



**Cove Resources Limited
ACN 131 445 335**

Notice of Annual General Meeting

**Annual General Meeting to be held at
Suite 25, 145 Stirling Highway, Nedlands,
Western Australia
on 23 November 2015 commencing at 12.30pm
(WST).**

Important

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

CONTENTS

CONTENTS	2
NOTICE OF ANNUAL GENERAL MEETING.....	3
EXPLANATORY STATEMENT	5
1. REGULATORY INFORMATION.....	7
2. DEFINITIONS.....	19
PROXY FORM	22
Annexure A – Letter nominating auditor	24

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an annual general meeting of the shareholders of Cove Resources Limited ACN 131 445 335 (**Company**) will be held at Suite 25, 145 Stirling Highway, Nedlands Western Australia on 23 November 2015 commencing at 12.30 pm (WST).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

Business

Annual Report

To receive and consider the Annual Report of the Company for the financial year ended 30 June 2015, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

Resolution 1: Approval of Remuneration Report

To consider and, if thought fit, to pass the following Resolution as an **advisory only resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2015 be adopted."

Note: The votes on this Resolution are advisory only and do not bind the Directors or the Company.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution:

- by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
- by or on behalf of a Closely Related Party of a member of Key Management Personnel; and
- as a proxy by a member of Key Management Personnel or a Closely Related Party,

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chair pursuant to an express authorisation to exercise the proxy.

Resolution 2: Re-election of Winton Willesee as a Director

To consider and, if thought fit, to pass, the following Resolution as an **ordinary resolution**:

"That, for all purposes, Winton Willesee, who retires by rotation in accordance with clause 12.11 of the Constitution and who is eligible and offers himself for re-election, be re-elected as a Director."

Resolution 3: Election of Marcus Gracey as a Director

To consider and, if thought fit, to pass, the following Resolution as an **ordinary resolution**:

“That, for all purposes, Marcus Gracey, who was appointed as a Director by the Board pursuant to clause 12.17 of the Constitution and is eligible for election, be elected as a Director.”

Resolution 4: Change of auditor

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 327B of the Corporations Act and for all other purposes, Hall Chadwick, having been nominated by a shareholder and consented in writing to act in the capacity of auditor, be appointed as auditor of the Company.”

Resolution 5: Approval of 10% Placement Facility

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A, and for all other purposes, approval be given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company under and in accordance with Listing Rule 7.1A, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who may participate in an issue under the 10% Placement Facility and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board



Winton Willesee
Executive Chairman
Cove Resources Limited

14 October 2015

EXPLANATORY STATEMENT

Important information

This Explanatory Statement has been prepared for the information of the shareholders of Cove Resources Limited ACN 131 445 335 (**Company**) in connection with Resolutions 1 to 5 to be considered at the Annual General Meeting to be held at Suite 25, 145 Stirling Highway, Nedlands, Western Australia on 23 November 2015 commencing at 12.30 pm (WST).

The purpose of this Explanatory Statement is to provide Shareholders with all the information known to the Company, which is material to a decision on how to vote on the Resolutions found in the accompanying Notice of Meeting.

This Notice and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms in Section 2.

References to “\$” and “A\$” in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed beneath the applicable Resolutions in the Notice.

Proxies

Please note that:

- a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- a proxy need not be a Shareholder;
- a Shareholder may appoint a body corporate or an individual as its proxy;
- a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person

with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Members of the Key Management Personnel will not be able to vote as proxy on Resolution 1 unless the Shareholder directs them how to vote or, in the case of the Chair, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of the Key Management Personnel (other than the Chair) as their proxy, the Shareholder should ensure that they direct the member of Key Management Personnel how to vote on Resolution 1.

If a Shareholder intends to appoint the Chair as their proxy for Resolution 1, Shareholders can direct the Chair how to vote by marking one of the boxes for Resolution 1 (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If the Shareholder does not direct the Chair how to vote, then by submitting the Proxy Form, the Shareholder will be expressly authorising the Chair to exercise the proxy in respect of Resolution 1 even though it is connected to the remuneration of members of the Key Management Personnel.

To vote by proxy, please complete and sign the enclosed Proxy Form and send by:

- post to the Company at Suite 25, 145 Stirling Highway, Nedlands, WA 6009;
- facsimile to the Company on +61 9389 3199; or
- email to the Company Secretary at erlyn@azc.com.au,

so that it is received by no later than 12.30pm (WST) on 21 November 2015. Proxy Forms received later than this time will be invalid.

Voting intentions of the Chair

The Chair intends to vote all available proxies in favour of all Resolutions.

Voting entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 12.30pm (WST) on 21 November 2015. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Annual General Meeting.

