 2005, Graynic entered into an earn-in-agreement with Cazaly. Graynic completed a variety of exploration programs including drilling targeting the *Igloo Prospect*, the *Emperor Prospect* and the *Imperial Prospect*, as well as completing geophysical surveys. A complete summary of drilling completed by Graynic is included in Appendix B, with results summarised below.

RC drilling was completed 500 metres extension northwards away from the localised historic drilling at the *Emperor Prospect* and identified a 'new zone of potential'. Outstanding results included 52m grading 4.3% Zn in drillhole GM21, including an interval of 8m grading 8.2% Zn from 48 metres (ASX:GYN 28th April 2006) and 44m @ 2.1% Zn in drillhole GM34 from 32 metres (ASX:GYN 19th October 2006). GM21 was collared 200 metres north of the Prospect and drilled beneath a gossan which assayed 2.9% Zn.

Diamond drilling was completed at the *Igloo Prospect* to obtain core for future metallurgical testing and to enable in-house resource estimation. Better results included 26m @ 2.4% Cu from 22 metres in IG8 and 5m @ 5.52% Cu, 9.03g/t Au and 244g/t Ag from 42 metres in IG5. (ASX:GYN 6th September 2006)

RC Drilling at the *Igloo Prospect* aimed at testing the extent of the chalcopyrite mineralisation. IG12 and IG14 intercepted zones rich in chalcopyrite and included 10m @ 8.5% Cu, 2.77g/t Au and 140g/t Ag and 4m @ 7.18% Cu, 0.52g/t Au and 40g/t Ag. (ASX:GYN 26th October 2006)

Strong gold mineralisation was encountered in several drill holes below the known copper mineralisation at the *Igloo Prospect*. Results included 8m @ 4.17g/t Au, 26g/t Ag in IG20 from 117 metres and 8m @ 14.1g/t Au in IG21 from 70 metres. (ASX:GYN 30th April 2007)

Drilling was completed at the *Imperial Prospect*, a strong Zn-Pb soil and rock chip anomaly which coincides with a pronounced gravity anomaly. The drilling returned significant results including 8m @ 1.26% Zn, 0.9% Pb, 458g/t Ag in GMRC58 from 100 metres. This was the first mineralised base metals drill intersection achieved at the Prospect and confirmed the location as an important base metal target. No high-density lithologies were encountered, indicating that the gravity anomaly could well be indicative of sulphides at greater depth. (ASX:GYN 21st June 2007)

An airborne electromagnetic survey (VTEM) was completed to identify conductors which could represent primary mineralisation at depth, principally copper sulphide (chalcopyrite). A large conductance anomaly approximately 1 kilometre in diameter was identified just to the south of the *Emperor Prospect* which coincided with encouraging results from an Alcoa Induced Polarisation (IP) survey. The 1978 Alcoa survey delineated two clusters of moderately strong IP sources, with one coinciding with the *Emperor Prospect* and the other with the northern part of the new conductance anomaly.

A detailed gravity survey was completed over the Project to detect bedrock highs over potential sulphidic horizons that may be related to base metal mineralisation and to assist geological mapping.

Snowden Mining Industry Consultants completed a Mineral Resource estimate and conducted a scoping study for the *Igloo Prospect* on behalf of Graynic during 2008 (Snowden, 2008). The deposit forms a small pod of copper mineralisation over a strike length of approximately 80m with a width of approximately 50m and a thickness ranging from 4m to 25m.

The Mineral Resource occurs as hypogene (chalcopyrite) and supergene (chalcocite, native copper and malachite) material defined by geological interpretation and a nominal grade constraint of 1.0% Cu.

The resource was classified as Indicated category according to the 2004 edition of the JORC Code and was based on the Reverse Circulation and Diamond core drilling data and mineralisation interpretations supplied by Graynic.

The Indicated Resource of 93,000t with 2.92% Cu and 0.24g/t Au (at a cut off of 1% Cu) forms a small pod of copper mineralisation over an 80m strike length, 50m depth and with thickness of 4 to 25m. The global Mineral Resource is presented in Table 6.

Table 6: Igloo Copper and Gold Deposit 2008; Mineral Resource Summary.

Category	Material	Tonnes (t)	Cu %	Au g/t
Indicated	Supergene (oxide)	28,616	3.14	0.25
	Supergene (sulphide)	64,606	2.78	0.21
	Hypogene (sulphide)	778	6.08	2.15
	Total	93,000	2.92	0.24

NB. 1. Values have been rounded to two or three significant figures to reflect the relative estimation precision of each resource classification. This rounding has also been applied to summations of raw values.
2. The Igloo Copper and Gold Deposit Mineral Resource was previously prepared and first disclosed under the *JORC Code 2004*, and has not been updated to comply with *JORC Code 2012* on the basis that the information has not materially changed since it was last reported (ASX:CVE 2nd November 2012).

3.6 PREVIOUS EXPLORATION BY COVE

Cove acquired the Quartz Circle VMS Project in October 2011. Since acquisition of the Project, Cove has completed various phases of exploration. A complete summary of drilling completed by Cove is included in Appendix B, with results summarised below.

Reverse Circulation drilling was completed during April 2012 and comprised 25 holes for 2,038 metres over five prospects (ASX:CVE 18th July 2012). Significant results included:

- 17 metres at 2.43% Cu from 43 metres (including 7 metres at 3.56% Cu from 53 metres in CQRC005),
- 8 metres at 4.34g/t Au from 106 metres and 1 metre at 22.1 g/t Au from 60 metres in CQRC008,
- 3 metres at 4.45g/t Au from 19 metres in CQRC012, and
- 9 metres at 2.02% Cu from 41 metres in CQRC023.

Cove's drilling confirmed the encouraging results from previous explorers. The drilling indicated that mineralisation at the *Igloo Prospect*, the *Au4 (Northwest) Prospect* and the *Au7 (Igloo North) Prospect* is open along strike and at depth.

Cove completed electromagnetic (EM) geophysical modelling over the Project. The modelling coupled with the recent drilling highlighted a large EM target, namely the *Royal Prospect*. The EM anomaly lies to the south of the main Quartz Circle zones of mineralisation (including Igloo) and is over 1000 metres wide and extends to 500 metres depth.

The *Royal* anomaly had several historical drill holes above and to the west of the main anomaly's predicted source, that had delivered noteworthy results including 4m @ 2.06g/t Au in GMRC054 from 64 metres and 4m @ 70.4g/t Ag in CLAG001 from 1 metre (ASX:CVE 2nd November 2012). Cove's geological model for the Quartz Circle VMS Project predicts that silver mineralisation could occur as a halo around a copper-gold rich core as shown in Figure 5. Exploration was aimed to delineate clusters of Gold-Copper VMS deposits at *Royal* which comprises the very large complex EM anomaly, coincident magnetic features and multiple gravity anomalies (Fig 6).

Cove intended to conduct downhole EM surveys to determine the potential location of interpreted VMS mineralisation in the 3D model of the surface EM and then complete further deep RC / diamond core drilling on the targeting downhole electromagnetics, however due to separate Company acquisitions the budget allocation was reduced and the work was not completed.

3.7 CONCLUSIONS, WORK PROGRAM AND BUDGET

The Quartz Circle VMS Project area bears the hallmarks of a VMS system with significant base metals mineralisation having been intersected by various companies over the past four decades.

Although the drilling results are encouraging, considerable further work is required to determine the presence of economic concentrations of VMS mineralisation. High order gold and silver mineralisation is certainly related to the VMS system and requires separate evaluation. Figure 6 shows some key exploration features at the Quartz Circle VMS Project plus select exploration results displayed on electromagnetic imagery.

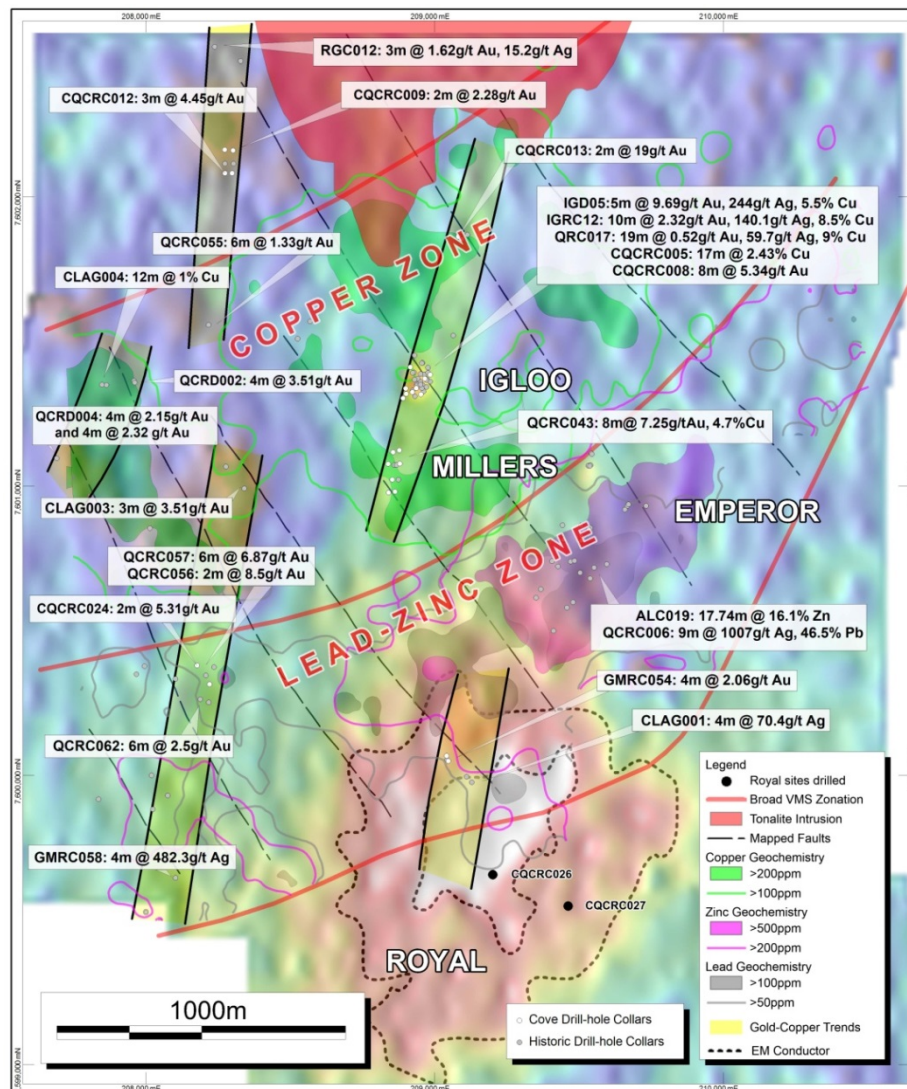


Figure 6: Quartz Circle VMS Project geology and exploration results displayed on EM Imagery

Exploration will be focused on extending resources and finding clusters of large VMS deposits of high grade copper and gold like the Indicated Resource of 93,000 tonnes averaging 2.92% Cu and 0.24 g/t Au at the *Igloo Prospect*. There are various intercepts which are not closed off through thorough drilling. The large geophysical EM anomaly (circa the *Royal Prospect*) and gravity anomalies rank highly in the targeting.

Cove's exploration will commence with a systematic review of the Project. The review will include the integration of geophysical, geochemical and drillhole datasets and re-processing of existing datasets where required.

Following the review, targets will be ranked and RC drilling will be prioritised accordingly. Drill programs will be aimed at determining the parameters of shallow mineralised bodies to determine optimum drill direction and pattern for the deeper EM target where large replacement bodies of VMS base metal sulphides may exist.

Table 7: Proposed Exploration Expenditure for Quartz Circle VMS Project

ACTIVITY	YEAR ONE \$000s	YEAR TWO \$000s	TOTAL \$000s
Wages / salaries / contractors	50	75	125
RC Drilling		150	150
Assays		30	30
Field costs / consumables	10	20	30
Geophysics	20		20
Tenement costs	10	10	20
Totals	90	285	375

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5.0 GLOSSARY OF TECHNICAL TERMS

Terms not included in the glossary are used in accordance with their definition in the Concise Oxford Dictionary

Aeolian Relating to wind-formed surficial deposits - typically composed of fine sand and sediment.

Aeromagnetism Airborne measurement of the earth's magnetic field for the purpose of recording magnetic characteristics of rocks.

Ag Chemical symbol for silver.

Aircore Drilling or AC Drilling. Rotary drilling technique employed to drill in poorly consolidation rocks, where the sample is returned to the surface inside the drill rods under the influence of applied air pressure.

Alluvium A general term for unconsolidated material deposited during comparatively recent geological time by a stream or other form of running water.

Alteration halo Zone of chemical alteration surrounding mineralisation. May be used as a 'pathfinder' to the primary mineralisation.

Amphibolite A metamorphic rock composed mainly of amphibole, a family of minerals in which the silica molecules are bound together in parallel chains.

Anomalous Having statistically significantly higher or lower values than the norm.

Anomaly A portion of an area surveyed that is different in appearance from the area surveyed in general or containing higher or lower values than considered normal.

Archaean The oldest rocks of the Earth's crust – older than 2,400 million years.

As Chemical symbol for arsenic.

Assay An examination of a sample to determine by measurement certain of its ingredients.

Au Chemical symbol for gold.

Auriferous Containing gold.

Banded Iron Formation Iron formation that shows marked banding, generally of iron-rich minerals and chert or fine-grained quartz.

Basalt A fine-grained, dark igneous rock, generally extrusive, composed of half feldspar and half mafic materials.

Basement The igneous or metamorphic rock that exist below the oldest sedimentary cover. In some areas such as shields the basement rocks may be exposed at surface

Breccia A coarse-grained clastic rock composed of angular broken rock fragments held together by a mineral cement or in a fine-grained matrix.

Calcrete A surficial form of carbonate, usually formed during weathering processes.

Chert A hard, extremely dense or compact, dull to semi-vitreous, microcrystalline or cryptocrystalline rock consisting of interlocking crystals of quartz less than about 30 microns in diameter.

Craton A craton is an old and stable part of the continental crust that has survived the merging and splitting of continents and supercontinents for at least 500 million years.

Cu Chemical symbol for copper

Deformation Process by which rocks are folded or faulted.

Deposition The precipitation of mineral matter from solution.

Diamond (Core) Drilling The most expensive method of drilling. It is designed for resource exploration drilling, its main benefit being that it provides core of the strata for accurate assessments and gives the most accurate indication of depth from which the sample is derived.

Disseminated Mineral grains scattered throughout host rock.

Dolerite A medium-grained mafic intrusive rock composed mainly of pyroxene and plagioclase; crystalline basalt.

Dyke A tabular igneous intrusion cutting across the bedding or other planar structures in the country rocks.

Electromagnetic (EM) Survey Traverses carried out along equally spaced lines that input an electrical field to the ground, and measure the changes in the earth's magnetic field at different times after the application of the electrical field.

Fault A fracture in rock along which there has been relative displacement of the two sides either vertically or horizontally; this may provide a channel for the passage of mineral-bearing solutions.

Fe Chemical symbol for iron.

Felsic Descriptive of light-coloured, fine-grained igneous rock containing an abundance of mineral feldspar (generally potassium-rich) and quartz but with a very low content of mafic minerals.

Ferruginous Pertaining to or containing iron; red-coloured rocks in which the iron content has been oxidised.

Formation A body of rock identified by lithic characteristics and stratigraphic position and is mappable at the earth's surface or traceable in the subsurface.

Gabbro Coarse-grained, dark igneous rock of similar composition to basic volcanics.

Geochemical anomaly A concentration of one or more elements in rock, soil, water or vegetation that differs significantly from the normal concentration.

Geochemical surveys The application of methods and techniques of geochemistry, such as soil and rock sampling, in the search for minerals.

Geophysical survey The exploration of an area in which physical properties (for example, resistivity, conductivity, magnetic properties) unique to the rocks in the area are quantitatively measured by one or more geophysical methods.

Grade Quantity of gold or other metal per unit weight of host rock or sample.

Granite Coarse-grained igneous crystalline rock with a high silica content.

Granitoid Pertaining to or composed of granite.

Greenstone Term for any fine-grained mafic igneous rock.

Ground magnetics Ground based measurement of the earth's magnetic field for the purpose of recording magnetic characteristics of rocks.

Ha Abbreviation for hectare.

Hematite An iron oxide mineral with the general formula $\alpha \text{Fe}_2\text{O}_3$

Host rock Rock containing mineralisation.

Igneous Formed by solidification from the molten state.

Indicated Resource Is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

Inferred Resource Is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

Induced Polarization (IP) The production of a double layer of charge at a mineral interface, or production of charges in double-layer density of charge, brought about by application of an electric or magnetic field.

Intrusion The process of emplacement of magma in pre-existing rock. Also, the term refers to igneous rock mass so formed within the surrounding rock.

Laterite Iron-rich residual surface rock capping formed by weathering in tropical conditions.

Ma A symbol for millions of years before the present time.

Mafic Referring to igneous rocks composed dominantly of iron and magnesium minerals.

Magma Naturally occurring molten and mobile rock material, generated within the Earth and capable of intrusion or extrusion, from which igneous rocks are thought to have been derived through solidification and related processes.

Magnetic anomaly magnetic values above or below the norm for a particular rock.

Magnetite A mineral; magnetic oxide of iron.

Massive sulphide Sulphide mineralisation where a large number of sulphide grains are in contact with each other.

Measured Resource Is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

Metamorphism The mineralogical, chemical and structural adjustment of solid rocks to physical and chemical conditions which have generally been imposed at depth under increased temperature and pressure below the surface zones of weathering, and which differ from the conditions under which the rocks in question originated.

Metamorphic Alteration and re-crystallisation of rocks because of heating or application of pressure or both.

Mg Chemical symbol for magnesium.

Mineral Resource Is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Mineralisation The concentration of metals and their chemical compounds within a body of rock.

Mn Chemical symbol for manganese.

Mo Chemical symbol for molybdenum.

Ni Chemical symbol for nickel

Ore Reserve Is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and

governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

Ounce Troy ounce equivalent to 31.10348g.

Outcrop An exposure of bedrock at the surface, projecting through the overlying soil cover.

Oxidised Near-surface decomposition by exposure to the atmosphere and groundwater.

PGE Platinum Group Element (e.g. platinum, palladium, etc.)

Pb Chemical symbol for lead.

Percussion drilling A method of drilling which utilises a hammering action under rotation to penetrate rock while the cuttings are forced to the surface by compressed air returning outside the drill rods.

Precambrian All geologic time from the beginning of Earth history to 545 million years ago.

Probable Ore Reserve Is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

Proterozoic A geological period of time from 2500 Ma – 545 Ma.

Prospect Any mine workings not yet valued; an area to be examined geophysically for minerals, and an area confirmed by geophysical and geological studies to the degree that it can now be tested.

Proved Ore Reserve Is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and

governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

RAB drilling Rotary air blast drilling, a technique whereby the cuttings are returned to the surface outside the drill stem by compressed air and are thus liable to contamination from the wall rocks.

RC drilling Reverse circulation drilling, a technique in which the cuttings are recovered through the drill rods, thereby minimising sample losses and contamination.