1. REGULATORY INFORMATION

1.1 Annual Report

The Annual Report of the Company for the financial year ended 30 June 2015, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report, will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Annual Report and the management of the Company.

A representative of the Company's auditor, Ernst & Young, is anticipated to be in attendance to respond to any questions raised of the auditor or on the Auditor's Report in accordance with section 250T of the Corporations Act.

1.2 Resolution 1: Approval of Remuneration Report

Section 249L(2) of the Corporations Act requires a company to inform Shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report adopted be put to a vote. Resolution 1 seeks this approval.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is an "advisory only" resolution which does not bind the Directors or the Company. However, the Directors take the discussion at the Meeting and the outcome of the vote into account when considering the Company's remuneration practices.

Following consideration of the Remuneration Report for the financial year ended 30 2015, the Chair, in accordance with section 250SA of the Corporations Act, will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

If at least 25% of the votes cast on a resolution for the adoption of a Remuneration Report are voted against at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution proposing that another general meeting be held within 90 days, at which all of the Company's Directors (other than the Managing Director) would go up for re-election.

The Directors encourage all Shareholders to vote on Resolution 1.

1.3 Resolution 2: Re-election of Winton Willesee as a Director

In accordance with clause 12.11 of the Constitution, at every annual general meeting, an election of Directors must be held whereby one or more Directors retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Winton Willesee retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-election. Brief background information on Mr Willesee is set out below:

Winton Willesee
Executive Chairman

Mr Willesee is an experienced company director. Winton 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 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 is currently also the Chairman of Birimian Group and Metallum Limited and is also a director of MMJ PhytoTech Limited.

Directors' recommendations

Other than Mr Willesee, who does not make any recommendation in relation to his own re-election, the Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

1.4 Resolution 3: Election of Marcus Gracey as a Director

On 15 June 2015, Marcus Gracey was appointed as a Director in accordance with clause 12.16 of the Constitution. Under this clause, the Board may at any time appoint a person to be a Director to fill a casual vacancy, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director appointed under clause 12.16 of the Constitution holds office only until the next annual general meeting and is then eligible for election under clause 12.17.1 of the Constitution.

Marcus Gracey, having not been elected at an annual general meeting previously, and being eligible, offers himself for election. A brief background on Mr Gracey is set out below:

Marcus Gracey
Non-Executive Director

As an experienced corporate lawyer and ASX company director Mr Gracey brings a strong package of skills and experience to the Cove Board. His background includes directorships and executive roles in both listed and private companies across various market sectors including energy & resources and technology.

Mr Gracey is a Chartered Company Secretary and has also completed the AICD International Company Directors Course.

Mr Gracey is currently also a director of Sunbird Energy Ltd.

Directors' recommendations

Other than Mr Gracey, who does not make any recommendation in relation to his own election, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

1.5 Resolution 4: Change of auditor

Following mutual agreement between the Company and Ernst and Young, Ernst & Young has given notice of its intention to resign as auditor of the Company (under section 329(5) of the Corporations Act); this is subject to receipt of the consent of ASIC and shareholder approval of this Resolution 4 for the appointment of Hall Chadwick as auditor.

Subject to ASIC consenting to the resignation of Ernst & Young and Ernst & Young submitting a resignation to the Company, it is proposed that the Company appoint Hall Chadwick as auditor of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a shareholder for Hall Chadwick to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

Hall Chadwick has given its written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act subject to shareholder approval of this Resolution 4.

If Resolution 4 is passed, the appointment of Hall Chadwick as the Company's auditor will take effect from the date on which the resignation of Ernst & Young takes effect.

The Directors wish to take this opportunity to thank Ernst & Young, and particularly the relevant partner Michael Hoang for his service to the Company.

Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

1.6 Resolution 5: Approval of 10% Placement Facility

Resolution 5 is a special resolution which seeks Shareholders' approval for the issue of Equity Securities totalling up to 10% of the issued capital of the Company under and in accordance with Listing Rule 7.1A.

Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue Equity Securities totalling up to 10% of its issued share capital through placements over a 12 month period after the entity's annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

As Resolution 5 is a special resolution, at least 75% of the votes cast on Resolution 5 must be cast in favour of the Resolution in order for it to be passed.

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice, the only quoted Equity Securities that the Company has on issue are its Shares and Options.

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the 12 months;
- (c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (d) less the number of fully paid shares cancelled in the 12 months.

Note: 'A' has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1. The actual number of Equity Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to formula above).

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 Trading Days of the date in the paragraph above, the date on which the Equity Securities are issued.