REE Rare Earth Elements

Regolith Weathered portion of the land surface down to bedrock.

Schist Type of fine-grained metamorphic rock with a laminated fabric similar to slate.

Sediment Formed by the deposition of solid fragmental or chemical material that originates from the weathering of rocks.

Sedimentary Basin A low area in the earth's crust, of tectonic origin, in which sediments have accumulated.

Shear A fracture in rock that is similar to a fault; zone in which rocks have been deformed by lateral movement along innumerable parallel planes.

Silicified Referring to rocks in which a significant proportion of the original constituent minerals have been replaced by silica.

Stratigraphy The study of stratified rocks, especially their age, correlation and character.

Structure The sum total of the structural features of an area.

Sulphides Minerals comprising a chemical combination of sulphur and metals.

Tenement Area of land defined by a government authority over which an applicant may conduct exploration or mining activity, aka 'Mineral Property' eg Mining Lease or Prospecting Licence.

Ultramafic Referring to an igneous rock composed essentially of dark-coloured iron and magnesium minerals.

Unconformity A substantial break or gap in the geologic record where a rock unit is overlain by another that is not next in stratigraphic

succession, such as an interruption in the continuity of a depositional sequence of sedimentary rocks or a break between eroded igneous rocks and younger sedimentary strata.

Vein A narrow, dyke-like intrusion of mineral traversing a rock mass of different material.

VMS Volcanogenic Massive Sulphide

Volcanic Class of igneous rocks that have flowed out or have been ejected at or near the Earth's surface, as from a volcano.

VTEM Versatile Time-Domain Electromagnetic survey, used to detect conductive substances at shallow depths in the Earth's crust.

Weathering The set of all processes that decay and break up bedrock by physical fracturing or chemical decomposition.

Zn Chemical symbol for zinc.

APPENDICES

Appendix A - Tables of drilling results within the Goongarrie Gold Project

Table A1: Cove Resources Limited's Drilling Results at the Goongarrie Gold Project

Hole	East ⁽¹⁾	North ⁽¹⁾	RL	TD	Dip	Az ⁽²⁾	From (m)	To (m)	Length (m)	Au (g/t) ⁽³⁾	
CGW-01	322120	6676344	398	60	-60	88	No Significant Intercepts				
CGW-02	322101	6676344	398	100	-60	92	No Significant Intercepts				
CGW-03	322104	6676271	396	60	-60	82	21	22	1	1.21	
CGW-04	322085	6676268	396	100	-60	92	No Significant Intercepts				
CGW-05	322120	6676445	396	60	-60	91	No Significant Intercepts				
CGW-06	322099	6676444	399	100	-60	89	No Significant Intercepts				
CGW-07	322115	6676498	398	60	-60	103	No Significant Intercepts				
CGW-08	322097	6676498	400	120	-60	98	42	43	1	2.18	
CGW-09	322361	6676811	387	120	-60	88	No Significant Intercepts				
CGW-10	322141	6676174	396	50	-60	273	No Significant Intercepts				
CGW-11	323329	6675659	375	60	-60	265	No Significant Intercepts				
CGW-12	323351	6675662	375	120	-60	261	No Significant Intercepts				
CGW-13	323297	6675588	381	100	-60	92	No Significant Intercepts				
CGW-14	323318	6675589	380	60	-60	89	No Significant Intercepts				
CGW-15	323314	6675608	379	60	-60	79	No Significant Intercepts				
CGW-16	323153	6676460	372	25	-90	0	No Significant Intercepts				
CGW-17	323163	6676462	372	40	-60	266	No Significant Intercepts				
CGW-18	323171	6676461	372	60	-60	86	No Significant Intercepts				
CGW-19	323068	6675592	380	120	-60	41		23	30	7	2.33
							incl.	28	29	1	12.50
								73	75	2	2.23
CGW-20	323048	6675570	381	120	-60	46		10	13	3	12.93
								71	115	44	1.52
							incl.	72	80	8	2.43
								98	114	16	2.11
CGW-21	323098	6675551	382	120	-60	28		86	90	4	2.09
								98	99	1	1.49
CGW-22	323134	6675546	383	120	-60	33		26	28	2	1.13
								46	52	6	1.94
CGW-23	323143	6675559	382	80	-60	41		2	10	8	2.60
								25	26	1	1.04
								33	35	2	1.07
								38	42	4	14.90
								47	54	7	1.65
							incl.	52	53	1	8.08
CGW-24	323148	6675611	381	120	-60	254		39	40	1	2.74
								46	47	1	1.18
								55	64	9	2.34
							incl.	56	60	4	3.95
								79	88	9	1.05
							incl.	82	83	1	3.76
								96	102	6	1.64
							incl.	101	102	1	5.76
CGW-25	323291	6675680	374	40	-60	264	No Significant Intercepts				
CGW-26	323220	6675237	378	100	-60	269		3	4	1	2.70
								35	42	7	3.35
							incl.	36	37	1	20.20
CGW-26b	323224	6675237	379	17	-60	90		10	11	1	4.65
CGW-27	323292	6675681	374	40	-60	81	No Significant Intercepts				
Note: (1) - Datum GDA 94 Zone 51 (2) - Azimuth quoted is magnetic (3) - Intercepts calculated at a 1g/t Cut-off. Samples taken from 1 metre riffle splits. Intercepts greater than 3g/t Au highlighted											

Table A2: Scimitar Resources Limited's 2005 RC Significant Drill Intersections (≥ 5g/t Au).

Hole	East (m)	North (m)	Azimuth	Dip	From (m)	Interval (m)	Au (g/t)
GNRC001	322956	6675413	030	-60	14	10	9.62
					including	3	26.7
					31	12	1.61
					54	4	1.72
					60	6	1.37
GNRC002	322944	6675394	030	-60	13	2	2.99
GNRC003	322877	6675444	075	-60	95	2	4.23
					116	11	1.59
					138	3	3.33
GNRC004	X	X	X		No Significant Intercepts		
GNRC005	322770	6675425	075	-60	10	2	6.77
GNRC006	X	X	X		No Significant Intercepts		
GNRC007	323027	6675387	075	-60	40	2	19.1
					117	1	13.9
GNRC008	322982	6675304	075	-60	32	2	11.0
					85	3	5.38
GNRC009	322814	6676103	090	-60	35	3	1.66
GNRC010	X	X	X		No Significant Intercepts		
GNRC011	322895	6674762	075	-60	97	2	3.51
GNRC012	322902	6674729	075	-60	173	1	6.62
Note: (1) - Datum AMG 84 Zone 51 (2) – Samples assayed at Amdel Kalgoorlie by 50g charge lead collection fire assay with AAS finish to 0.01ppm							

Appendix B - Tables of drilling results within the Quartz Circle VMS Project

Table B1: Cove Resources Limited Drilling Results at the Quartz Circle VMS Project

Prospect	Hole	East (m)	North (m)	RL	TD		From	To	m	Au (ppm)	Ag (ppm)	Cu(pct)
Igloo	CQCRC001	208951.5	7601317	365.5	60		0	2	2	1.81	0.5	0.06
							4	5	1	0.79	0.6	0.06
							11	12	1	1.63	2.6	0.06
							20	21	1	0.01	0.4	1.17
							24	31	7	0.08	0.8	0.82
						incl.	24	26	2	0.02	0.8	1.35
						and	29	31	2	0.19	0.7	1.13
							34	37	3	0.24	0.6	0.49
							39	42	3	0.16	1.1	0.75
Igloo	CQCRC002	208899.5	7601336.5	368	80		No significant Intercepts					
Igloo	CQCRC003	208901	7601318.5	366.5	80		36	38	2	0.35	9.0	0.03
							43	44	1	4.73	0.1	0.00
Igloo	CQCRC004	208890	7601303	367.5	80		No significant Intercepts					
Igloo	CQCRC005	208922	7601324.5	366.5	60		28	35	7	0.06	0.5	1.44
							43	60	17	0.03	0.3	2.43
						incl.	43	49	6	0.01	0.4	2.23
						and	53	60	7	0.05	0.3	3.67
Igloo	CQCRC006	208935.5	7601337.5	366.5	80		21	26	5	0.05	7.6	0.60
							31	32	1	0.02	0.3	0.61
							36	43	7	0.02	0.5	1.07
							47	50	3	0.02	0.3	1.56
							61	62	1	0.07	0.4	1.09
Igloo	CQCRC007	208984	7601384	368	60		0	3	3	0.28	0.6	0.02
							46	50	4	0.44	0.8	0.01
							54	55	1	0.57	2.2	0.02
Igloo	CQCRC008	208915.5	7601411	370	160		48	49	1	0.65	1.8	0.07
							60	61	1	22.10	3.0	0.01
							106	114	8	5.34	25.7	0.03
							146	148	2	1.19	3.0	0.04
Au4	CQCRC009	208301	7602160	382	90		6	7	1	0.75	1.5	0.03
							23	26	3	1.32	6.3	0.01
							34	35	1	0.34	4.3	0.01
							38	40	2	2.28	1.7	0.00
Au4	CQCRC010	208272	7602162	382	80		36	37	1	0.78	1.6	0.00
							40	41	1	1.91	2.6	0.00
Au4	CQCRC011	208297.5	7602081	382	80		12	13	1	0.39	8.3	0.01
Au4	CQCRC012	208273	7602081	382	80		19	22	3	4.45	1.2	0.00
							24	25	1	0.79	2.1	0.00
Au7	CQCRC013	209081	7601862	372	80		2	3	1	0.55	2.3	0.06
							5	6	1	0.25	1.50	0.04
							8	9	1	0.21	1.90	0.02
							11	13	2	19.00	18.85	0.58
							17	18	1	1.41	1.90	0.09
							76	80	4	0.05	4.8	0.44
Au7	CQCRC014	208855	7601117	372	60		18	19	1	0.55	1.9	0.03
Millers	CQCRC015	208838	7601076	372	50		8	9	1	1.02	0.4	0.12
							16	17	1	0.09	3.3	0.56
Millers	CQCRC016	208879	7601077	378	130		No significant Intercepts					
Millers	CQCRC017	208852.5	7601022	378	70		22	23	1	0.2	0.3	0.02
Millers	CQCRC018	208840	7600977	378	59		No significant Intercepts					
Millers	CQCRC019	208862	7600980	378	59		No significant Intercepts					
Millers	CQCRC020	208877	7601123	372	60		No significant Intercepts					
Royal	CQCRC021	209041	7600067	364	80		No significant Intercepts					
Royal	CQCRC022	209047	7600049	364	120		No significant Intercepts					
Igloo	CQCRC023	208965	7601371	368	80		1	3	2	0.47	0.2	0.03

							24	29	5	0.01	3.5	0.64
							41	50	9	0.01	0.6	2.02
						incl.	46	49	3	0.01	1.0	2.46
							70	75	5	1.40	1.0	0.02
						incl.	73	74	1	5.55	1.7	0.02
							78	79	1	0.43	0.4	0.01
Au5	CQCRC024	208176	7600379	363	100		16	17	1	0.31	1.0	0.01
							50	52	2	5.31	4.2	0.01
Au5	CQCRC025	208219.5	7600314	363	100		4	12	8	0.33	1.0	0.01
							59	60	1	0.83	10.9	0.06
							77	78	1	1.20	4.1	0.02

Table B2: Historic Drilling Results at the Quartz Circle VMS Project

Hole	East (m)	North (m)	Azimuth	Dip	From (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
ALC0019	209508	7600827	315	-60	46	17.74	NA	26.1	0.2	0.2	16.1
ALC0026	209442	7600864	105	-50	69.1	7.5	NA	12.9	0.1	1.9	17.1
CLAG001	209128	7599975	10	-60	1	4	0.97	70.4	0.0	0.0	0.0
CLAG003	208340	7600991	0	-90	82	3	3.51	5.5	0.1	0.0	0.0
CLAG004	207862	7601349	60	-60	25	3	4.19	3.5	0.3	0.0	0.0
GMRC046	209411	7600499	315	-61	104	8	0.53	49.0	0.0	0.3	0.6
GMRC054	209042	7600053	350	-65	64	4	2.06	3.0	0.0	0.0	0.1
GMRC058	208102	7599645	205	-69	101	4	0.17	482.0	0.0	1.0	2.3
IGD05	208941	7601371	0	-90	42	5	9.69	244.0	5.5	0.0	0.2
IGD07	208951	7601359	0	-90	30	14	0.90	10.6	2.2	0.0	0.1
IGRC12	208928	7601392	150	-60	43	10	2.32	140.1	8.5	0.0	0.3
IGRC20	208957	7601425	248	-68	116	16	2.91	19.0	0.0	0.0	0.0
IGRC21	208955	7601424	244	-57	68	12	12.00	2.0	0.0	0.0	0.0
QCRC001	208967	7601371	225	-65	37	16	0.77	32.7	9.2	0.0	0.0
QCRC006	209507	7600863	225	-60	39	9	0.11	1007.4	0.1	46.5	1.0
QCRC017	208951	7601350	0	-90	21	19	0.52	59.7	9.0	0.0	0.0
QCRC025	209351	7600613	0	-90	26	2	4.53	2.3	0.0	0.0	0.3
QCRC043	208859	7601072	270	-80	26	8	7.25	27.0	4.7	0.0	0.0
QCRC045	208867	7601072	0	-90	56	4	11.55	32.0	2.0	0.0	0.0
QCRC049	208303	7602114	90	-60	8	10	1.18	4.3	0.0	0.0	0.0
QCRC055	208216	7601556	90	-60	106	6	1.33	4.0	0.0	0.0	0.0
QCRC056	208207	7600345	225	-60	62	2	8.50	2.4	0.0	0.0	0.0
QCRC057	208235	7600373	225	-60	40	6	6.87	6.3	0.0	0.1	0.1
QCRC062	208187	7600262	145	-59	60	6	2.50	NA	NA	NA	NA
QCRD0002	207960	7601357	289	-74	204	4	3.51	1.4	0.1	0.0	0.2
QCRD0004	207960	7601095	101	-62	158	4	2.15	0.9	0.0	0.0	0.0
					216	4	2.32	3.5	0.1	0.0	0.1
RGCC012	208237	7602518	62	-60	13	3	1.62	15.2	NA	NA	NA
RGCC015	209113	7601868	250	-60	78	2	3.15	36.0	NA	NA	NA
Note: (1) - Datum GDA 94 Zone 51											

Appendix C – JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> The Igloo Resource Estimate (Quartz Circle Project) is based on the logging and sampling of 24 Reverse Circulation (RC), 10 diamond (DD) and 2 diamond drillholes with RC precollars. 54% samples collected were 1m in length, 34% 2m in length and 12% 4m in length. The Goongarrie Project has been sampled using Reverse Circulation (RC) drilling and the greater Quartz Circle Project (excluding the Igloo Deposit) has been sampled using a combination of RC and Diamond drilling. Neither Project has been sampled at regular spacing's reflecting its exploratory nature. Recent drilling (post 1990) has been picked up by survey contractors using differential GPS units. Survey pickup of historical drillholes is unknown.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Both Projects have extended drilling histories, with rotary air blast (RAB), RC and DD drilling have been utilised. Only RC and DD drillholes have been used for the Quartz Circle Igloo Resource Estimation.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Qualitative logging codes were used to record recovery for the recent RC and DD drilling at both Projects. Recovery of samples is considered to be good with no concerns noted. There is limited written record for historical drillholes. There is no obvious evidence of bias in the samples.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Geological logging of core and rock chips was carried out recording oxidation, colour, texture, mineralisation and recover for the recent RC and DD drilling. Logging of historical drillholes is variable in nature. Snowden considered that the logging of the Igloo Deposit was carried out in sufficient details to meet the requirements of resource estimation and mining studies.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> DD holes at the Quartz Circle Project were cut in half using a core saw. Recent drilling at both Projects saw RC samples being collected in a cyclone at the rig. Samples within the mineralised zone are assumed to be predominantly dry with no concerns noted. Limited information is available on the quality control (QC) methods of recent drilling. All sampling methods and samples sizes are deemed appropriate.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether 	<ul style="list-style-type: none"> No QAQC data was provided to Snowden for the Igloo Resource Estimation. It was reported that QAQC data was not collected by Graynic Resources but Graynic indicated that the internal laboratory did not indicate any QAQC issues. Analytic procedures are not known for the

Criteria	JORC Code explanation	Commentary
	<i>acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	remainder of the drilling.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Hardcopy sampling and assay data was compared with recent work by Coe. Coe considered the data to be reasonable.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> At the Igloo Deposit a contract surveyor was used to pick up all collar locations using a differential GPS during 2006. All other drillholes are presumed to be picked up with handheld GPS units. Graynic supplied Snowden with a digital terrain model (DTM) of the surface topography covering the Igloo Deposit. The quality or accuracy of this DTM is uncertain but was inspected, validated and corrected by Snowden for use in the resource estimation.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Data spacing at the Igloo Deposit is predominately 20m by 20m. Data spacing at the Greater Quartz Circle Project and the Goongarrie Project is variable due to the exploratory nature of the drilling. Drill spacing at the Igloo Deposit is sufficient to establish the degree of geological and grade continuity necessary to support the resource classification. No sample compositing.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Drillhole orientation is varied to reflect the local strike and morphology of the mineralisation.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Recent drilling was delivered to the laboratory by field personnel. It is unknown how historical samples were stored onsite and transported to the laboratory.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Regarding the Igloo Deposit Snowden considers the lack of QAQC data a concern and that it will limit the Mineral Resource classification that can be assigned to any estimates of Mineral Resources.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Both the Quartz Circle Project and the Goongarrie Project are located within Western Australia. The Quartz Circle Project is located in the Pilbara region of Western Australia, approximately 40 kilometres north-northeast of Nullagine in the East Pilbara District. The Goongarrie Gold Project is located approximately 90 kilometres north of Kalgoorlie near the historical Goongarrie townsite. The Quartz Circle Project comprises ten (10) granted Prospecting Licences (PLs) over 928.1 hectares, five (5) Prospecting Licence Applications over granted PLs and one Mining Licence Application covering

Criteria	JORC Code explanation	Commentary
		<p>801 hectares over granted PLs. The Goongarrie Project comprises four (4) granted Prospecting Licences, covering a total of 751 hectares.</p> <ul style="list-style-type: none"> No none impediments exist to operate in either Project.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> There has been various exploration completed by other parties. Previous exploration within the Quartz Circle Project and the Goongarrie Projects is outlined in Sections 2.5 and Section 3.4, respectively, of this report.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Mineralisation at the Quartz Circle Project is interpreted to comprise two styles of VMS mineralisation; "Feeder Pipes" consisting of small pods and pipes of massive sulphide within massive white quartz hosted by quartz-sericite-leucoxene altered dacitic lava (e.g. Igloo and Millers Prospects); and Volcanogenic sedimentary VMS Pb-Zn-Ag mineralisation overlying the acid volcanic pile. The project area lies within the McPhee Dome of the Archaean Pilbara Craton of Western Australia. Structure is the main control to gold mineralisation within the Goongarrie Gold Project. All deposits are located on or adjacent to a major NNW trending strike parallel shear zone of varying intensity, from 20-200m wide. The Goongarrie Gold Project is located at the northern end of the Bardoc Tectonic Zone (BTZ), a major Greenstone Belt stretching between Kalgoorlie and Menzies within the Kalgoorlie Terrane of the Archaean Yilgarn Craton of Western Australia.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Exploration Results are tabulated in Appendix A (the Goongarrie Project) and Appendix B (the Quartz Circle Project).
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Cove has not undertaken any cutting of grades as it currently believes that all of the grades received are an accurate reflection of the sampled interval. Cove has maintained realistic intervals of dilution when stating mineralised intercepts, however further refinement of what are considered realistic mining widths will be understood following further exploration and further resource calculations. Cove has not stated significant intercepts as metal equivalents.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> All reported intersection lengths are down hole.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a 	<ul style="list-style-type: none"> Appropriate maps and sections showing the nature and extent of the mineralisation are included within this Report.

Criteria	JORC Code explanation	Commentary
	<i>plan view of drill hole collar locations and appropriate sectional views.</i>	
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All results reported on by Cove are considered to be accurate and reflective of the mineralised system being drill tested.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Cove believes that the results and data included in this Report give a meaning and material reflection of the geological lithologies and structure being tested at both the Quartz Circle Project and the Goongarrie Project.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Further work planned for the Quartz Circle Project is detailed in Section 2.7, and work planned for the Goongarrie Project is detailed in Section 3.6 of this Report. Relevant figures are included within the Report.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	<ul style="list-style-type: none"> Graynic provided all input data to the resource estimate to Snowden including the drilling and sampling information. Snowden completed a cursory validation of the drillhole data prior to the data being used in building the resource model and estimating the Mineral Resource. Comma delimited text files were manually scanned to check for inconsistencies and visual checks were completed in three dimension.
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> Snowden did not complete a site visit to review the mineralisation and data collection processes. It is not stated why this was the case.
Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<ul style="list-style-type: none"> Five copper mineralisation domain envelopes were interpreted by Graynic using a 1.0% Cu cut-off grade. These domains are represented by five explicit solids wireframes generated by Graynic. The wireframes were reviewed by Snowden and were considered to reflect the mineralisation identified in drilling. Snowden stated that the wireframes were of an acceptable quality to use in Mineral Resource estimation.
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<ul style="list-style-type: none"> The deposit forms a small pod over a strike length of approximately 80m with a width of approximately 50m and a thickness of between 4m to 25m.
Estimation and modelling techniques	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search 	<ul style="list-style-type: none"> Block ordinary kriging was used estimate copper and gold into a constrained cell model reflecting the interpreted geology. Prior to statistical and variography analysis the drillhole data was composited to a uniform length of 1m on a domain-by-domain basis. The length of 1m was selected since 54% of the samples are 1m in length. There are no check estimates, previous estimates no mine production records available for the Igloo Deposit. No deleterious elements were modelled. The dimensions of the parent cells were specified using the nominal drill spacing of

Criteria	JORC Code explanation	Commentary
	<p>employed.</p> <ul style="list-style-type: none"> Any assumptions behind modelling of selective mining units. Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. Discussion of basis for using or not using grade cutting or capping. The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available. 	<p>20m by 20m as a guide. Parent block size of 10m x 10m x 4m with a minimum sub block size of 2m x 2m x 0.5m.</p> <ul style="list-style-type: none"> Cells in the cell model were estimated using a minimum of 5 drillhole samples and a maximum of 40 drillhole samples with no restriction on the maximum number from each drillhole. A three pass search was employed to ensure that all cells in the model were estimated. A top-cut of 20% Cu and 5.0g/t Au was applied to the composite drillhole samples for all domains prior to grade estimation. On completion of each stage in the modelling process the outputs were thoroughly visually inspected to confirm that they were valid. The final cell model containing grade estimates was visually and statistically compared with the input drillhole composite sample data. The cell model closely reproduces the input drillhole sample means.
Moisture	<ul style="list-style-type: none"> Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	<ul style="list-style-type: none"> The tonnages are estimated on a dry basis. No determination of moisture content has been made.
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> A nominal grade constraint of 1.0% Cu was applied.
Mining factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<ul style="list-style-type: none"> A Scoping Level Mining Evaluation was completed by Snowden in November 2008 on the basis that the Igloo deposit will be mined using conventional drill and blast with truck and shovel open pit mining methods. Reasonably small scale mining equipment would be used to mine the high grade with limited dilution. Ore mined will be placed on a ROM stockpile and transferred to highway haul trucks and transported to an existing process plant off lease (eg. Nifty Gold Mine).
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<ul style="list-style-type: none"> No metallurgical test work has been conducted on material from the Igloo copper deposit.
Environmental factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<ul style="list-style-type: none"> No assumptions have been made.
Bulk density	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<ul style="list-style-type: none"> An average in situ density was applied to the copper mineralisation on the basis of interpreted weathering profile for determination of resource tonnage. A global density of 2.51 t/m³ for non-mineralised oxide, 2.73 t/m³ for mineralised oxide and 2.74 t/m³ for fresh mineralisation was used. These average density values were obtained by Graynic from 94 density

Criteria	JORC Code explanation	Commentary
		measurements obtained from diamond drilling.
Classification	<ul style="list-style-type: none"> <i>The basis for the classification of the Mineral Resources into varying confidence categories.</i> <i>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i> <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> 	<ul style="list-style-type: none"> The resource has been classified as Indicated category according to the 2004 edition of the JORC Code. Snowden has based the resource classification upon a number of criteria, including the geological confidence, the integrity of the data, the spatial continuity of the mineralisation as demonstrated by variography, and the quality of the estimation. The data used for the resource estimation is comprised of RC and DD drilling and is based on the data and mineralisation interpretations provided by Graynic. Search ellipses and ranges used in the estimation reflect the spatial continuity and the mineralisation trend of the mineralised domains. The result appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of Mineral Resource estimates.</i> 	<ul style="list-style-type: none"> No audits or reviews have been done on this Mineral Resource estimate.
Discussion of relative accuracy/confidence	<ul style="list-style-type: none"> <i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i> <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	<ul style="list-style-type: none"> The Resource was classified as indicated category according to the 2004 edition of the JORC Code and was based on the data and mineralisation interpretations that Graynic supplied to Snowden. The small zones of mineralisation (domains 93 & 94) with limited drilling were not separated out into Inferred category to the limited tonnage (approximately 1% of total tonnage) involved. The statement relates to global estimates. No production data is available.

5. LEGAL REPORT ON TENEMENTS

21 April 2015

The Directors
Cove Resources Limited
(Subject to Deed of Company Arrangement)
Suite 25, 145 Stirling Highway
NEDLANDS WA 6009

Dear Sirs

Cove Resources Limited (Subject to Deed of Company Arrangement) ACN 131 446 335

Legal report on tenements

This report (**Report**) has been prepared for inclusion in a prospectus (**Prospectus**) dated 21 April 2015 to be issued by Cove Resources Limited (Subject to Deed of Company Arrangement) ACN 131 446 335 (**Company**).

1. Introduction and scope

- 1.1 We have been instructed by the Company to prepare this Report in respect of mining tenements (including applications) held by the Company (**Tenements**).
- 1.2 All of the Tenements are located in Western Australia and are identified in Part 1 of the Schedule.

2. Searches

- 2.1 We have conducted the following searches of information available on public registers in respect of the Tenements (**Searches**):
 - (a) searches of the Tenements in the registers maintained by the Western Australian Department of Mines and Petroleum (**DMP**) on 11 March 2015 (**Tenement Searches**);
 - (b) native title quick appraisal searches of DMP's electronic register on 11 March 2015 (**DMP Appraisals**);
 - (c) native title searches of the registers maintained by the National Native Title Tribunal (**NNTT**) on 17 March 2015 (**Native Title Searches**); and
 - (d) Aboriginal heritage site searches on the Register of Aboriginal Sites maintained by the Western Australian Department of Indigenous Affairs (**DIA**) on 16 March 2015 (**WA Heritage Searches**).

- 2.2 In addition, we have cross checked the DMP Appraisals against the Native Title Searches.
- 2.3 We have assumed that the information in the registers maintained by the DMP, DIA and NNTT is accurate. The references in the Schedule to the areas of the Tenements are taken from details shown on the electronic registers of DMP, DIA and NNTT. No survey was conducted to verify the accuracy of the Tenement areas.

3. **Opinion**

As a result of the Searches, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches, this Report provides an accurate statement as to:

- (a) the Company's interests in the Tenements;
- (b) the validity and good standing of the Tenements; and
- (c) third party interests, including encumbrances, in relation to the Tenements.

4. **Blenheim Resources Pty Ltd**

Our Tenement Searches indicate that several Tenements are registered in the name of Blenheim Resources Pty Ltd (Subject to Deed of Company Arrangement) ACN 149 735 642 (**Blenheim**). Blenheim is a wholly owned subsidiary of the Company, and has been since 2011.

5. **Executive Summary**

Subject to the qualifications and assumptions in this Report, we consider the following to be material issues in relation to the Tenements:

- (a) Our Tenement Searches indicate that P46/1360, P46/1361, P46/1362, P46/1363, P46/1364, P46/1365, P46/1366, M46/371, P46/1825, P46/1826, P46/1827, P46/1828 and P46/1829 are registered in the name of Corazon Mining Limited ACN 112 898 825 (**Corazon**) (80%) and Cazaly Resources Limited ACN 101 049 334 (**Cazaly**) (20%). The Company acquired Corazon's interests in these Tenements via a tenement option agreement dated 27 May 2011 between Corazon, Cazaly and Blenheim, which completed in or around December 2011. The Company has informed us that it intends to register its interests in the Tenements with the DMP as soon as practicable following reinstatement to trading on the Australian Securities Exchange. Until the Company registers these interests with the DMP, Corazon will hold the 80% interest in the Tenements on trust for the benefit of the Company (via Blenheim) and, accordingly, the Company has a beneficial interest in these Tenements. The Company has registered caveats on all granted Tenements to protect its interests until they are registered.
- (b) The Company (via Blenheim) is party to a joint venture agreement with Cazaly in relation to P46/1360, P46/1361, P46/1362, P46/1363,

P46/1364, P46/1365, P46/1366, M46/371, P46/1825, P46/1826, P46/1827, P46/1828 and P46/1829 which contains various rights and obligations of the Company with respect to these Tenements. A summary of the agreement is set out in Section 8.6 of the Prospectus.

- (c) The previous holders of P46/1360, P46/1361, P46/1362, P46/1363, P46/1364, P46/1365 and P46/1366 (**Original PLs**) made an application under section 49 of the *Mining Act 1978* (WA) (**Mining Act**) to convert the Original PLs into a mining lease, resulting in the creation of application M46/371. The Company has informed us that the DMP has verbally advised that M46/371 will not be granted. In 2014, applications were made under section 56B of the Mining Act to apply for new prospecting licences to replace the Original PLs, resulting in the creation of applications P46/1825, P46/1826, P46/1827, P46/1828 and P46/1829 (**New PLs**). These New PLs are yet to be determined by the DMP, and they don't carry any tenure until they are granted (if at all). Although there is no guarantee that the New PLs will be granted, we are not aware of any genuine reason why the New PLs would not be granted. If and when the New PLs are granted, they will replace the Original PLs which will then cease to exist. In the meantime, the Company retains its tenure to the Original PLs and the rights and liabilities associated with such tenure.
- (d) The Original PLs are subject to a heritage protection agreement pursuant to the native title claim of the Njamal Claim Group (**Claim Group**) referred to in Part 2 of the Schedule. The primary purpose of this agreement is to ensure that exploration on the Original PLs is not likely to interfere directly with the community life of the Claim Group, is not likely to cause damage, disturbance or interference to areas or sites of particular significance to the claimant group and is not likely to involve major disturbance to any land or waters in the area. Under the agreement, the Company may need to conduct a heritage survey on the Original PLs in order to conduct exploration activities other than low impact exploration activities. Low impact exploration activities include aerial surveys, geological mapping, metal detecting, rock chip, hand specimen and soil and drainage sampling, only using hand-held tools and non-ground disturbing geophysical surveys in including electrical and magnetic surveys and incidental activities. The heritage protection agreement is otherwise on standard terms.
- (e) The New PLs are "future acts" and will be subject to the *Native Title Act 1993* (Cth) (**NTA**). As a result, it is likely that the Company will be required to enter into a new heritage protection agreement with the Claim Group in relation to the New PLs.
- (f) Our Tenement Searches indicate that P29/2153, P29/2154, P29/2155 and P29/2156 are registered in the name of Clinton Dean Hood (**Hood**). The Company has a 70% interest in these Tenements as a result of satisfying various farm-in conditions under a farm-in agreement dated 17 November 2010 between the Company and Hood. The Company has informed us that it intends to register its interests in the Tenements with the DMP as soon as practicable following reinstatement to trading on the Australian Securities

Exchange. Until the Company registers these interests with the DMP, Hood will hold the 70% interest in the Tenements on trust for the benefit of the Company and, accordingly, the Company has a beneficial interest in these Tenements. The Company has registered caveats on these Tenements to protect its interests until they are registered.

- (g) As noted in (d) above, the Company is party to a farm-in agreement with Hood in relation to P29/2153, P29/2154, P29/2155 and P29/2156 which contains various rights and obligations of the Company with respect to these Tenements. A summary of the agreement is set out in Section 8.7 of the Prospectus.

6. General information about mining tenements and applications in Western Australia

The Tenements include prospecting licences (including applications) and a mining lease application¹ granted or applied for under the Mining Act. The following is an overview of the nature and key terms of these types of tenements as set out in the Mining Act.

6.1 Prospecting licence

- (a) **(Overview)** A prospecting licence granted under the Mining Act empowers the holder to enter the land the subject of the prospecting licence and undertake operations for the purposes of prospecting for minerals.
- (b) **(Term)** A prospecting licence remains in force for 4 years from the date of grant with the possibility of applying for an extension under the Mining Act.
- (c) **(Area)** A prospecting licence must not be granted in respect of an area which is greater than 200 hectares.
- (d) **(Expenditure)** The holder of a prospecting licence is required to expend certain amounts upon prospecting activities during the term. If these expenditure obligations are not met, the prospecting licence may be forfeited.
- (e) **(Conversion)** The holder of a prospecting licence has, subject to the Mining Act, the right to apply for and to have granted a mining lease over the land the subject of the prospecting licence.
- (f) **(Company's interests)** The Company has an interest in the following prospecting licences, which are more fully described in Part 1 of the Schedule:
 - (i) P29/2153;

¹ The Company does not anticipate that its mining lease application M46/371 will be granted however it has nevertheless been discussed in this Report as it is relevant to explaining the Company's tenure to the Original PLs.

- (ii) P29/2154;
- (iii) P29/2155;
- (iv) P29/2156;
- (v) P46/1360;
- (vi) P46/1361;
- (vii) P46/1362;
- (viii) P46/1363;
- (ix) P46/1364;
- (x) P46/1365;
- (xi) P46/1366;
- (xii) P46/1752;
- (xiii) P46/1753; and
- (xiv) P46/1754.

6.2 Prospecting licence application

- (a) **(Overview)** A prospecting licence application under the Mining Act does not give the applicant any title in the land or exclusive rights over the land the subject of the prospecting licence application.
- (b) **(Company's interest)** The Company has an interest in the following prospecting licence applications as at the date of this Report:²
 - (i) P46/1825;
 - (ii) P46/1826;
 - (iii) P46/1827;
 - (iv) P46/1828; and
 - (v) P46/1829.

6.3 Mining lease

- (a) **(Overview)** A mining lease granted pursuant to the Mining Act empowers the holder the exclusive right to find, extract and dispose of any minerals on the land the subject of that mining lease.

² These prospecting licence applications relates to the area the subject of granted prospecting licences P46/1360, P46/1361, P46/1362, P46/1363, P46/1364, P46/1365 and P46/1366. See section 5(c) for further information.

- (b) **(Term)** A mining lease remains in force for a period of 21 years from the date of grant. However, the holder has an option to renew for another 21 years on expiry and further renewals are possible on application under the Mining Act.
- (c) **(Area)** The maximum area over which a mining lease may be granted must not exceed 10 square kilometres.
- (d) **(Transfer)** The holder of a mining lease must obtain the consent of the Minister in order to assign, sublet or part with possession of the mining lease.
- (e) **(Company's interests)** The Company does not hold any interest in a mining lease at the date of this Report.

6.4 Mining lease application

- (a) **(Overview)** A mining lease application under the Mining Act does not constitute a lease while the application is pending grant. However the applicant has a statutory entitlement to certain rights under the Mining Act.
- (b) **(Grant)** A grant may take a considerable amount of time due to the need to comply with the law relating to native title. This process is outlined in sections 9 and 10 of this Report.
- (c) **(Company's interests)** The Company has an interest in the following mining lease application which is more fully described in Part 1 of the Schedule:³
 - (i) M46/371.

7. Tenement conditions and forfeiture

- 7.1 Mining tenements in Western Australia are granted subject to various standard conditions prescribed by the Mining Act and the *Mining Regulations 1981* (WA) including payment of annual rent, minimum expenditure requirements, reporting requirements and standard environmental conditions. Further, conditions may be imposed by the Minister in respect of a particular mining tenement (such as restrictions on mining or access to certain reserves).
- 7.2 The endorsements and conditions for each Tenement are set out in Part 1 of the Schedule.
- 7.3 If a tenement holder fails to comply with the terms and conditions of a tenement, the Warden or the Minister (as applicable) may impose a fine or order that the tenement be forfeited. In most cases an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement. In certain cases, a third party can institute administrative

³ This mining lease application relates to the area the subject of granted prospecting licences P46/1360, P46/1361, P46/1362, P46/1363, P46/1364, P46/1365 and P46/1366. See section 5(c) for further information

proceedings under the Mining Act before the Warden seeks forfeiture of the tenement.

- 7.4 In the case of a failure to comply with the annual minimum expenditure requirements, the tenement holder can apply to the DMP for an exemption. In addition, a third party can object to an application for exemption from expenditure. If an exemption application is refused then it is open to the Warden or Minister (as applicable) to impose a fine or make an order for forfeiture.
- 7.5 The DMP Searches do not show any forfeiture notices in respect of any of the Tenements.

8. Aboriginal sites

8.1 Commonwealth legislation

- (a) The Tenements are subject to the provisions of the *Aboriginal and Torres Strait Islander Heritage Protection Act (1984)* (Cth) (**Commonwealth Heritage Act**).
- (b) The Commonwealth Heritage Act contains provisions designed to preserve and protect from injury or desecration, areas and objects which are of particular significance to Aboriginal people in accordance with Aboriginal tradition. An area or object is found to be desecrated if it is used or treated in a manner inconsistent with Aboriginal tradition.
- (c) The Commonwealth Minister for Indigenous Affairs may make a declaration to preserve an Aboriginal area or site of significance. Such declarations may be permanent or interim and have the potential to interfere with mining or exploration activities. Failure to comply with a declaration is an offence under the Commonwealth Heritage Act.