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

Specific information required by Listing Rule 7.3A

For the purposes of Listing Rule 7.3A, the following information is provided to Shareholders in relation to Resolution 5:

(a) Minimum price at which the securities may be issued

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) Risk of dilution

If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2.

The table also shows:

- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future general meeting; and
- (ii) two examples where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		50% decrease in Market Price \$0.004	Current Market Price \$0.008	100% increase in Market Price \$0.016
Current Variable 'A' 994,791,861	10% Voting Dilution	99,479,186 Shares	99,479,186 Shares	99,479,186 Shares
	Funds raised	\$397,917	\$795,833	\$1,591,667
50% increase in current Variable 'A' 1,492,187,791	10% Voting Dilution	149,218,779 Shares	149,218,779 Shares	149,218,779 Shares
	Funds raised	\$596,875	\$1,193,750	\$2,387,500
100% increase in current Variable 'A' 1,989,583,722	10% Voting Dilution	198,958,372 Shares	198,958,372 Shares	198,958,372 Shares
	Funds raised	\$795,833	\$1,591,667	\$3,183,334

Notes:

- Assumes the Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- The market price used is \$0.008 being the closing price of Shares on 14 October 2015.
- The Current Variable A assumes that the Proposed Transaction has completed and the Public Offer is fully subscribed.

(c) Date by which the securities may be issued

The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (disposal of the main undertaking of the Company).

(d) **Purposes for which the securities may be issued**

The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards the exploration activities at its existing projects and/or for acquisition of new assets or investments (including expenses associated with such acquisition) and general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy for issues of securities**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of recipients of Equity Securities will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:

- (i) the purpose of the issue;
- (ii) the methods of raising funds that are available to the Company including, but not limited to, rights issues or other issues in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the financial situation and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Recipients of Equity Securities under the 10% Placement Facility have not been determined at the date of this Notice but are likely to be investors which are sophisticated or professional investors (or both) for the purposes of section 708 of the Corporations Act.

(f) **Details of previous issues of securities**

During the 12 months preceding the date of the Annual General Meeting, the Company has issued 929,369,000 Shares and 569,000,000 Options, representing approximately 2290.28% of the total number of Equity Securities on issue at the commencement of that period. All of these Equity Securities were issued by the Company in connection with its recent recapitalisation.

Details of all issues of Equity Securities during that period are as follows:

Public Offer	
Date of issue	27 May 2015
Number issued	<ol style="list-style-type: none"> 1. 600,000,000 Shares. 2. 300,000,000 New Options.
Class of security	<ol style="list-style-type: none"> 1. Fully paid ordinary shares. 2. Option to acquire a Share.
Summary of terms	<ol style="list-style-type: none"> 1. Each Share ranks equally in all respects with other Shares on issue. 2. Each New Option is exercisable at \$0.005 and expires on 30 June 2019.
Persons who received securities	Applicants under the Public Offer pursuant to the Recent Prospectus.
Issue price	<ol style="list-style-type: none"> 1. \$0.0025 each. 2. Nil as free attaching to the Shares issued under the Public Offer on a 1 New Option for every 2 Shares issued basis.
Discount to market price	<ol style="list-style-type: none"> 1. Nil (assuming a market price of \$0.0025 being the offer price under the Public Offer. At the time of issue, the Company's Shares had been suspended from trading since 22 July 2013). 2. N/A
Total cash consideration	<ol style="list-style-type: none"> 1. \$1,500,000. 2. Nil.
Amount of cash spent	\$400,000
Use of cash	Payment to the Deed Administrator in accordance with the DOCA, costs associated with the Recapitalisation Proposal, review and evaluation of new assets and projects, and working capital.
Intended use of remaining cash	Exploration programs, review of acquisition opportunities and working capital.
Conversion Offer A	
Date of issue	27 May 2015
Number issued	125,000,000 Shares.
Class of security	Fully paid ordinary shares.
Summary of terms	<p>Shares issued pursuant to conversion of Class A Notes.</p> <p>Each Share ranks equally in all respects with other Shares on issue.</p>
Persons who received securities	White Swan Nominees Pty Ltd (and/or its nominees).