8.2 Western Australian legislation

- (a) The *Aboriginal Heritage Act 1972* (WA) (**WA Heritage Act**) applies to the Tenements as they are located in Western Australia. This Act makes it an offence, among other things, to alter or damage an Aboriginal site or object on or under an Aboriginal site.
- (b) An Aboriginal site is defined under the WA Heritage Act to include any sacred, ritual or ceremonial site which is of importance and special significance to persons of Aboriginal descent.
- (c) An Aboriginal site may be registered under the WA Heritage Act, but registration is not required. In fact there is no requirement or need for an Aboriginal site to be registered in any public manner or, indeed, to be in any way acknowledged as an Aboriginal site for it to qualify as an Aboriginal site under the WA Heritage Act. Tenement holders customarily consult with Aboriginal traditional owners of the tenement land and undertake Aboriginal heritage surveys to ascertain whether any Aboriginal sites exist and to avoid inadvertent disruption of these sites.

- (d) The WA Heritage Searches indicate that none of the Tenements are subject to registered or lodged Aboriginal heritage sites. There may be other unregistered Aboriginal heritage sites on the Tenements.
- (e) In order to engage in any activity that may interfere with an Aboriginal site, the tenement holder must obtain the consent of the Minister for Indigenous Affairs (WA) pursuant to section 18 of the WA Heritage Act. This requires submissions from the tenement holder to the DIA on the proposed activities, the possible impact on the Aboriginal sites, any negotiations conducted with Aboriginal traditional owners of the lands and any measures that will be taken to minimise the interference.
- (f) The Minister will seek a recommendation from the Aboriginal Cultural Material Committee prior to making any determination under section 18 of the WA Heritage Act.
- (g) The tenement holder must ensure that any interference with any Aboriginal sites that affect the Tenements strictly conforms to the provisions of the WA Heritage Act, including any conditions set down by the Minister, as it is otherwise an offence to interfere with such sites.

9. Native Title legislation

- 9.1 The existence of native title at common law was first recognised in *Mabo v Queensland (No. 2)* (1992) 175 CLR 1 (**Mabo Case**), a decision of the High Court of Australia made on 3 June 1992. In general, native title rights to land will be recognised where:
 - (a) the claimants can establish that they have maintained a continuous connection with the land in accordance with their traditional laws and customs since British settlement in 1788; and
 - (b) the native title rights have not been lawfully extinguished.
- 9.2 The High Court held in the Mabo Case that native title rights can be lawfully extinguished by certain government legislation and executive actions which are not inconsistent with native title. In order for extinguishment to be lawful the extinguishment must comply with the obligations imposed by the *Racial Discrimination Act 1975* (Cth).
- 9.3 After the Mabo Case, considerable uncertainties existed about the validity of proprietary rights in Australia, including mining tenements. To address those uncertainties the Commonwealth Parliament responded by passing the NTA.
- 9.4 The NTA came into effect in January 1994 and was substantially amended in 1998 in response to the decision of the High Court in *The Wik Peoples v State of Queensland* (1996) 197 CLR 1 (**Wik Case**). The Wik Case recognised that the granting of a pastoral lease did not necessarily extinguish all native title rights, some of which could co-exist with the rights under a pastoral lease.
- 9.5 In summary, the NTA:

- (a) provides for recognition and protection of native title;
 - (b) sets up mechanisms for determining claims for native title such as the “right to negotiate” which allows native title claimants to be consulted in relation to certain mining and other developments;
 - (c) makes valid certain “past acts” which would otherwise be invalidated because of native title;
 - (d) establishes ways in which “future acts” affecting native title (e.g. the granting of mining tenement applications and converting exploration licences and prospecting licences to mining leases) may proceed and how native title rights are protected, including rights to compensation; and
 - (e) provides a process by which claims for native title and compensation can be determined.
- 9.6 The Western Australian Parliament passed its own legislation, the *Land (Title and Traditional Usage) Act 1993* (WA) (**WA Act**) prior to the NTA. On 16 March 1995 the High Court found that the WA Act was invalid, and accordingly that Western Australia must comply with the NTA.
- 9.7 The High Court decision in *The State of Western Australia v Ward* (2002) HCA 28 (8 August 2002) established that where tenure such as a pastoral lease is granted, native title is extinguished to the extent that it is inconsistent with the rights conferred by the pastoral lease.

10. Native Title claims

10.1 Procedure

- (a) Persons claiming to hold native title land may lodge an application for determination of native title with the Federal Court of Australia. Once a native title claim has been lodged, the Court will refer the application to the Native Title Registrar. The Native Title Registrar must determine whether the claim meets certain conditions concerning the merits of the claim, and certain procedural and other requirements set out by the NTA.
- (b) If the Native Title Registrar is satisfied the lodged claim meets the registration requirements set out in the NTA (**Registration Test**), it will be entered on the Register of Native Title Claims (**Register**) maintained by the NNTT. Claimants of registered claims are afforded certain procedural rights under the NTA including the “right to negotiate”.
- (c) Claims which fail to meet the Registration Test are recorded on the NNTT’s Schedule of Applications Received. Such claims may be entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test.

- (d) Existing pastoral leases on land the subject of the Tenements extinguish the right of native title claimants to control the land, restrict access to the land and require permission for acts to be done.
- (e) Where the Tenements relate to land which is currently the subject of a determined native title claim, the determination may provide that, in respect of the determination area, there is no native title right or interest in minerals as defined by the Mining Act.
- (f) We have not undertaken the considerable historical, anthropological and ethnographic work that would be required to determine the likelihood that the native title determination may be challenged, or the possibility of any further claims being made in the future.

10.2 Registered claims and determinations

The NNTT Searches indicate that some of the Tenements are subject to a registered native title claim, as referred to in Part 2 of the Schedule. As a result of this claim, the parties entered into a heritage protection agreement as referred to in section 5(d).

11. Validity of the Tenements

11.1 Tenements granted since 23 December 1996

- (a) Mining tenements granted since 23 December 1996 which affect native title rights and interests will be valid provided that the “future act” procedures set out in section 11.2 below were followed by the relevant parties.
- (b) As the Company has not been party to native title proceedings or negotiations, we have assumed that the relevant NTA procedures were followed in relation to each Tenement for the purposes of this Report. We further note that we are not aware of any reason why the Tenements would be regarded as having not been validly granted.

11.2 Future tenement grants

- (a) Right to negotiate
 - (i) The valid grant of any mining tenement which may affect native title requires full compliance with the provisions of the NTA in addition to compliance with the usual procedures under the relevant State or Territory mining legislation. The primary procedure prescribed under the NTA is the “right to negotiate” process.
 - (ii) The right to negotiate process involves publishing or advertising a notice of the proposed grant of a tenement followed by a 6 month period of negotiation between the State or Territory Government, the tenement applicant and the relevant registered native title claimant. If agreement is not reached to enable the grant to occur, the matter may be referred to arbitration before the NNTT, which has a further 6

months to reach a decision. The decision of the NNTT may be reviewed by the relevant Commonwealth Minister.

(b) Indigenous land use agreements

- (i) The right to negotiate process does not have to be pursued in cases where an indigenous land use agreement (**ILUA**) is negotiated with the relevant native title claimants and registered with the NNTT. In such cases, the procedures prescribed by the ILUA must be followed to obtain the valid grant of the relevant mining tenement. These procedures will vary depending on the terms of the ILUA.
- (ii) An ILUA will generally contain provisions in respect of what activities may be conducted on the land the subject of the ILUA, and the compensation to be paid to the native title claimants for use of the land.
- (iii) Our Searches indicate that none of the Tenements are subject to ILUAs.

(c) Expedited procedure

- (i) The right to negotiate process is not required to be followed in respect of a proposed future act in instances where the “expedited procedure” under the NTA applies.
- (ii) The expedited procedure applies to a future act under the NTA if:
 - (A) the act is not to interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;
 - (B) the act is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of the native title in relation to the land; and
 - (C) the act is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.
- (iii) When the proposed future act is considered to be one that attracts the expedited procedure, persons have until 3 months after the notification date to take steps to become a native title party in relation to the relevant act (e.g. the proposed granting of an exploration licence).
- (iv) The future act may be done unless, within 4 months after the notification day, a native title party lodges an objection with the NNTT against the inclusion of a statement that the proposed future act is an act attracting the expedited procedure.

- (v) If an objection to the relevant future act is not lodged within the 4 month period, the act may be done. If one or more native title parties object to the statement, the NNTT must determine whether the act is an act attracting the expedited procedure. If the NNTT determines that it is an act attracting the expedited procedure, the State or Territory may do the future act (i.e. grant a mining tenement).

12. Renewals and extensions of the Tenements

- 12.1 Renewals of mining tenements granted after 23 December 1996 are subject to the same right to negotiate process as is described in section 11.2(a) above.
- 12.2 However, an exception exists for renewals made after 23 December 1996 of mining tenements validly granted before that date will not be subject to the right to negotiate process under the NTA provided that:
 - (a) the area to which the earlier right is made is not extended;
 - (b) the term of the new right is not longer than the term of the earlier right; and
 - (c) the rights to be created are not greater than the rights conferred by the earlier grant.
- 12.3 There is doubt as to whether the right to negotiate process applies to second and subsequent renewals but this matter is yet to be determined by the Courts.
- 12.4 The DMP Searches indicate that none of the Tenements are renewals of mining tenements granted prior to 23 December 1996.

13. Compliance

- 13.1 The Company's interests in or rights in relation to the granted Tenements are subject to the holder continuing to comply with the respective terms and conditions of the granted Tenements under the provisions of the Mining Act, together with the conditions specifically applicable to any granted mining tenement.
- 13.2 The Searches that we have carried out in relation to the Tenements do not reveal any outstanding failures to comply with the conditions in respect of each of the Tenements.

14. Qualifications and assumptions

We note the following qualifications and assumptions in relation to this Report:

- (a) the information in the Schedule is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of a Search and the date of this Report;

- (b) we have assumed that the registered holder of a Tenement has valid legal title to the Tenements, save to the extent that the DMP register is to be updated to reflect the Company's interests;
- (c) we have assumed that all Searches conducted are true, accurate and complete as at the time the Searches were conducted;
- (d) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;
- (e) we have assumed that all instructions and information (including contracts), whether oral or written, provided to us by the Company, its officers, employees, agents or representatives is true, accurate and complete;
- (f) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- (g) with respect to an application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;
- (h) where any dealing in a Tenement has been lodged for registration but is not yet registered, we do not express any opinion as to whether that registration will be effected, or the consequences of non-registration;
- (i) with respect to the granting of the Tenements, we have assumed that the State, the claimant group and the applicant(s) for the Tenements have complied with, or will comply with, the applicable future act provisions in the NTA;
- (j) we have not researched the Tenements to determine if there are any unregistered Aboriginal sites located on or otherwise affecting the Tenements; and
- (k) in relation to the native title determinations and claims outlined in this Report, we do not express an opinion on the merits of such determinations and claims.

15. Consent

This Report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully

A handwritten signature in dark ink, reading "Price Sierakowski". The signature is written in a cursive style with a large, sweeping initial "P".

PRICE SIERAKOWSKI

Schedule

Part 1: Schedule of Mining Tenements (to be read in conjunction with the Part 2 of the Schedule)												
Tenement Number	Registered Holder	Share s Held	State	Grant Date	Expiry Date	Area (hectares or blocks)	Expenditure Commitments (per annum)	Next Annual Rent	Material Dealings / Encumbrances	Notes to Endorsements and Conditions	Native Title Claims / Determinations / ILUAs	Notes to Aboriginal Heritage Sites and Encroaching Land Rights
P29/2153	Clinton Dean Hood	100%	WA	22/07/2010	21/07/2018	199ha	\$7,960.00	\$467.65	Caveat 359863 in favour of Cove Resources Limited	Notes 1 to 6.	Nil	Nil
P29/2154	Clinton Dean Hood	100%	WA	22/07/2010	21/07/2018	199ha	\$7,960.00	\$467.65	Caveat 359864 in favour of Cove Resources Limited	Notes 1 to 17.	Nil	Nil
P29/2155	Clinton Dean Hood	100%	WA	22/07/2010	21/07/2018	191ha	\$7,640.00	\$448.85	Caveat 359865 in favour of Cove Resources Limited	Notes 1 to 6.	Nil	Nil
P29/2156	Clinton Dean Hood	100%	WA	22/08/2010	01/08/2018	162ha	\$6,480.00	\$380.70	Extension of Time 337382 Caveat 359866 in favour of Cove Resources Limited	Notes 1 to 6 and 10 to 21.	Nil	Nil
P46/1360	Corazon Mining Limited/Cazaly Resources Limited	80%	WA	21/05/2004	20/05/2008*	108.676ha	\$4,360.00	\$256.15	Conversion 215213 to M46/371 Caveat 422864 in favour of Blenheim Resources Limited (80%)	Notes 1, 3 to 6, 22 and 23	Nil	Nil
P46/1361	Corazon Mining Limited/Cazaly Resources Limited	80%	WA	21/05/2004	20/05/2008*	107.71ha	\$4,320.00	\$253.80	Conversion 215213 to M46/371 Caveat 422865 in favour of	Notes 1, 3 to 6, 22 and 23	Nil	Nil

Part 1: Schedule of Mining Tenements (to be read in conjunction with the Part 2 of the Schedule)												
Tenement Number	Registered Holder	Share s Held	State	Grant Date	Expiry Date	Area (hectares or blocks)	Expenditure Commitments (per annum)	Next Annual Rent	Material Dealings / Encumbrances	Notes to Endorsements and Conditions	Native Title Claims / Determinations / ILUAs	Notes to Aboriginal Heritage Sites and Encroaching Land Rights
									Blenheim Resources Limited (80%)			
P46/1362	Corazon Mining Limited/Cazaly Resources Limited	80%	WA	21/05/2004	20/05/2008*	114.11ha	\$4,600.00	\$270.25	Conversion 215213 to M46/371 Caveat 422866 in favour of Blenheim Resources Limited (80%)	Notes 1, 3 to 6, 22 and 23	Nil	Nil
P46/1363	Corazon Mining Limited/Cazaly Resources Limited	80%	WA	21/05/2004	20/05/2008*	114.14ha	\$4,600.00	\$270.25	Conversion 215213 to M46/371 Caveat 422867 in favour of Blenheim Resources Limited (80%)	Notes 1, 3 to 6, 22 to 24	Nil	Nil
P46/1364	Corazon Mining Limited/Cazaly Resources Limited	80%	WA	21/05/2004	20/05/2008*	119.26ha	\$4,800.00	\$282.00	Conversion 215213 to M46/371 Caveat 422868 in favour of Blenheim Resources Limited (80%)	Notes 1, 3 to 6, 22 to 24	Nil	Nil
P46/1365	Corazon Mining Limited/Cazaly Resources Limited	80%	WA	21/05/2004	20/05/2008*	118.49ha	\$4,760.00	\$279.65	Conversion 215213 to M46/371 Caveat 420954 in favour of Blenheim Resources	Notes 1, 3 to 6, 22 and 23	Nil	Nil

Part 1: Schedule of Mining Tenements (to be read in conjunction with the Part 2 of the Schedule)												
Tenement Number	Registered Holder	Share s Held	State	Grant Date	Expiry Date	Area (hectares or blocks)	Expenditure Commitments (per annum)	Next Annual Rent	Material Dealings / Encumbrances	Notes to Endorsements and Conditions	Native Title Claims / Determinations / ILUAs	Notes to Aboriginal Heritage Sites and Encroaching Land Rights
									Limited (80%)			
P46/1366	Corazon Mining Limited/Cazaly Resources Limited	80%	WA	21/05/2004	20/05/2008*	192.00ha	\$7,680.00	\$451.70	Conversion 215213 to M46/371 Caveat 422870 in favour of Blenheim Resources Limited (80%)	Notes 1, 3 to 6, 22 and 23	Nil	Nil
P46/1752	Blenheim Resources Limited	100%	WA	07/03/2012	06/03/2016	92.56910ha	\$3,720.00	\$218.55	Nil	Notes 1 to 6, 22 and 23	Nil	Nil
P46/1753	Blenheim Resources Limited	100%	WA	07/03/2012	06/03/2016	2.29660ha	\$2,000.00	\$23.50	Nil	Notes 1 to 6, 22 and 23	Nil	Nil
P46/1754	Blenheim Resources Limited	100%	WA	07/03/2012	06/03/2016	36.00720ha	\$2,000.00	\$86.95	Nil	Notes 1 to 6, 22 and 23	Nil	Nil
M46/371 (Application)	Corazon Mining Limited/Cazaly Resources Limited	80%	WA	-	-	801ha	-	-	Transfer 921864 of P46/1360 to P46/1366. Applications to Amend 345071, 366320, 380207, 450846	Nil	Nil	Nil
P46/1825 (Application)	Corazon Mining Limited/Cazaly Resources Limited	80%	WA	-	-	192ha	-	-	Nil	Nil	Part 2, Note 1.	Nil
P46/1826 (Application)	Corazon Mining Limited/Cazaly Resources Limited	80%	WA	-	-	185ha	-	-	Nil	Nil	Part 2, Note 1.	Nil

Part 1: Schedule of Mining Tenements (to be read in conjunction with the Part 2 of the Schedule)												
Tenement Number	Registered Holder	Share s Held	State	Grant Date	Expiry Date	Area (hectares or blocks)	Expenditure Commitments (per annum)	Next Annual Rent	Material Dealings / Encumbrances	Notes to Endorsements and Conditions	Native Title Claims / Determinations / ILUAs	Notes to Aboriginal Heritage Sites and Encroaching Land Rights
P46/1827 (Application)	Corazon Mining Limited/Cazaly Resources Limited	80%	WA	-	-	108ha	-	-	Nil	Nil	Part 2, Note 1.	Nil
P46/1828 (Application)	Corazon Mining Limited/Cazaly Resources Limited	80%	WA	-	-	119ha	-	-	Nil	Nil	Part 2, Note 1.	Nil
P46/1829 (Application)	Corazon Mining Limited/Cazaly Resources Limited	80%	WA	-	-	199ha	-	-	Nil	Nil	Part 2, Note 1.	Nil

Endorsements and conditions:

1. The licensee's attention is drawn to the provisions of the Aboriginal Heritage Act, 1972 and any Regulations thereunder.
2. The licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
3. All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.
4. All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, DMP. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMP.
5. All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
6. Unless the written approval of the Environmental Officer, DMP is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
7. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any prospectus activities on Unnumbered Land Act Reserves 7 and 8 and Water Reserve 5065.
8. No prospecting activities on Cemetery Reserve 10369 and such activities within a distance of 140 metres laterally from the Reserve being confined to below a depth of 50 metres from the lowest part of the surface of the land with rights of ingress to and egress from the said Reserve being at all times preserved to the public.
9. No interference with Geodetic Survey Station SSM-KALGOORLIE 249 AND 250 and mining within 15 metres from the natural surface.