Issue price	\$0.002 each.
Discount to market price	\$0.0005 each (25%) (assuming a market price of \$0.0025 being the offer price under the Public Offer. At the time of issue the Company's Shares had been suspended from trading since 22 July 2013).
Total cash consideration	\$250,000.
Amount of cash spent	\$250,000
Use of cash	Costs incurred prior to the administration.
Intended use of remaining cash	N/A
Conversion Offer B	
Date of issue	27 May 2015
Number issued	155,000,000 Shares.
Class of security	Fully paid ordinary shares.
Summary of terms	Shares issued pursuant to conversion of Class B Notes. Each Share ranks equally in all respects with other Shares on issue.
Persons who received securities	Holder of Class B Notes, each of whom was an Exempt Investors.
Issue price	\$0.002 each.
Discount to market price	\$0.0005 each (25%) (assuming a market price of \$0.0025 being the offer price under the Public Offer. At the time of issue, the Company's Shares had been suspended from trading since 22 July 2013).
Total cash consideration	\$310,000.
Amount of cash spent	\$310,000
Use of cash	Care and maintenance costs during the period of administration and costs associated with the Recapitalisation Proposal.
Intended use of remaining cash	N/A
Supplier Offer	
Date of issue	27 May 2015
Number issued	1. 38,000,000 Shares. 2. 19,000,000 New Options.
Class of security	1. Fully paid ordinary shares. 2. Option to acquire a Share.

Summary of terms	<ol style="list-style-type: none"> 1. Each Share ranks equally in all respects with other Shares on issue. 2. Each New Option is exercisable at \$0.005 and expires on 30 June 2019.
Persons who received securities	<p>14,000,000 Shares and 7,000,000 New Options – Leydin Freyer Corporate Pty Ltd (and/or its nominees).</p> <p>20,000,000 Shares and 10,000,000 New Options – Winton Willesee (and/or his nominees).</p> <p>4,000,000 Shares and 2,000,000 New Options – Greg Miles (and/or his nominees).</p>
Issue price	<ol style="list-style-type: none"> 1. Nil cash consideration as the Shares were issued as consideration for corporate and other services provided to the Company at an implied issue price of \$0.0025 each. 2. Nil as free attaching to the Shares issued on a 1 New Option for every 2 Shares issued basis.
Discount to market price	<ol style="list-style-type: none"> 1. Nil (assuming a market price of \$0.0025 being the offer price under the Public Offer. At the time of issue, the Company's Shares had been suspended from trading since 22 July 2013). 2. N/A.
Total cash consideration	Nil.
Amount of cash spent	N/A.
Use of cash	N/A.
Intended use of remaining cash	N/A.
Proponent Option	
Date of issue	27 May 2015
Number issued	250,000,000 New Options.
Class of security	Option to acquire a Share.
Summary of terms	Each New Option is exercisable at \$0.005 and expires on 30 June 2019.
Persons who received securities	Cygnet Capital Pty Ltd (and/or its nominees).
Issue price	Nil cash consideration as the New Options were issued as consideration for services provided in relation to the Recapitalisation Proposal.
Discount to market price	N/A.
Total cash consideration	Nil.
Amount of cash spent	N/A.

Use of cash	N/A.
Intended use of remaining cash	N/A.
Creditor Offer	
Date of issue	27 May 2015
Number issued	11,369,000 Shares.
Class of security	Fully paid ordinary shares.
Summary of terms	Each Share ranks equally in all respects with other Shares on issue.
Persons who received securities	Mark Whittle (and/or his nominees).
Issue price	Nil cash consideration as the Shares were issued in partial satisfaction of debt owing in wages at an implied issue price of \$0.0025 each.
Discount to market price	Nil (assuming a market price of \$0.0025 being the offer price under the Public Offer. At the time of issue, the Company's Shares had been suspended from trading since 22 July 2013).
Total cash consideration	Nil.
Amount of cash spent	N/A.
Use of cash	N/A.
Intended use of remaining cash	N/A.

Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

2. DEFINITIONS

In this Notice of Meeting and Explanatory Statement, the following terms have the following meanings:

10% Placement Facility	has the meaning given in Section 1.7.
10% Placement Period	has the meaning given in Section 1.7.
Annual Report	the annual report of the Company for the financial year ended 30 June 2015.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.
Auditor's Report	the Directors' Report, the Financial Report and Auditor's Report, in respect of the financial year ended 30 June 2015.
Board	the board of Directors.
Chair	the chairperson of the Meeting.
Class A Notes	the five Class A Notes issued under a convertible note agreement which the Company entered into in 2013 with White Swan Nominees Pty Ltd in exchange for a total of \$250,000 and which is secured by a fixed and floating charge over the Company's assets.
Class B Notes	the Class B Notes issued under the convertible note agreements to raise \$310,000.
Closely Related Party	<p>a closely related party of a member of Key Management Personnel as defined in Section 9 of the Corporations Act, being:</p> <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of that member's spouse;(c) a dependent of that member or of that member's spouse;(d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;(e) a company that is controlled by that member; or(f) any other person prescribed by the regulations.
Company	Cove Resources Limited ACN 131 445 335.
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.