10. No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land 12 and 13 as shown in TENGRAPH without the prior written approval of the Minister responsible for the Mining Act 1978.
11. No surface excavation approaching closer to the boundary of the Safety Zone established by Condition (10) hereof than a distance equal to three times the depth of the excavation without the prior written approval of the State Mining Engineer, DMP.
12. Mining below 15 metres from the natural surface of the land in the Safety Zone established in Condition (10) hereof being approved by the State Mining Engineer, DMP in consultation with the operator of the railway on corridor land.
13. No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone established by Condition (10) hereof without the prior approval of the operator of the railway on corridor land.
14. The licensee not excavating, drilling, installing, erecting, depositing or permitting to be excavated, drilled, installed, erected or deposited within the Safety Zone established in Condition (10) hereof, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of the State Mining Engineer, DMP.
15. No explosives being used or stored within one hundred and fifty (150) metres of the rail corridor land without the prior written consent of the Director, Dangerous Goods Safety Branch, DMP.
16. The rights of ingress to and egress from the rail corridor land being at all times preserved to the employees, contractors and agents of the operator of the railway on corridor land, and the Public Transport Authority of WA.
17. Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act 1978 for the purpose of protecting the rail corridor land.
18. The land the subject of this licence may affect a heritage place located in the Goongarrie townsite, registered pursuant to the Heritage of WA Act 1990.
19. The grant of the licence does not include any private land referred to in Section 29(2) of the Mining Act 1978 except that below 30 metres from the natural surface of the land.
20. The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any prospecting activities on Railway Purposes Reserve 46822, Goongarrie Townsite and Unnumbered Land Acts 6 and 7.
21. No interference with Geodetic Survey Station SSM-KALGOORLIE 247 and 248 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
22. The licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs, water carting equipment or other mechanised equipment.
23. The licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:
 - the grant of the licence; or
 - registration of a transfer introducing a new licensee;
 advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
24. The grant of this licence does not include land the subject of Exploration Licence 46/461.

Part 2: Schedule of Native Title Claims and Determinations					
Note	Tribunal Number	Federal Court Number	Applicant Name	Registered	Status
1.	WC1999/008	WAD6028/1998	Njamal Claim Group	Yes	Active

6. INVESTIGATING ACCOUNTANT'S REPORT

14 April 2015

The Directors
Cove Resources Limited
Suite 25, 145 Stirling Highway
NEDLANDS WA 6009

Dear Sirs,

Re: Investigating Accountant's Report on Historical and Pro forma Consolidated Historical Financial Information

We have been engaged by Cove Resources Limited ("CVE" or the "Company") to report on the historical and pro forma consolidated historical financial information for inclusion in the Prospectus relating to, amongst other issues, the issue of up to 600,000,000 shares in CVE at an issue price of \$0.0025 each to raise up to \$1,500,000, together with up to 300,000,000 free attaching New Options on the basis of 1 New Option for every 2 Shares issued before the costs of the issue ("the Prospectus"). The minimum subscription has been set at 520,000,000 shares and 260,000,000 New Options to raise \$1,300,000,000 before costs of the issue.

Expressions and capitalised terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services License (No. 227902) under the *Corporations Act 2001*. Hall Chadwick Corporate (NSW) Limited holds the appropriate Australian Financial Services License under the *Corporations Act 2001*.

Background

On 17 January 2014, Bryan Hughes ("Administrator") was appointed a administrator of the Company pursuant to section 436A of the Corporations Act by resolution of the directors of the Company. The Company's securities had previously been voluntarily suspended from trading on the official list of the ASX on 22 July 2013.

On 20 December 2013 (prior to the appointment of the Administrator), the Company entered into a reconstruction deed ("Reconstruction Deed") with Cygnet Capital Pty Ltd ("Proponent") for the reconstruction and recapitalisation of the Company.

Following his appointment, the Administrator called for proposals to recapitalise the Company with a view to seeking reinstatement to trading of its securities on ASX. The Administrator ultimately accepted the Reconstruction Deed put forward by the Proponent with some minor variations ("Reconstruction Proposal"). The Reconstruction Proposal includes the raising of funds under the Prospectus.

On 24 February 2014, the Company obtained the approval of creditors to enter into a Deed of Company Arrangement ("DOCA") to facilitate acceptance of the Reconstruction Proposal. On 11 March 2015 the Company obtained approval of its

HALL CHADWICK CORPORATE
(NSW) LIMITED

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creditors to vary the DOCA to facilitate acceptance of some further variations to the Reconstruction Proposal.

Scope

Historical Financial Information

You have requested Hall Chadwick Corporate (NSW) Limited to review the following historical financial information of CVE included in the Prospectus:

- a) the statement of financial position of CVE as at 31 December 2014.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the adopted accounting policies of CVE.

The historical financial information of CVE has been extracted from its latest half yearly report which was reviewed by Ernst & Young.

The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro forma consolidated historical financial information

You have requested Hall Chadwick Corporate (NSW) Limited to review the following pro forma consolidated historical financial information of CVE included in the Prospectus:

- a) statement of financial position of CVE as at 31 December 2014, assuming completion of the minimum subscription of the Offer and other transactions associated with the Reconstruction Proposal as disclosed in the Prospectus.

The stated basis of preparation is the recognition and measurement principles detailed in Australian Accounting Standards applied to the historical financial information and the transactions to which the pro forma adjustments relate, as described in the Prospectus, as if those transactions had occurred as at the date, or prior to the date, of the historical financial information. Due to its nature, the pro forma consolidated historical financial information does not represent the company's actual or prospective financial position.

Directors' responsibility

The directors of CVE are responsible for the preparation of the historical financial information and pro forma consolidated historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma consolidated historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma consolidated historical financial information that is free

from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information set out in Appendix 1 to this report, comprising:

- a) the statement of financial position of CVE as at 31 December 2014;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in the Prospectus.

Pro forma consolidated historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma consolidated historical financial information set out in Appendix 1 to this report, comprising:

- a) statement of financial position of CVE as at 31 December 2014, assuming completion of the minimum subscription of the Offer and other transactions associated with the Reconstruction Proposal as disclosed in the Prospectus;

is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report or on the financial

information to which it relates, for any purpose other than that for which it was prepared.

Consent

Hall Chadwick Corporate (NSW) Limited has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included.

Disclosure of Interest

Hall Chadwick Corporate (NSW) Limited does not have any interest in the outcome of the Prospectus other than the issue of this report for which normal professional fees will be received. Hall Chadwick Corporate (NSW) Limited does not hold nor have any interest in the ordinary shares of the Company.

Hall Chadwick Corporate (NSW) Limited was not involved in the preparation of any part of the Prospectus other than the financial information contained in Appendix 1 to this report, and accordingly, makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Yours faithfully

**Drew Townsend**

HALL CHADWICK CORPORATE (NSW) LIMITED

FINANCIAL SERVICES GUIDE

Dated 14 April 2015

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by Hall Chadwick Corporate (NSW) Limited ABN 28 080 462 488, Australian Financial Services Licence Number 227902 (“HCC”).

This FSG includes information about:

- HCC and how they can be contacted;
- the services HCC is authorised to provide;
- how HCC are paid;
- any relevant associations or relationships of HCC;
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that HCC has in place.

This FSG forms part of an Investigating Accountant’s Report (“Report”) which has been prepared for inclusion in a disclosure document. The purpose of the disclosure document is to help you make an informed decision in relation to a financial product. The contents of the disclosure document, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that HCC is authorised to provide

HCC holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of finance products.

HCC's responsibility to you

HCC has been engaged by the Directors of Cove Resources Limited to prepare this Report for inclusion in a Prospectus in relation to the public offering of securities in Cove Resources Limited on the ASX (“Offer”).

You have not engaged HCC directly but have received a copy of the Report because you have been provided with a copy of the Prospectus. HCC nor the employees of HCC are acting for any person other than Cove Resources Limited. HCC is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General advice

As HCC has been engaged by Cove Resources Limited, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Prospectus before making any decision in relation to the Offer.

Fees HCC may receive

HCC charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Cove Resources Limited. Fees are agreed on either a fixed fee or a time cost basis. In this instance, Cove Resources Limited has agreed to pay HCC \$5,000 (excluding GST and out of pocket expenses) for preparing the Report. HCC and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

HCC officers and representatives receive a salary or a partnership distribution from Hall Chadwick Sydney professional advisory and accounting practice (the Hall Chadwick Sydney Partnership). Remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report. Further details may be provided on request.

Referrals

HCC does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures HCC is controlled by and operates as part of the Hall Chadwick Sydney Partnership. HCC's directors may be partners in the Hall Chadwick Sydney Partnership. Mr Drew Townsend, director of HCC and a partner in the Hall Chadwick Sydney Partnership, has prepared this Report. The financial product advice in the Report is provided by HCC and not by the Hall Chadwick Sydney Partnership.

From time to time HCC, the Hall Chadwick Sydney Partnership and related entities ("HC Entities") may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses. HC Entities have not provided any advisory services to the Client over the past two years.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, Cove Resources Limited or has other material financial interests in the Offer.

Complaints resolution

If you have a complaint, please let HCC know. Formal complaints should be sent in writing to:

The Complaints Officer
Hall Chadwick Corporate (NSW) Limited
GPO Box 3555
Sydney NSW 2001

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer, Drew Townsend, on (02) 9263 2600 and he will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If HCC cannot resolve the complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Financial Ombudsman Service Limited
GPO Box 3, Melbourne Victoria 3001
Telephone: 1300 78 08 06
Facsimile: (03) 9613 6399
Email: info@fos.org.au

The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

HCC has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact details

You may contact HCC at:
Hall Chadwick Corporate (NSW) Limited
GPO Box 3555
Sydney NSW 2001
Telephone: (02) 9263 2600
Facsimile: (02) 9263 2800

Appendix 1 – Cove Resources Limited

Statement of Financial Position 31 December 2014

		Consolidated Reviewed 31-Dec-14	Consolidated pro forma 31-Dec-14
	Note	\$	\$
Current Assets			
Cash and cash equivalents	2	17,201	1,153,545
Other assets		171,344	-
Total current assets		188,545	1,153,545
Non current assets			
Exploration & evaluation			
Total non current assets			
Total assets		188,545	1,153,545
Current liabilities			
Trade and other payables	3	1,500,415	55,110
Borrowings	4	620,391	-
Total current liabilities		2,120,806	55,110
Non current liabilities			
Borrowings		-	-
Total non current liabilities		-	-
Total liabilities		2,120,806	55,110
Net assets		(1,932,261)	1,098,435
Equity			
Issued capital	5	9,257,358	11,300,993
Reserves		1,180,810	1,321,060
Accumulated losses		(12,181,387)	(12,181,387)
Current year losses/profits	6	(189,042)	657,769
Total equity		(1,932,261)	1,098,435

NB: Should the Company accept subscriptions in excess of the minimum subscription the impact will be that the cash and cash equivalents available to the Company will be increased by that amount of subscriptions in excess of the minimum subscription accepted by the Company less any broker fees which the relevant broker elects to receive in cash.

Appendix 1 – Cove Resources Limited

Note 1. Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the historical financial information are set out below.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note (ix).

Inherent Uncertainty - Going concern

The financial report has been prepared on the going concern basis, subject to the necessary provisions for impairment of assets. An inherent uncertainty regarding whether the Company will continue as a going concern arises as, at 31 December 2014 the consolidated entity had net current liabilities (being current assets less current liabilities). On 17 January 2014 the consolidated entity appointed an Administrator. On 5 March 2014 Cove and its wholly owned subsidiary, executed deeds of company arrangement to facilitate the proposal from Cygnet Capital Pty Ltd for the recapitalisation and restructure of the Company.

Upon compliance with the necessary regulatory requirements associated with the restructure, the Company anticipates resuming as a going concern. In order for this to eventuate the consolidated entity will require funding to be obtained from a capital raising under the Prospectus.

This basis of preparation of the financial report also assumes that the Company will be able to complete the restructuring and associated capital raising under the Prospectus in accordance with the Restructuring Deed executed by the Deed Administrators.

Whilst the Directors are confident the Company will be successful in its capital raising initiatives, the Directors cannot be certain of the success or of the timing of the intended fund raising activities. However should the fund raising activities under the Prospectus be unsuccessful, the Company may not be able to continue as a going concern. No adjustments have been made relating to:

- the inability of the Company to obtain the required funding under the Prospectus; or
- adjustments relating to the recoverability and classification of recorded asset amounts; or
- the amounts and classification of liabilities that might be necessary should the Company and consolidated entity not continue as a going concern.

i. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cove Resources Limited ('company' or 'parent entity') as at 30 June 2014 and the results of all subsidiaries for the year then ended. Cove Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies so as to obtain benefits from these activities. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Appendix 1 – Cove Resources Limited

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

ii. Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

iii. Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred tax reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

iv. Employee benefits

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Appendix 1 – Cove Resources Limited

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment and market conditions. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

v. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Appendix 1 – Cove Resources Limited

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

vi. Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

vii. Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquire. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (a) 12 months from the date of the acquisition or (b) when the acquirer receives all the information possible to determine fair value.

viii. Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Appendix 1 – Cove Resources Limited

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

ix. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Going Concern

The consolidated financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

An inherent uncertainty regarding whether the Company will continue as a going concern arises as, at 31 December 2014 the consolidated entity had net current liabilities (being current assets less current liabilities). On 17 January 2014 the consolidated entity appointed an Administrator. On 5 March 2014 Cove and its wholly owned subsidiary, executed deeds of company arrangement to facilitate the proposal from Cygnet Capital Pty Ltd for the recapitalisation and restructure of the Company.

Whilst the Directors are confident the Company will be successful in its capital raising initiatives, the Directors cannot be certain of the success or of the timing of the intended fund raising activities. However should the fund raising activities under the Prospectus be unsuccessful, the Company may not be able to continue as a going concern.

Appendix 1 – Cove Resources Limited

x. Proforma transactions

To illustrate the effect of the proposed transactions under the Prospectus on the Company, a proforma statement of financial position has been prepared based on the unaudited balance sheet as at 31 December 2014. The proforma statement of financial position shows the effect of the transaction as if they had completed on 31 December 2014 based on the following assumptions:

- (a) The issue of 125,000,000 Shares in full satisfaction of the Class A Notes and all accrued interest pursuant to Conversion Offer A;
- (b) The issue of 155,000,000 Shares in full satisfaction of the Class B Notes pursuant to Conversion Offer B;
- (c) The issue of 520,000,000 Shares and 260,000,000 New Options to raise \$1,300,000 pursuant to the Public Offer 7;
- (d) The issue of 250,000,000 New Options valued at \$0.000561 per option pursuant to the Proponent Offer;
- (e) The issue of 11,369,000 Shares to the Priority Creditor at a deemed value of \$28,422.50 pursuant to the Creditor Offer;
- (f) The issue of 36,000,000 Shares and 18,000,000 New Options in lieu of capital raising fees pursuant to the Broker Offer;
- (g) Further payment of \$100,000 in costs of the recapitalisation and the issue of 38,000,000 Shares and 19,000,000 New Options to suppliers in lieu of cash fees pursuant to the Supplier Offer;
- (h) A Payment of \$180,000 to the Administrator and the compromise of the creditors pursuant to the DOCA;
- (i) Expenses of the recapitalisation Share and Option offer not already paid, being approximately \$155,000 in cash costs and those Shares and New Options issued pursuant to the Broker Offer.

Appendix 1 – Cove Resources Limited

	Consolidated Reviewed 31-Dec-14 \$	Consolidated pro forma 31-Dec-14 \$
Note 2. Cash and cash equivalents		
Cash and cash equivalents	188,545	1,353,545
Adjustments to the proforma balance:		
Balance as at 31 December 2014		188,545
Shares issued pursuant to the Prospectus		1,300,000
Costs of the recapitalisation		(155,000)
Payment to the Administrator pursuant to the DOCA		(180,000)
Proforma balance		1,153,545
Note 3. Trade and other payables		
Trade and other payables	1,500,415	137,823
Adjustments to the proforma balance:		
Balance as at 31 December 2014		1,500,415
Repayment of priority creditor by issuance of ordinary shares		(28,244)
Compromise of creditors pursuant to the DOCA		(1,262,348)
Payment to the Administrator pursuant to the DOCA		(82,713)
Payment to suppliers and trade creditors		(72,000)
Proforma balance		55,110
Note 4. Borrowings		
Class A Convertible Note (including interest)	310,391	-
Class B Convertible Note	310,000	-
Borrowings	620,391	-
Adjustments to the proforma balance:		
Balance as at 31 December 2014		620,391
Conversion of Class A Convertible Note		(310,391)
Conversion of Class A Convertible Note		(310,000)
Proforma balance		-

Appendix 1 – Cove Resources Limited

	Consolidated Reviewed 31-Dec-14	Consolidated pro forma 31-Dec-14
	\$	\$
Note 5. Issued capital		
Ordinary shares – fully paid	9,257,358	11,500,993
Adjustments to the proforma balance:		
Balance as at 31 December 2014		9,257,358
Shares issued pursuant to the Prospectus		1,300,000
Shares issued to satisfy priority creditor		28,244
Conversion of Class A Convertible Note		310,391
Conversion of Class B Convertible Note		310,000
Shares issued to non-related supplier		95,000
Shares issued to brokers and capital providers		90,000
Less: Capital raising costs		(90,000)
Proforma balance		11,300,993

	Consolidated Reviewed 31-Dec-14	Consolidated pro forma 31-Dec-14
	\$	\$
Note 6. Current year losses/profits		
Ordinary shares – fully paid	(189,042)	575,056
Adjustments to the proforma balance:		
Balance as at 31 December 2014		(189,042)
Costs of the recapitalisation		(178,000)
Options expense	(i)	(140,250)
Payment to the Administrator pursuant to the DOCA		(97,287)
Compromise of creditors pursuant to the DOCA		1,262,348
Proforma balance		657,769

- (j) The grant of 250,000,000 options is subject to the approval of shareholders at Cove's Annual General Meeting to be held on 4 May 2015. The options will be issued with an expiry date of 30 June 2019, exercisable at \$0.005 with no vesting conditions.

Appendix 1 – Cove Resources Limited

Note 7. Related party transactions

Details of Directors' interests are disclosed in Section 8.1 of the Prospectus.

Note 8. Contingencies and commitments

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

7. KEY PERSONS AND CORPORATE GOVERNANCE

7.1 The Board

As part of the Recapitalisation Proposal, the Company has restructured its Board with Garry Hemming ceasing to be a Director, and Erlyn Dale joining Winton Willesee and Greg Miles on the Board.

The Board is responsible for:

- setting and reviewing strategic direction and planning;
- reviewing financial and operational performance;
- identifying principal risks and reviewing risk management strategies; and
- considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, Shareholders, co-ventures, the government and the community.

7.2 Director profiles

Winton Willesee

Executive Chairman

Winton Willesee is an experienced company director. Mr Willesee brings a broad range of skills and experience in strategy, company development, corporate governance, company public listings, merger and acquisition transactions and corporate finance.

Mr Willesee has considerable experience with ASX listed and other companies over a broad range of industries having been involved with many successful ventures from early stage through to large capital development projects. Mr Willesee has fulfilled and continues to fulfil the role of chairman and/or director of a number of listed companies.

Mr Willesee holds formal qualifications in economics, finance, accounting, education and governance. He is a Fellow of the Financial Services Institute of Australasia, a Member of the Australian Institute of Company Directors, a Member of CPA Australia and a Chartered Secretary.

Mr Willesee was appointed as a Director on 4 June 2008.

Erlyn Dale

Non-Executive Director
Company Secretary

Erlyn Dale has a broad range of experience in corporate governance and company compliance having been involved with several ASX listed companies. Ms Dale holds a Bachelor of Commerce (Accounting and Finance) and is currently completing further governance qualifications.

Ms Dale was appointed as a Director on 23 February 2015.

Greg Miles

Non-Executive Director

Greg Miles is a geologist with over 15 years of experience in minerals exploration after graduating from the Australian National University in Canberra. Mr Miles began his career with Plutonic Resources Limited and was a senior member of the team that discovered the Centenary Deposit in the Yandal Belt of Western Australia. He then worked for New Hampton Goldfields and Harmony Gold in the Murchison District of Western Australia, enjoying near-mine success at the Cuddingwarra and Golden Crown Mining Centres.

Mr Miles' experience extends to numerous commodities including gold, silver, copper, nickel, iron ore and uranium throughout Australia and abroad. Mr Miles is a member of the Australian Institute of Geoscientists and the Australian Institute of Company Directors.

Mr Miles was appointed as a Director on 19 October 2010.

7.3 Company Secretary profile

Erlyn Dale

Non-Executive Director
Company Secretary

See Section 7.2.

7.4 Directors' interests

Other than as disclosed in this Prospectus, no Director holds at the date of this Prospectus, or held at any time during the last 2 years, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- the Offers.

Further, other than as disclosed in this Prospectus, the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director, either to induce that Director to become, or to qualify them as a Director, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offers.

Directors' security holdings

Directors are not required to hold any Shares under the Constitution.

A summary of the Directors' relevant interests in the securities of the Company are set out below.

Director	Existing Shares	Shares to be issued ¹	Total Shares	New Options ¹
Winton Willesee	700,000	20,000,000	20,700,000	10,000,000
Greg Miles	125,000	4,000,000	4,125,000	2,000,000
Erlyn Dale	-	-	-	-
Total	825,000	24,000,000	24,825,000	12,000,000

Notes:

1. Subject to the Company obtaining Shareholder approval at the General Meeting, these securities are to be issued to Mr Willesee and Mr Miles as part of the Supplier Offer.
2. Subject to the Company obtaining Shareholder approval at the General Meeting, each Director will be entitled to apply for up to 10,000,000 Shares and 5,000,000 New Options under the Public Offer. The above table assumes that no Director applies for securities under the Public Offer.

Directors' remuneration

The Constitution provides that the Company may pay to the Directors a maximum total amount of directors' fees (excluding salaries and other employee benefits) as determined by the Company from time to time in general meeting. The current aggregate remuneration for all Directors is a maximum of \$500,000 per annum to be apportioned among the Directors in such a manner as they determine.

The Board has approved directors' fees of \$4,000 per month for the Chairman and \$2,500 per month for each other Directors for their services (both inclusive of superannuation), commencing from ASX Reinstatement.

Agreements with Directors

- **Executive Chairman Agreement – Winton Willesee**

The Company has engaged Winton Willesee as its Executive Chairman. Mr Willesee's primary role is to lead and manage the Company in the discharge of its duties and to ensure compliance with corporate governance. Mr Willesee will be expected to work 6 days per month, for which he will receive \$48,000 per annum (i.e. his directors' fees). Subject to pre-approval by the Board, Mr Willesee will be entitled to \$1,000 per day for working any additional days.

In addition, subject to Shareholder approval, Mr Willesee will receive 20,000,000 Shares and 10,000,000 New Options in consideration of services provided to the Company in relation to the Recapitalisation Proposal. These securities comprise part of the Supplier Offer.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature.

- **Non-Executive Director and Company Secretary Agreement – Erlyn Dale**

The Company has engaged Erlyn Dale as a Non-Executive Director and its Company Secretary. As a Non-Executive Director, Ms Dale will receive \$30,000 per annum. As Company Secretary, Ms Dale will receive an additional \$54,000 per annum.

If Ms Dale is required to undertake tasks in addition to those customarily required of a Non-Executive Director and Company Secretary then, subject to pre-approval by the Board, Ms Dale will be entitled to \$1,000 per day for such work.

If Ms Dale is terminated as the Company Secretary, she will be entitled to a payment equal to that amount which would have been payable as the Company Secretarial fee for a six month period.

Ms Dale has nominated Azalea Consulting Pty Ltd – a company controlled by Winton Willesee – as the entity into which her fees and salary will be paid.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature.

- **Non-Executive Director Agreement – Greg Miles**

The Company has engaged Greg Miles as a Non-Executive Director, pursuant to which Mr Miles will receive \$30,000 per annum.

In addition, subject to Shareholder approval, Mr Miles will receive 4,000,000 Shares and 2,000,000 New Options in consideration of services provided to the Company in relation to the Recapitalisation Proposal. These securities comprise part of the Supplier Offer.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature.

- **Director participation in Public Offer**

At the General Meeting, the Company will seek Shareholder approval to enable the Directors to apply for, and the Company to issue to the Directors, up to 10,000,000 Shares and 5,000,000 New Options to each Director (and/or its nominees).

- **Corporate services agreement**

The Company has entered into an agreement with Azalea Consulting Pty Ltd – a company controlled by Winton Willesee – for the provision of office related services to the Company (including office space). The Company is required to pay a fee of \$1,000 plus GST to Azalea Consulting Pty Ltd for these services. The agreement can be terminated by the Company at any time.

- **Deeds of Access, Indemnity and Insurance**

The Company has entered into Deeds of Access, Indemnity and Insurance with each Director which confirm each person's right of access to certain books and records of the Company for a period of seven years after the

Director ceases to hold office. This seven year period can be extended where certain proceedings or investigations commence before the seven years expires. The Deeds also require the Company to provide an indemnity for liability incurred as an officer of the Company, to the maximum extent permitted by law.

Pursuant to the Deeds of Access, Indemnity and Insurance, the Company must arrange and maintain Directors' and Officers' Insurance during each Director's period of office and for a period of seven years after a Director ceases to hold office. This seven year period can be extended where certain proceedings or investigations commence before the seven years expires.

The Deeds of Access, Indemnity and Insurance are otherwise on terms and conditions considered standard for agreements of this nature.

7.5 Corporate Governance

The Board recognises the importance of good corporate governance and establishing the accountability of the Board and management. Subject to the exceptions outlined below, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition) to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines. The Board has adopted a number of corporate governance policies, including a securities trading policy which sets out the Company's policy and procedures regarding dealing in the Company's securities by directors, officers, employees and contractors.

Copies of the Company's corporate governance policies are accessible on its website at www.cve.net.au.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration. The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the recommendations.

No.	Recommendation	Compliance	Comments
1.	Lay a solid foundation for management and oversight		
1.1	A listed entity should disclose the respective roles and responsibilities of its board and management; and those matters expressly reserved to the board and those delegated to management.	The Company has adopted a Board Charter, which discloses the specific responsibilities of the Board, including detailing those responsibilities which are reserved expressly to the Board and those which are delegated to management.	N/A
1.2	A listed entity should: <ul style="list-style-type: none"> undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for 	Under the Nomination Committee Charter, the Company is required to undertake appropriate checks in appointing a person as a director. When putting forward a person for election as a	N/A

No.	Recommendation	Compliance	Comments
	<p>election, as a director; and</p> <ul style="list-style-type: none"> provide security holders with all material information in its possession relevant to decision on whether or not to elect or re-elect a director. 	<p>director to security holders, the Board will ensure that the security holders have all material information in their possession relevant to a decision on whether or not to elect or re-elect a director.</p>	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	The Company has written agreements with all Directors which set out the terms of their appointment.	N/A
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Under the Board Charter and a written agreement with the Company Secretary, the Company Secretary is accountable to the Board in relation to matters to do with the proper functioning of the Board.	N/A
1.5	A listed entity should have a diversity policy and should disclose at the end of each reporting period the measurable objectives for achieving gender diversity and the progress towards achieving those objectives.	<p>The Company has adopted a Diversity Policy and will report against any measurable objectives it has adopted under that policy at the end of each reporting period.</p> <p>The Board has adopted a tiered approach to the implementation of the Diversity Policy.</p>	N/A
1.6	<p>A listed entity should:</p> <ul style="list-style-type: none"> have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	<p>The Company has adopted Performance Evaluation Procedures which analyses the Board's performance during the year and includes suggestions or improvements to be made.</p> <p>The Performance Evaluation Procedures are reviewed annually.</p>	N/A
1.7	A listed entity should have and disclose a process for periodically evaluating the performance of its senior executives and disclose, in	The Board does not currently have in place a formal process for periodically reviewing the performance of the Company's senior executives.	The Company intends to implement a formal performance review process in the near future. Once

No.	Recommendation	Compliance	Comments
	relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		implemented it will disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period.
2. Structure the Board to add value			
2.1	Company should have a nomination committee which has at least 3 members a majority of whom are independent and is chaired by an independent director.	The Board has adopted a Nomination Committee Charter. The role of the Nomination Committee is currently performed by the Board, rather than a separate committee.	Given the size and nature of the Company, the Board will consider establishing a Nomination Committee in the future, should the need arise.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	The Company does not currently have a skills matrix setting out the mix of skills and diversity that the Board is looking to achieve in its membership. The Chairman will review the composition of the Board and the performance of each Director to ensure that the Board continues to have a mix of skills and experience necessary. Reviews of the Board will be in accordance with the Performance Evaluation Procedures.	Given the size and nature of the Company, the Board considers that, at this stage, its existing policies and procedures are adequate in order to achieve an appropriate mix of skills and diversity in its Board.
2.3	A listed entity should disclose: <ul style="list-style-type: none"> the names of the directors considered by the board to be independent directors; if a director has an interest, position, association or relationship which may otherwise be seen as a conflict to the director's obligation to the company but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question 	These matters are set out in this Prospectus, and will be detailed in future annual reports.	N/A

No.	Recommendation	Compliance	Comments
	and an explanation of why the board is of that opinion; and <ul style="list-style-type: none"> the length of service of each director. 		
2.4	A majority of the board of a listed entity should be independent directors.	Of the three Directors, the following two are considered by the Board to be independent Directors: <ul style="list-style-type: none"> Mr Greg Miles; and Ms Erlyn Dale. 	N/A
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Chairman, Mr Winton Willesee, is an Executive Director (albeit part-time).	Given the size and nature of the Company, the Board considers that at this stage an independent chairman is not necessary.
2.6	A listed entity should have a program for inducing new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Under the Board Charter, new Directors will go through an induction process in which they are given a full briefing on the Company. The Board Charter also provides for professional development opportunities.	N/A
3. Promote ethical and responsible decision making			
3.1	A listed entity should have a code of conduct for its directors, senior executives and employees and disclose that code or a summary of it.	The Company has adopted a Code of Conduct which can be found on its website at www.cve.net.au .	N/A
4. Safeguard integrity in financial reporting			
4.1	The board should establish an audit committee which consists of at least three members all of whom are non-executive directors and a majority of whom are independent directors, and the committee should be chaired by an independent director who is not the chair of the board.	The Board has adopted an Audit and Risk Committee Charter. The role of the Audit and Risk Committee is currently performed by the Board, rather than a separate committee.	Given the size and nature of the Company, the Board will consider establishing an Audit Committee in the future, should the need arise.
4.2	The board of a listed entity should, before it approves	Under the Audit and Risk Committee Charter, the Board	N/A

No.	Recommendation	Compliance	Comments
	the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	is required to obtain the declarations recommended by ASX from its CEO and CFO prior to approving the Company's financial statements for a financial period.	
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from the security holders relevant to the audit.	The Company has a Shareholders Communications Strategy which requires it to ask its external auditor to attend each AGM and be available to answer questions from Shareholders.	N/A
5. Make timely and balanced decisions			
5.1	A listed entity should have a written policy for complying with its continuous disclosure obligations under the Listing Rules and disclose that policy or a summary of it.	The Company has a Continuous Disclosure Policy in place designed to ensure compliance with its continuous disclosure obligations and to ensure accountability at a senior executive level for compliance and to give a factual presentation of the Company's financial position. A copy of this policy can be found on the Company's website at www.cve.net.au .	N/A
6. Respect the rights of shareholders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company has a Shareholder Communications Strategy in place which sets out the procedure to provide Shareholders with relevant information which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to ASX, posting them on the Company's website and issuing	N/A

No.	Recommendation	Compliance	Comments
		media releases where required.	
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company does not currently have an investor relations program in place. The Shareholder Communications Strategy aims to ensure effective communication with Shareholders, but investors generally can benefit from this policy.	Given the size and nature of the Company, the Board considers that, at this stage, its existing policies and procedures are adequate in order to effectively communicate with investors.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Under its Shareholder Communications Strategy, the Company will encourage Shareholders to participate in general meetings of the Company and provide means by which feedback can be given to the Company.	N/A
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security register electronically.	The Company allows Shareholders to communicate with the Company and its Share Registry electronically.	N/A
7. Recognise and manage risk			
7.1	Establish policies on risk oversight and management of material business risk.	The Company has a Risk Management Policy. Under this policy, the Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies for internal compliance and internal control.	N/A
7.2	The board or a committee of the board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and disclose, in relation to each reporting period, whether such a review has taken place.	The Board is required to review its Risk Management Policy annually, and such review will be disclosed in its annual report.	N/A
7.3	A listed entity should disclose: <ul style="list-style-type: none"> if it has an internal audit function, how the function is structured and what 	The Company has established an Audit and Risk Committee Charter under which the Company outlines an internal audit function. The role of the Audit and Risk	Given the size and nature of the Company, the Board will consider establishing an Audit and Risk Committee in the future, should the need

No.	Recommendation	Compliance	Comments
	<p>role it performs; or</p> <ul style="list-style-type: none"> if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. 	<p>Committee is currently performed by the Board, rather than a separate committee.</p> <p>A copy of the full policy can be found on the Company's website at www.cve.net.au.</p>	<p>arise.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>To the extent the Company is exposed to economic, environmental and social sustainability risks, the Company has disclosed such risks in this Prospectus and the Company intends to disclose such information in future annual reports.</p>	N/A
8. Remunerate fairly and responsibly			
8.1	<p>The Board should establish a Remuneration Committee. The remuneration committee should be structured so that it:</p> <ul style="list-style-type: none"> consists of a majority of independent directors; is chaired by an independent chair; and has at least three members. 	<p>The Board has adopted a Remuneration Committee Charter. The role of the Remuneration Committee is currently performed by the Board, rather than a separate committee. The Board, however, consists of a majority of independent Directors, and has three members. Under the Remuneration Committee Charter, the Board is required to appoint an independent Director as the chairman of meetings.</p>	<p>Given the size and nature of the Company, the Board will consider establishing a Remuneration Committee in the future, should the need arise.</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Each Director has entered into separate agreements with the Company.</p> <p>A copy of the Remuneration Committee Charter can be found on the Company's website at www.cve.net.au.</p>	N/A
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the 	<p>The Company has adopted a Remuneration Committee Charter. Under the Charter the Company discloses its equity based remuneration policy.</p>	N/A

No.	Recommendation	Compliance	Comments
	<p>economic risk of participating in the scheme; and</p> <ul style="list-style-type: none"> disclose that policy or a summary of it. 		

8. MATERIAL CONTRACTS

Set out below is a summary of the material contracts to which the Company is a party that may be material in terms of the Offers, for the operation of the business of the Company, or otherwise may be relevant to a potential investor in the Company.

The whole of the provisions of the agreements are not repeated in this Prospectus and any intending applicant who wishes to gain a full knowledge of the content of the material contracts should inspect the same at the registered office of the Company.

8.1 Reconstruction Deed

On 20 December 2013, the Company entered into a reconstruction deed (as amended) (**Reconstruction Deed**) with Cygnet Capital Pty Ltd (**Proponent**) in relation to the reconstruction and recapitalisation of the Company.

The key terms of the Reconstruction Deed are as follows:

- (a) Completion is conditional on each of the following conditions being satisfied or waived:
 - (i) the Company entering into the DOCA and the Creditors' Trust Deed with the Administrator;
 - (ii) ASX advising that it will not impose any requirements on the Company to re-comply with chapters 1 and 2 of the Listing Rules in relation to the Recapitalisation Proposal and that, subject to conditions that are reasonably satisfactory to the Company, there is no reason why the securities of the Company should not be reinstated to official quotation on the ASX;
 - (iii) the Company entering into the Class B Convertible Note Agreements; and
 - (iv) the Company obtaining Shareholder approval to the following:
 - (A) the issue of 150,000,000 Shares pursuant to the conversion of convertible notes at conversion price of \$0.002 per Share (n.b. this has now been increased to 155,000,000);
 - (B) the issue of Shares pursuant to the Public Offer; and
 - (C) such other resolutions that the parties consider are reasonably necessary to implement the Recapitalisation Proposal.
- (b) The Proponent will coordinate the following two capital raisings on behalf of the Company:
 - (i) \$300,000 via the Class B Convertible Notes (n.b. this has now been increased to \$310,000); and
 - (ii) up to \$1,200,000 via the Public Offer (n.b. this has since been increased to up to \$1,500,000).
- (c) At completion of the Reconstruction Deed (**Completion**), the Company must:

- (i) issue the securities to the relevant applicants pursuant to the Public Offer;
- (ii) issue 215,000,000 New Options to the Proponent (n.b. this has since been increased to 250,000,000);
- (iii) pay to the Administrator \$180,000 for the Administrator's fees and creditors' claims. The Administrator (including in his capacity as Deed Administrator and Trustee) is to be indemnified out of these funds for his liabilities, fees and disbursements incurred in connection to this matter; and
- (iv) do all other acts reasonably necessary for the purposes of effectuating the DOCA.

The Reconstruction Deed is otherwise on standard terms.

8.2 Deed of Company Arrangement

Pursuant to the resolutions at a meeting of creditors on 24 February 2014, the Company and the Administrator entered into the Deed of Company Arrangement (**DOCA**) on 18 March 2014.

The material terms of the DOCA are as follows:

- (a) Until termination of the DOCA, the Deed Administrator will be responsible for the day to day management, control, supervision and administration of the Company's business, property and affairs, and the implementation of the DOCA.
- (b) As soon as practicable after Completion:
 - (i) the Deed Administrator will establish a trust fund for the benefit of the admitted creditors;
 - (ii) the Deed Administrator must establish the trust fund, to be controlled by the Deed Administrator as trustee under the terms of the Creditors' Trust Deed; and
 - (iii) the Deed Administrator must transfer all of the available assets of the Company to the trust fund, which will vest in the Trustee, those assets being:
 - (A) \$180,000;
 - (B) all cash held by the Company; and
 - (C) any other assets of the Company other than certain assets to be retained (e.g. the Tenements).
- (c) The DOCA will terminate wholly effectuated upon the Deed Administrator notifying all creditors that the DOCA has been wholly effectuated.

- (d) Upon termination, the rights, discretions and obligations of the Deed Administrator will vest in the Trustee and control of the Company reverts to the Directors.

The DOCA is otherwise on standard terms.

8.3 Creditors' Trust Deed

Execution of the Creditors' Trust Deed (**Trust Deed**) is a term of the DOCA.