Directors' Report	the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company.
Equity Securities	has the meaning given in the Listing Rules.
Exempt Investor	an investor to whom securities may be offered by the Company without disclosure under section 708 of the Corporations Act (excluding section 708(1)).
Explanatory Statement	this explanatory statement incorporated in this Notice.
Financial Report	the annual financial report prepared under Chapter 2M of the Corporations Act for the Company.
Key Management Personnel	the key management personnel of the Company as defined in Section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	the official Listing Rules of ASX.
Meeting or Annual General Meeting	the Annual General Meeting of Shareholders to be held on 23 November 2015 at Suite 25, Stirling Highway, Nedlands, Western Australia (WST).
New Option	an Option issued pursuant to the Recent Prospectus with an exercise price of \$0.005 and an expiry date of 30 June 2019.
Notes	the Class A Notes and/or the Class B Notes, as the context requires.
Notice or Notice of Meeting	the notice of Annual General Meeting incorporating this Explanatory Statement.
Option	an option to acquire a Share.
Proxy Form	the proxy form attached to this Notice.
Public Offer	the conditional offer of Shares to the public made under a prospectus dated 21 April 2015.
Recapitalisation Proposal	the proposal for the reconstruction, recapitalisation and reinstatement of the Company which was completed on 2 June 2015.
Recent Prospectus	the prospectus issued by the Company dated 21 April 2015.
Remuneration Report	the section of the Annual Report entitled 'Remuneration Report'.
Resolution	a resolution contained in the Notice.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a holder of one or more Shares.
VWAP	volume weighted average price.
WST	Western Standard Time, being the time in Perth, Western Australia.

Annexure A – Letter nominating auditor

Azalea Family Holdings Pty Ltd
P.O. Box 3322
Nedlands WA 60089

12 October 2015

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

Dear Madam,

NOMINATION OF HALL CHADWICK AS AUDITOR OF COVE RESOURCES LIMITED

Azalea Family Holdings Pty Ltd, being a shareholder of Cove Resources Limited, hereby give written notice pursuant to section 328B(1) of the Corporations Act of the nomination of Hall Chadwick of Level 40, 2 Park Street, Sydney New South Wales 2000 for appointment as auditor of Cove Resources Limited at its 2015 Annual General Meeting.

I/We consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting and Explanatory Statement for the 2015 Annual General Meeting of Cove Resources Limited as required by section 328B(3) of the Corporations Act 2001.

Yours sincerely,



Winton Willesee
Sole Director and Company Secretary

PROXY FORM

Cove Resources Limited ACN 131 445 335

I/We

of

being a member of Cove Resources Limited ACN 131 445 335 entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of Proxy

OR

☐

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 12.30pm (WST) on 23 November 2015 at Suite 25, 145 Stirling Highway, Nedlands Western Australia, and at any adjournment thereof.

The Chair intends to vote all available proxies in favour of all Resolutions. If you have appointed the Chair as your proxy (or the Chair becomes your proxy by default), and you wish to give the Chair specific voting directions on a Resolution, you should mark the appropriate box(es) opposite those Resolutions in the panel below (directing the Chair to vote for, against or to abstain from voting).

OR

Voting on business of the Annual General Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Winton Willesee as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Marcus Gracey as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Change of auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Signature of Member(s):

Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

Instructions for Proxy Form

1. Your name and address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

2. Appointment of a proxy

You are entitled to appoint no more than two proxies to attend and vote on a poll on your behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of your voting rights. If you appoint two proxies and the appointment does not specify this proportion, each proxy may exercise half of your votes.

If you wish to appoint the Chair of the Annual General Meeting as your proxy, please mark the box. If you leave this section blank or your named proxy does not attend the Annual General Meeting, the Chair will be your proxy. A proxy need not be a Shareholder.

3. Voting on Resolutions

You may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item your vote will be invalid on that item.

4. Signing instructions

You must sign this form as follows in the spaces provided:

- **(Individual)** Where the holding is in one name, the holder must sign.
- **(Joint holding)** Where the holding is in more than one name, all of the shareholders should sign.
- **(Power of Attorney)** If you have not already lodged the Power of Attorney with the Company's share registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies)** Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, as sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

5. Return of a Proxy Form

To vote by proxy, please complete and sign the enclosed Proxy Form (and any Power of Attorney and/or second Proxy Form) and return by:

- post to the Company at Suite 25, 145 Stirling Highway, Nedlands, WA 6009; or
- facsimile to the Company on +61 9389 3199; or
- email to the Company Secretary at Erlyn@azc.com.au,

so that it is received by no later than 12.30pm (WST) on 21 November 2015.

Proxy Forms received later than this time will be invalid.

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