The material terms of the Trust Deed are as follows:

- (a) The trust fund will comprise:
 - (i) the sum paid to the Trustee on the date of the Trust Deed, with the consent of the Deed Administrator;
 - (ii) the benefits of the covenants and application of property made in the Trustee's favour in the DOCA and the Trust Deed;
 - (iii) the available assets; and
 - (iv) any income accruing on the assets of the trust.
- (b) The beneficiaries of the trust are the admitted creditors.
- (c) Upon establishment of the trust fund, all creditors' claims are converted to and become claims under the Trust Deed.
- (d) The Trustee will distribute the trust fund:
 - (i) first, in reimbursement and payment of the Deed Administrator fees;
 - (ii) second, in payment of the \$28,422.50 owing to the Priority Creditor (n.b. after the issue of Shares pursuant to the Creditor Offer); and
 - (iii) third, to the admitted creditors in accordance with section 556 of the Corporations Act.
- (e) All Creditors must accept their entitlements under the Trust Deed and must, if called upon, execute and deliver to the Trustee any forms of release from any claims as the Trustee requires.
- (f) Upon payment of the final dividend, the Trust will terminate and the Trustee will resign.

The Trust Deed is otherwise on standard terms.

8.4 Class A Convertible Note Agreement

In 2013, the Company entered into a convertible note agreement with the Class A Noteholder, pursuant to which the Company issued five Class A Notes in exchange for a total of \$250,000 (i.e. \$50,000 per note).

Conversion of the Class A Notes will occur via the Class A Conversion Offer. The 125,000,000 Shares to be issued to the Class A Noteholder under the Class A

Conversion Offer will fully discharge the Company's obligations with respect to the Class A Notes.

The material terms of the agreement are as follows:

- (a) The Company will seek Shareholder approval to the issue of Shares to the Class A Noteholder pursuant to the conversion of the Class A Notes.
- (b) If the noteholder delivers a conversion notice to the Company, the Company will issue to the Class A Noteholder the Shares at the conversion price (n.b. the conversion price has since been agreed as \$0.002).
- (c) The amount advanced by the Class A Noteholder is secured by a fixed and floating charge over the Company's assets (n.b. this will be removed upon conversion of the Class A Notes).

The Class A Convertible Note Agreement is otherwise on standard terms.

8.5 Class B Convertible Note Agreements

The Company has entered into convertible note agreements with the Class B Noteholders to raise \$310,000 by the issue of Class B Notes.

The material terms of the agreements are as follows:

- (a) The Class B Notes will be converted into Shares at a conversion price of \$0.002 per Share.
- (b) Conversion will occur contemporaneously with the last of the conditions precedent for ASX Reinstatement.
- (c) No interest is payable on the Class B Notes.
- (d) The amounts advanced by the Class B Noteholders are unsecured.

The Class B Convertible Note Agreements are otherwise on standard terms.

8.6 Joint Venture Agreement

In or around September 2007, Cazaly Resources Limited (**Cazaly**) and Corazon Mining Limited (**Corazon**) entered into a joint venture agreement (**Joint Venture Agreement**). Upon the Company acquiring Corazon's interests in the tenements the subject of the Joint Venture Agreement in 2011, the Company assumed the rights and obligations of Corazon under the Joint Venture Agreement.

The material terms of the agreement are as follows:

- (a) The joint venture (**Joint Venture**) property includes prospecting licences P46/1360, P46/1361, P46/1362, P46/1363, P46/1364, P46/1365, P46/1366 (as well as prospecting licence applications P46/1825, P46/1826, P46/1827, P46/1828 and P46/1829 (to replace the original prospecting licences)) and mining lease application M46/371 (expected not to be granted) – n.b. see Section 2.6 for further information).

- (b) The parties own all Joint Venture property as tenants in common in proportion to their respective interests in the Joint Venture.
- (c) The operating committee decides all matters in relation to the business and affairs of the Joint Venture. The operating committee consists of two members appointed by each party.
- (d) The Company is the manager of the Joint Venture.
- (e) All decisions will be made by approval of a simple majority of the votes cast.
- (f) The Company will sole fund all costs in respect of areas of the project that are not subject to a bankable feasibility study. Areas of the project which are subject to a bankable feasibility study will be paid by the parties in proportion to their respective interests in the Joint Venture.
- (g) If a party defaults under the agreement, or otherwise suffers an insolvency event, then the other party is deemed to have an option to acquire the entire interest of the defaulting party (n.b. Cazaly has waived the Company's default under the agreement arising in relation to its administration and the DOCA).
- (h) Each party has a first right of refusal over the other party's interest in the Joint Venture.
- (i) Within 60 days of completing a bankable feasibility study, must elect to either retain its interest in the area the subject of the bankable feasibility study, or convert that interest into a royalty of 1% of the net smelter return on production.
- (j) Within 60 days of obtaining a bankable feasibility study, the operating committee must meet to decide whether to make a decision to mine. If the operating committee decides to mine, the parties will negotiate in good faith the terms of a mining joint venture agreement in relation to the area the subject of the bankable feasibility study.

The Joint Venture Agreement is otherwise on standard terms.

8.7 Farm-In Agreement

On 18 November 2010, the Company entered into the Farm-In Agreement with Clinton Hood (**Hood**) in relation to the Goongarrie Project.

The material terms of the agreement are as follows:

- (a) The Company acquired a 70% interest in the Project by:
 - (i) carrying out a minimum of 3,000 metres of RC Drilling on the Project;
 - (ii) paying \$80,000 (plus GST) in cash to Hood; and
 - (iii) issuing \$80,000 worth of Shares (at \$0.20 each) to Hood.
- (b) Standard dilution clauses apply. If Hood's interest dilutes to 10% or less in, he must elect to either contribute to expenditure in proportion to his interest,

or withdraw from the agreement, in which case his interest will convert to a royalty of net of 2% of the net smelter return on production.

- (c) The parties may enter into a joint venture agreement pursuant to the Farm-In Agreement.
- (d) The Company has an option to purchase Hood's remaining interest in the Project at any time for an amount agreed or an amount determined by independent valuation.

The Farm-In Agreement is otherwise on standard terms.

9. ADDITIONAL INFORMATION

9.1 Rights and liabilities attaching to the Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

Ranking of Shares

At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares on issue.

Voting rights

Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each Share held.

Dividend rights

Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

Variation of rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

Transfer of Shares

Subject to the Constitution, the Corporations Act or any other applicable laws of Australia and Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Company has a lien on those Shares.

General meetings

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and Listing Rules.

Non-marketable parcels

The Constitution provides for the sale of unmarketable parcels subject to any applicable law and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

Rights on winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution;

- divide among the Shareholders the whole or any part of the Company's property; and
- decide how the division is to be carried out between the Shareholders.

9.2 Terms and conditions of the New Options

The New Options entitle the holder to subscribe for Shares on the terms and conditions set out below.

(a) Entitlement

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

(b) Expiry Date

Each New Option will expire at 5.00pm (WST) on 30 June 2019 (**Expiry Date**).

(c) Exercise Price

Each New Option will have an exercise price equal to \$0.005 (**Exercise Price**).

(d) Exercise period and lapsing

Subject to clause (i), New Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised New Options will automatically lapse.

(e) Exercise Notice and payment

New Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each New Option being exercised. Any Exercise Notice for an New Option received by the Company will be deemed to be a notice of the exercise of that New Option as at the date of receipt. Cheques paid in connection with the exercise of New Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

(f) Shares issued on exercise

Shares issued on exercise of New Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

(g) Quotation of Shares

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Options.

(h) Timing of issue of Shares

Subject to clause (i), within 5 business days after the later of the following:

- (i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each New Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- (ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each New Option being exercised by the Company,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the New Options;
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and
- (v) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the New Options.

(i) Shareholder and regulatory approvals

Notwithstanding any other provision of these terms and conditions, exercise of New Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the New Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each New Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the New Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the New Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of New Options the opportunity to exercise their New Options prior to the announced record date for determining entitlements to participate in any such issue.

(k) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an New Option will be increased by the number of Shares which the holder would have received if the holder had exercised the New Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(m) Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) Quotation

The Company will apply for quotation of the New Options on ASX.

(o) Transferability

New Options are fully transferable.

9.3 Continuous disclosure

As the Company is admitted to the official list of ASX, the Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an

announcement has been made, with the aim of making the information readily accessible to the widest audience.

Certain documents relating to the Company are required to be lodged with ASIC. These documents may be obtained from, or inspected at, an ASIC office.

9.4 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, within two years before lodgement of this Prospectus with ASIC, has:

- had any interest in the formation or promotion of the Company or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offers, or in the Offers; and
- received any amounts or benefits or has agreed to be paid benefits for services rendered by such persons in connection with the formation or promotion of the Company or the Offers.

FRM Geological Services has prepared the Independent Geologist's Report which is included in Section 4 of this Prospectus. Total fees payable to FRM Geological Services for these services are approximately \$15,000 plus GST.

Hall Chadwick Corporate (NSW) Limited has prepared the Investigating Accountant's Report which is included in Section 6 of this Prospectus. Total fees payable to Hall Chadwick Corporate (NSW) Limited for these services are approximately \$5,000 plus GST.

Price Sierakowski Corporate has acted as legal adviser to the Company in relation to the Offers. Total fees payable to Price Sierakowski Corporate for these services are approximately \$25,000 plus GST. Additional legal fees in relation to the Offers may be incurred by the Company subsequent to the lodgement of this Prospectus and will be charged at Price Sierakowski Corporate's normal hourly rates.

9.5 Consents

Each of the parties referred to below:

- does not make the Offers;
- does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and

- has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statement in this Prospectus that are specified below in the form and context in which the statements appear.

FRM Geological Services has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the independent geologist in the form and context in which it is named and to the inclusion of the Independent Geologist's Report in the form and context in which it is included. FRM Geological Services has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name and the Independent Geologist's Report.

Hall Chadwick Corporate (NSW) Limited has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the investigating accountant in the form and context in which it is named and to the inclusion of the Investigating Accountant's Report in the form and context in which it is included. Hall Chadwick Corporate (NSW) Limited has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name and the Investigating Accountant's Report.

Price Sierakowski Corporate has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as legal adviser in the form and context in which it is named. Price Sierakowski Corporate has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Computershare Investor Services Pty Limited has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as Share Registry in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as the Share Registry. Computershare Investor Services Pty Limited has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

9.6 Deed Administrator

The Deed Administrator of Cove Resources Limited (Subject to Deed of Company Arrangement) has delegated the authority to prepare and issue this Prospectus to Mr Winton Willesee in his capacity as a Director. In this regard, this Prospectus has been prepared by Mr Willesee and the Deed Administrator is not responsible for its contents.

Accordingly, the Deed Administrator and his servants, agents or employees, do not make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the information contained in this Prospectus and do not accept responsibility or liability for the accuracy of any information included, or any failure to include information in this Prospectus.

9.7 Expenses of the Offers

The estimated expenses of the Offers (excluding any GST) are as follows:

Expense	Minimum Subscription	Full Subscription
Capital raising fees ¹	\$78,000	\$90,000
Independent geologist's fees	\$15,000	\$15,000
Investigating accountant's fees	\$5,000	\$5,000
Legal fees	\$25,000	\$25,000
Other (ASX fees, ASIC, printing and posting)	\$55,000	\$55,000
Total	\$178,000	\$190,000

Notes:

1. Assumes that all capital raising fees are paid by the Company to the Brokers in cash rather than securities under the Broker Offer. See Section 1.9 for further information.
2. The above table shows the estimated expenses of the Offers and this Prospectus only. Refer to Section 1.5 for estimated expenses associated with the whole Recapitalisation Proposal.

9.8 Litigation

To the knowledge of the Directors, the Company is not involved in any litigation that is material for the purposes of this Prospectus. The Directors are not aware of any circumstances that might reasonably be expected to give rise to such litigation.

10. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company on 21 April 2015.

A handwritten signature in black ink, appearing to read 'Winton Willesee', with a stylized, cursive script.

Winton Willesee
Executive Chairman

11. DEFINITIONS

In this Prospectus:

Additional Offers means Conversion Offer A, Conversion Offer B, the Supplier Offer, the Broker Offer, the Proponent Offer and/or the Creditor Offer, as the context requires.

Administrator means Bryan Kevin Hughes of Pitcher Partners of Level 1, 914 Hay Street, Perth, Western Australia 6000 in his capacity as administrator of the Company.

Brokers means any licenced brokers engaged by the Company for the purposes of supporting and procuring investment in the Public Offer.

Application Form means a Public Offer Application Form, a Conversion Offer A Application Form, a Conversion Offer B Application Form, a Supplier Offer Application, a Broker Offer Application Form, a Proponent Offer Application Form and/or a Creditor Offer Application Form, as the context requires.

Application Monies means the monies received from persons applying for securities under the Public Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the official listing rules of ASX.

ASX Reinstatement means reinstatement of the Company's securities to quotation on the official list of ASX.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means the settlement and operating rules of ASX Settlement.

Board means the board of Directors.

Blenheim means Blenheim Resources Limited (Subject to Deed of Company Arrangement) ACN 149 735 642, a wholly owned subsidiary of the Company.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Class A Convertible Note Agreement means the convertible note agreement between the Company and the Class A Noteholder as summarised in Section 8.4.

Class B Convertible Note Agreement means a convertible note agreement between the Company and each Class B Noteholder as summarised in Section 8.5.

Class A Note means a convertible note issued by the Company on the terms set out in Section 8.4.

Class B Note means a convertible note issued by the Company on the terms set out in Section 8.5.

Class A Noteholder means the holder of the Class A Notes.

Class B Noteholders means the holders of the Class B Notes.

Closing Date means the date that the Offers close which is 5.00pm (WST) on 19 May 2015, or such other time and date as the Board determines.

Company means Cove Resources Limited (Subject to Deed of Company Arrangement) ACN 131 445 335.

Constitution means the constitution of the Company.

Conversion Offer A means the conditional offer of 125,000,000 Shares to the Class A Noteholder pursuant to the conversion of the Class A Notes.

Conversion Offer B means the conditional offer of 155,000,000 Shares to the Class B Noteholders pursuant to the conversion of the Class B Notes.

Conversion Offer A Application Form means a Conversion Offer A application form in the form accompanying this Prospectus.

Conversion Offer B Application Form means a Conversion Offer B application form in the form accompanying this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Creditors' Trust Deed means the Creditors' trust deed to be entered into by the Trustee and the Company as summarised in Section 8.3.

Deed Administrator means Bryan Kevin Hughes of Pitcher Partners of Level 1, 914 Hay Street, Perth, Western Australia 6000 in his capacity as deed administrator of the DOCA.

Director means a director of the Company.

DMP means the Department of Mines and Petroleum.

DOCA means the deed of company arrangement dated 18 March 2014 and varied on 27 March 2015 between the Deed Administrator and the Company as summarised in Section 8.1.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

Farm-In Agreement means the farm-in agreement between the Company and Clinton Hood in relation to the Goongarrie Project as summarised in Section 8.7.

Full Subscription means the raising of \$1,500,000 by the acceptance of 600,000,000 Shares at an offer price of \$0.0025 each under the Public Offer.

General Meeting means the general meeting of Shareholders to be held on 4 May 2015 as referred to in Section 2.4.

Goongarrie Project means the Company's gold project located in the eastern Goldfields of Western Australia.

Independent Geologist's Report means the independent geologist's report prepared by FRM Geological Services and included in Section 4.

Investigating Accountant's Report means the investigating accountant's report prepared by Hall Chadwick Corporate (NSW) Limited and included in Section 6.

Joint Venture Agreement means the joint venture agreement between Cazaly Resources Limited and Blenheim (by assignment) in relation to the Quartz Circle Project (other than those Tenements in which the Company has a 100% interest) as summarised in Section 8.6.

JORC or JORC Code means the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources, 2012 Edition.

Legal Report on Tenements means the legal report on tenements prepared by Price Sierakowski Corporate and included in Section 5.

Mining Act means the *Mining Act 1978* (WA).

Minimum Subscription means the raising of \$1,300,000 by the acceptance of 520,000,000 Shares at an offer price of \$0.0025 each under the Public Offer.

New Option means an option on the terms and conditions set out in Section 9.2.

Native Title Act means the *Native Title Act 1993* (Cth).

Noteholders means the Class A Noteholders and/or the Class B Noteholders, as the context requires.

Notes means the Class A Notes and/or the Class B Notes, as the context requires.

Offer Price means \$0.0025.

Offers means the Public Offer, Conversion Offer A, Conversion Offer B, Supplier Offer, Broker Offer, Proponent Offer and/or Creditor Offer, as the context requires.

Opening Date means the date that the Offers open which is 28 April 2015 or such other time and date as the Board determines.

Option means an option to acquire a Share.

Priority Creditor means Mark Whittle, an ex-employee of the Company.

Projects means the Quartz Circle Project and the Goongarrie Project.

Proponent means Cygnet Capital Pty Ltd ACN 103 488 606.

Prospectus means this prospectus dated 21 April 2015.

Public Offer means the conditional offer of up to 600,000,000 Shares to the public at an issue price of \$0.0025 each, together with 1 free attaching New Option for every 2 Shares issued, to raise up to \$1,500,000 before costs.

Public Offer Application Form means a Public Offer application form in the form accompanying this Prospectus.

Quartz Circle Project means the Company's copper and gold project located in the eastern Pilbara region of Western Australia.

Reconstruction Deed means the reconstruction deed dated 20 December 2013 between the Company and the Proponent in relation to the Recapitalisation Proposal (as amended).

Recapitalisation Proposal means the proposal for the recapitalisation of the Company as described in Section 2.3.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of one or more Shares.

Share Registry means Computershare Investor Services Pty Limited ACN 078 279 277.

Specified Resolutions means those resolutions to be voted on at the General Meeting that the Offers are conditional on, as described in Section 2.4.

Subscription Account means the Company's bank account named "Cove Resources Limited (Subject to Deed of Company Arrangement)" which will be used for the purpose of holding the Application Monies.

Suppliers means Leydin Freyer Corporate Pty Ltd (and/or its nominees), Winton Willesee (and/or his nominees) and Greg Miles (and/or his nominees).

Tenements means the tenements listed in the tables in Section 2.6 and more fully described in the Independent Geologist's Report in Section 4 and the Legal Report on Tenements in Section 5.

Trustee means Bryan Kevin Hughes of Pitcher Partners of Level 1, 914 Hay Street, Perth, Western Australia 6000 in his capacity as trustee of the trust fund to be established the Creditors' Trust Deed.

WST means Western Standard Time, being the time in Perth, Western Australia.

Cove Resources Limited ACN 131 445 335
(Subject to Deed of Company Arrangement)

A Number of Shares applied for
(Minimum of 200,000 Shares then multiples of 200,000 Shares)

	at \$0.0025 per Share	A\$
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You will receive 1 free attaching New Option for every 2 Shares issued to you.

C Full name details, title, given name(s) (no initials) and surname or Company name

[illegible][illegible][illegible][illegible][illegible][illegible][illegible]

Drawer	Cheque Number	BSB Number	Account Number	Total amount of cheque
				\$

- (a) I/we agree to the terms and conditions of the Prospectus dated 21 April 2015 and I/we are eligible to apply for the securities under the Prospectus dated 21 April 2015 having regard to all applicable securities laws;
- (b) this Application Form is completed according to the declaration/appropriate statements on the reverse of this form and I/we agree to be bound by the constitution of Cove Resources Limited (Subject to Deed of Company Arrangement); and
- (c) I/we have received personally a copy of this Prospectus accompanied by or attached to this Application Form or a copy of this Application Form or a direct derivative of this Application Form, before applying for the Shares and New Options.

Share Registrars Use Only

Broker reference – Stamp only

Broker Code

Adviser Code

D Tax File Number(s)
Or exemption category

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F Contact Details

Contact Name

Contact telephone number

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State/postcode

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Guide to the Public Offer Application Form

This Application Form relates to the offer of Shares and New Options in Cove Resources Limited (Subject to Deed of Company Arrangement) pursuant to the Prospectus dated 21 April 2015. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares and New Options of Cove Resources Limited (Subject to Deed of Company Arrangement) and it is advisable to read this document before applying for Shares and New Options. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for. The application must be for a minimum of 200,000 Shares and thereafter in multiples of 200,000 Shares.
- B Insert the relevant account Application Monies. To calculate your Application Monies, add the number of Shares applied for multiplied by \$0.0025.
- C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- D Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your application.
- E Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint applicants, only one address can be entered.
- F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your application.
- G Cove Resources Limited (Subject to Deed of Company Arrangement) will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities issued.
- If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities issued to you under this Application Form in uncertified form on the CHES subregister, complete section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave section G blank and on issue, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.
- H Please complete cheque details as requested.

Make your cheque payable to "Cove Resources Limited – Subject to Deed of Company Arrangement" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank, and the amount should agree with the amount shown in section B.

Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application Form being rejected.

- I Before completing the Application Form the applicant(s) should read the Prospectus to which the Application Form relates. By lodging the Application Form, the applicant(s) agrees that this Application Form is for Shares and New Options in Cove Resources Limited (Subject to Deed of Company Arrangement) upon and subject to the terms of this Prospectus, and agrees to take any number of Shares to or less than the number of Shares indicated in section A that may be issued to the applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application Forms: Return your completed Application Form with cheque(s) attached to:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne Vic 3001

Application Forms must be received no later than 5.00pm (WST) on 19 May 2015 which may be changed immediately after the Opening Date at any time at the discretion of the Company

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares and New Options. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Cove Resources Limited (Subject to Deed of Company Arrangement). At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual - Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

Guide to the Conversion Offer A Application Form

This Application Form relates to the offer of Shares in Cove Resources Limited (Subject to Deed of Company Arrangement) pursuant to the Prospectus dated 21 April 2015. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of Cove Resources Limited (Subject to Deed of Company Arrangement) and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of resistible titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for.
- B Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- C Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your application.
- D Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint applicants, only one address can be entered.
- E Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application Form.
- F Cove Resource Limited (Subject to Deed of Company Arrangement) will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities issued.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities issued to you under this Application Form in uncertified form on the CHES subregister, complete section F or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave section F blank and on issue, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- G Before completing the Application Form the applicant(s) should read the Prospectus to which the Application Form relates. By lodging the Application Form, the applicant(s) agrees that this Application Form is for shares in Cove Resources Limited (Subject to Deed of Company Arrangement) upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in section A that may be issued to the applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application Forms: Return your completed Application Form to:

Delivered to: Cove Resources Limited (Subject to Deed of Company Arrangement) c/- Azalea Consulting Pty Ltd Suite 25, 145 Stirling Highway NEDLANDS WA 6009	Posted to: Cove Resources Limited (Subject to Deed of Company Arrangement) c/- Azalea Consulting Pty Ltd PO Box 3144 NEDLANDS WA 6909
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Application Forms must be received no later than 5.00pm (WST) on 19 May 2015 which may be changed immediately after the Opening Date at any time at the discretion of the Company

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Cove Resources Limited (Subject to Deed of Company Arrangement). At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual - Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

CONVERSION OFFER B APPLICATION FORM

Cove Resources Limited ACN 131 445 335 (Subject to Deed of Company Arrangement)

Please read all instructions on the reverse of this form

A Number of Shares applied for

B Full name details, title, given name(s) (no initials) and surname or Company name

Name of applicant 1

Name of applicant 2 or <Account Designation>

Name of applicant 3 or <Account Designation>

D Write Your Full Postal Address Here

Number/Street

Suburb/Town

F Chess HIN (if applicable)

G You should read the Prospectus dated 21 April 2015 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

- (a) I/we agree to the terms and conditions of the Prospectus dated 21 April 2015 and I/we are eligible to apply for Shares under the Prospectus dated 21 April 2015 having regard to all applicable securities laws;
- (b) this Application Form is completed according to the declaration/appropriate statements on the reverse of this form and I/we agree to be bound by the constitution of Cove Resources Limited (Subject to Deed of Company Arrangement); and
- (c) I/we have received personally a copy of this Prospectus accompanied by or attached to this Application Form or a copy of this Application Form or a direct derivative of this Application Form, before applying for Shares.
- (d) I/we agree and acknowledge the an application submitted under Conversion Offer B, and the subsequent issue of Shares in relation to this application, is considered full and final settlement of the Class B Notes I/we hold, and fully releases both me/us and the Company from any liabilities or obligations in relation to those Class B Notes.

Return of this Application Form will constitute your offer to subscribe for Shares in the Company under Conversion Offer B. Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

Share Registrars Use Only

Broker reference – Stamp only

Broker Code

Adviser Code

C Tax File Number(s)
Or exemption category

E Contact Details

Contact Name

Contact telephone number

State/postcode

Guide to the Conversion Offer B Application Form

This Application Form relates to the offer of Shares in Cove Resources Limited (Subject to Deed of Company Arrangement) pursuant to the Prospectus dated 21 April 2015. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of Cove Resources Limited (Subject to Deed of Company Arrangement) and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of resistible titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for.
- B Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- C Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your application.
- D Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint applicants, only one address can be entered.
- E Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application Form.
- F Cove Resource Limited (Subject to Deed of Company Arrangement) will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities issued.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities issued to you under this Application Form in uncertified form on the CHES subregister, complete section F or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave section F blank and on issue, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- G Before completing the Application Form the applicant(s) should read the Prospectus to which the Application Form relates. By lodging the Application Form, the applicant(s) agrees that this Application Form is for shares in Cove Resources Limited (Subject to Deed of Company Arrangement) upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in section A that may be issued to the applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application Forms: Return your completed Application Form to:

Delivered to: Cove Resources Limited (Subject to Deed of Company Arrangement) c/- Azalea Consulting Pty Ltd Suite 25, 145 Stirling Highway NEDLANDS WA 6009	Posted to: Cove Resources Limited (Subject to Deed of Company Arrangement) c/- Azalea Consulting Pty Ltd PO Box 3144 NEDLANDS WA 6909
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Application Forms must be received no later than 5.00pm (WST) on 19 May 2015 which may be changed immediately after the Opening Date at any time at the discretion of the Company

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Cove Resources Limited (Subject to Deed of Company Arrangement). At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual - Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

SUPPLIER OFFER APPLICATION FORM

Cove Resources Limited ACN 131 445 335
(Subject to Deed of Company Arrangement)

Please read all instructions on the reverse of this form

A Number of Shares applied for

You will receive 1 free attaching New Option for every 2 Shares issued to you.

B Full name details, title, given name(s) (no initials) and surname or Company name

Name of applicant 1

Name of applicant 2 or <Account Designation>

Name of applicant 3 or <Account Designation>

D Write Your Full Postal Address Here

Number/Street

Suburb/Town

F Chess HIN (if applicable)

G You should read the Prospectus dated 21 April 2015 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

- (a) I/we agree to the terms and conditions of the Prospectus dated 21 April 2015 and I/we are eligible to apply for Shares and New Options under the Prospectus dated 21 April 2015 having regard to all applicable securities laws;
- (b) this Application Form is completed according to the declaration/appropriate statements on the reverse of this form and I/we agree to be bound by the constitution of Cove Resources Limited (Subject to Deed of Company Arrangement); and
- (c) I/we have received personally a copy of this Prospectus accompanied by or attached to this Application Form or a copy of this Application Form or a direct derivative of this Application Form, before applying for Shares and New Options.

Return of this Application Form will constitute your offer to subscribe for Shares in the Company under the Supplier Offer. Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

Share Registrars Use Only

Broker reference – Stamp only

Broker Code

Adviser Code

C Tax File Number(s)
Or exemption category

E Contact Details

Contact Name

Contact telephone number

State/postcode

Guide to the Supplier Offer Application Form

This Application Form relates to the offer of Shares and New Options in Cove Resources Limited (Subject to Deed of Company Arrangement) pursuant to the Prospectus dated 21 April 2015. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of Cove Resources Limited (Subject to Deed of Company Arrangement) and it is advisable to read this document before applying for Shares and New Options. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for.
- B Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- C Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your application.
- D Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint applicants, only one address can be entered.
- E Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application Form.
- F Cove Resources Limited (Subject to Deed of Company Arrangement) will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities issued.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities issued to you under this Application Form in uncertified form on the CHES subregister, complete section F or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave section F blank and on issue, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- G Before completing the Application Form the applicant(s) should read the Prospectus to which the Application Form relates. By lodging the Application Form, the applicant(s) agrees that this Application Form is for shares in Cove Resources Limited (Subject to Deed of Company Arrangement) upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in section A that may be issued to the applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application Forms: Return your completed Application Form to:

Delivered to: Cove Resources Limited (Subject to Deed of Company Arrangement) c/- Azalea Consulting Pty Ltd Suite 25, 145 Stirling Highway NEDLANDS WA 6009	Posted to: Cove Resources Limited (Subject to Deed of Company Arrangement) c/- Azalea Consulting Pty Ltd PO Box 3144 NEDLANDS WA 6909
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Application Forms must be received no later than 5.00pm (WST) on 19 May 2015 which may be changed immediately after the Opening Date at any time at the discretion of the Company

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares and New Options. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Cove Resources Limited (Subject to Deed of Company Arrangement). At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual - Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

BROKER OFFER APPLICATION FORM

Cove Resources Limited ACN 131 445 335 (Subject to Deed of Company Arrangement)

Please read all instructions on the reverse of this form

A Number of Shares applied for

You will receive 1 free attaching New Option for every 2 Shares issued to you.

B Full name details, title, given name(s) (no initials) and surname or Company name

Name of applicant 1

Name of applicant 2 or <Account Designation>

Name of applicant 3 or <Account Designation>

D Write Your Full Postal Address Here

Number/Street

Suburb/Town

F Chess HIN (if applicable)

G You should read the Prospectus dated 21 April 2015 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

- I/we agree to the terms and conditions of the Prospectus dated 21 April 2015 and I/we are eligible to apply for Shares and New Options under the Prospectus dated 21 April 2015 having regard to all applicable securities laws;
- this Application Form is completed according to the declaration/appropriate statements on the reverse of this form and I/we agree to be bound by the constitution of Cove Resources Limited (Subject to Deed of Company Arrangement); and
- I/we have received personally a copy of this Prospectus accompanied by or attached to this Application Form or a copy of this Application Form or a direct derivative of this Application Form, before applying for Shares and New Options.
- I/we agree and acknowledge the an application submitted under the Broker Offer, and the subsequent issue of securities in relation to this application, is full and final settlement of such amount of capital raising fees otherwise payable to me/us on the basis of 1 Share for every \$0.0025 payable to me/us, plus 1 New Option for every 2 Shares issued.

Return of this Application Form will constitute your offer to subscribe for Shares in the Company under the Broker Offer. Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

Share Registrars Use Only

Broker reference – Stamp only

Broker Code

Adviser Code

C Tax File Number(s)
Or exemption category

E Contact Details

Contact Name

Contact telephone number

State/postcode

Guide to the Broker Offer Application Form

This Application Form relates to the offer of Shares and New Options in Cove Resources Limited (Subject to Deed of Company Arrangement) pursuant to the Prospectus dated 21 April 2015. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares and New Options of Cove Resources Limited (Subject to Deed of Company Arrangement) and it is advisable to read this document before applying for Shares and New Options. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for.
- B Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- C Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your application.
- D Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint applicants, only one address can be entered.
- E Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application Form.
- F Cove Resources Limited (Subject to Deed of Company Arrangement) will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities issued.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities issued to you under this Application Form in uncertified form on the CHES subregister, complete section F or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave section F blank and on issue, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- G Before completing the Application Form the applicant(s) should read the Prospectus to which the Application Form relates. By lodging the Application Form, the applicant(s) agrees that this Application Form is for shares in Cove Resources Limited (Subject to Deed of Company Arrangement) upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in section A that may be issued to the applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application Forms: Return your completed Application Form to:

Delivered to: Cove Resources Limited (Subject to Deed of Company Arrangement) c/- Azalea Consulting Pty Ltd Suite 25, 145 Stirling Highway NEDLANDS WA 6009	Posted to: Cove Resources Limited (Subject to Deed of Company Arrangement) c/- Azalea Consulting Pty Ltd PO Box 3144 NEDLANDS WA 6909
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Application Forms must be received no later than 5.00pm (WST) on 19 May 2015 which may be changed immediately after the Opening Date at any time at the discretion of the Company

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Cove Resources Limited (Subject to Deed of Company Arrangement). At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual - Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

PROPONENT OFFER APPLICATION FORM

Cove Resources Limited ACN 131 445 335
(Subject to Deed of Company Arrangement)

Please read all instructions on the reverse of this form

A Number of New Options applied for

B Full name details, title, given name(s) (no initials) and surname or Company name

Name of applicant 1

Name of applicant 2 or <Account Designation>

Name of applicant 3 or <Account Designation>

D Write Your Full Postal Address Here

Number/Street

Suburb/Town

F Chess HIN (if applicable)

G You should read the Prospectus dated 21 April 2015 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

- (a) I/we agree to the terms and conditions of the Prospectus dated 21 April 2015 and I/we are eligible to apply for New Options under the Prospectus dated 21 April 2015 having regard to all applicable securities laws;
- (b) this Application Form is completed according to the declaration/appropriate statements on the reverse of this form and I/we agree to be bound by the constitution of Cove Resources Limited (Subject to Deed of Company Arrangement); and
- (c) I/we have received personally a copy of this Prospectus accompanied by or attached to this Application Form or a copy of this Application Form or a direct derivative of this Application Form, before applying for New Options.

Return of this Application Form will constitute your offer to subscribe for New Options in the Company under the Proponent Offer. Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

Share Registrars Use Only

Broker reference – Stamp only

Broker Code

Adviser Code

C Tax File Number(s)
Or exemption category

E Contact Details

Contact Name

Contact telephone number

State/postcode

Guide to the Proponent Offer Application Form

This Application Form relates to the offer of New Options in Cove Resources Limited (Subject to Deed of Company Arrangement) pursuant to the Prospectus dated 21 April 2015. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the New Options of Cove Resources Limited (Subject to Deed of Company Arrangement) and it is advisable to read this document before applying for New Options. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A Insert the number of New Options you wish to apply for.
- B Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- C Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your application.
- D Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint applicants, only one address can be entered.
- E Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application Form.
- F Cove Resources Limited (Subject to Deed of Company Arrangement) will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities issued.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities issued to you under this Application Form in uncertified form on the CHES subregister, complete section F or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave section F blank and on issue, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- G Before completing the Application Form the applicant(s) should read the Prospectus to which the Application Form relates. By lodging the Application Form, the applicant(s) agrees that this Application Form is for New Options in Cove Resources Limited (Subject to Deed of Company Arrangement) upon and subject to the terms of this Prospectus, and agrees to take any number of New Options equal to or less than the number of New Options indicated in section A that may be issued to the applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application Forms: Return your completed Application Form to:

Delivered to: Cove Resources Limited (Subject to Deed of Company Arrangement) c/- Azalea Consulting Pty Ltd Suite 25, 145 Stirling Highway NEDLANDS WA 6009	Posted to: Cove Resources Limited (Subject to Deed of Company Arrangement) c/- Azalea Consulting Pty Ltd PO Box 3144 NEDLANDS WA 6909
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Application Forms must be received no later than 5.00pm (WST) on 19 May 2015 which may be changed immediately after the Opening Date at any time at the discretion of the Company

Correct form of Registrable Title

Note that only legal entities are allowed to hold New Options. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Cove Resources Limited (Subject to Deed of Company Arrangement). At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual - Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

CREDITOR OFFER APPLICATION FORM

Cove Resources Limited ACN 131 445 335 (Subject to Deed of Company Arrangement)

Please read all instructions on the reverse of this form

A Number of Shares applied for

B Full name details, title, given name(s) (no initials) and surname or Company name

Name of applicant 1

Name of applicant 2 or <Account Designation>

Name of applicant 3 or <Account Designation>

D Write Your Full Postal Address Here

Number/Street

Suburb/Town

F Chess HIN (if applicable)

G You should read the Prospectus dated 21 April 2015 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

- (a) I/we agree to the terms and conditions of the Prospectus dated 21 April 2015 and I/we are eligible to apply for Shares under the Prospectus dated 21 April 2015 having regard to all applicable securities laws;
- (b) this Application Form is completed according to the declaration/appropriate statements on the reverse of this form and I/we agree to be bound by the constitution of Cove Resources Limited (Subject to Deed of Company Arrangement); and
- (c) I/we have received personally a copy of this Prospectus accompanied by or attached to this Application Form or a copy of this Application Form or a direct derivative of this Application Form, before applying for Shares.

Return of this Application Form will constitute your offer to subscribe for Shares in the Company under the Creditor Offer. Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

Share Registrars Use Only

Broker reference – Stamp only

Broker Code

Adviser Code

C Tax File Number(s)
Or exemption category

E Contact Details

Contact Name

Contact telephone number

State/postcode

Guide to the Creditor Offer Application Form

This Application Form relates to the offer of Shares in Cove Resources Limited (Subject to Deed of Company Arrangement) pursuant to the Prospectus dated 21 April 2015. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of Cove Resources Limited (Subject to Deed of Company Arrangement) and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of resistible titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for.
- B Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- C Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your application.
- D Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint applicants, only one address can be entered.
- E Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application Form.
- F Cove Resources Limited (Subject to Deed of Company Arrangement) will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities issued.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities issued to you under this Application Form in uncertified form on the CHES subregister, complete section F or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave section F blank and on issue, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- G Before completing the Application Form the applicant(s) should read the Prospectus to which the Application Form relates. By lodging the Application Form, the applicant(s) agrees that this Application Form is for shares in Cove Resources Limited (Subject to Deed of Company Arrangement) upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in section A that may be issued to the applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application Forms: Return your completed Application Form to:

Delivered to: Cove Resources Limited (Subject to Deed of Company Arrangement) c/- Azalea Consulting Pty Ltd Suite 25, 145 Stirling Highway NEDLANDS WA 6009	Posted to: Cove Resources Limited (Subject to Deed of Company Arrangement) c/- Azalea Consulting Pty Ltd PO Box 3144 NEDLANDS WA 6909
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Application Forms must be received no later than 5.00pm (WST) on 19 May 2015 which may be changed immediately after the Opening Date at any time at the discretion of the Company

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Cove Resources Limited (Subject to Deed of Company Arrangement). At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual - Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith and Son A/C>	John Smith and Son