

ASX Release

15<sup>th</sup> December 2011

## DRILL SUCCESS AT GOONGARRIE GOLD PROJECT

### Highlights:

- Holes drilled on a number of new and existing targets
- Numerous significant results including:
  - **43m at 1.55 g/t, 21m @ 3.53 g/t and 19m @ 1.31 g/t**
- Gold evident over 120 metres strike length below Caledonian shallow pit
- Surface sample from a pit on soil anomaly returns 18.75g/t Au and 19.7g/t Ag

**Cove Resources Limited (ASX : CVE & CVEO)** is pleased to announce the encouraging results of the second drilling program at Cove's Goongarrie Project in Western Australia. The Goongarrie Project is comprised of five Prospecting Licences and covers the historic Goongarrie gold mining centre situated in a highly productive gold belt in the Eastern Goldfields of Western Australia.

A total of 28 RC holes were completed for 2,232 metres, focussing on the Caledonian, Frank North and Goongarrie West Prospects.

Results from the Caledonian Prospect are very encouraging. Drilling has identified a continuous zone of mineralisation over 120m. A best result of **43m @ 1.55 g/t Au** is directly along strike from **57m @ 1.23 g/t Au** returned in hole GGRC11-01 drilled by Cove earlier this year. It also appears that drilling completed by previous explorers along strike may not have been deep enough to test this zone of mineralisation, which remains open.

The programme also tested the entirely new West Goongarrie Prospect which is 1.3 kilometres from Caledonian. As announced previously by Cove this area has a prominent gold in soil anomaly, together with a few small historical prospecting pits. Surface sampling in the historical pits returned a best result of **18.75 g.t Au** and **19.7 g/t Ag**. Drilling has identified a mineralised structure which requires further work to determine its potential.

Significant results of current drilling were:

### **Caledonian Prospect**

Hole CGW-19 5m at 3.24 g/t Au from 24m

3m at 1.64 g/t Au from 72m

Hole CGW-20 1m at 38 g/t Au from 11m

**43m at 1.55 g/t Au** from 71m including 6m at 3.52 g/t Au from 106m

Hole CGW-21 3m at 1.86 g/t Au from 88m

Hole CGW-22 2m at 1.14 g/t from 26m

6m at 1.01 g/t from 34m

6m at 1.94 g/t from 46m

Hole CGW-23 9m at 2.35 g/t Au from 2m including 4m at 4.76 g/t Au from 6m

21m at 3.53 g/t Au from 33m including 1m at 58 g/t Au from 40m

Hole CGW-24 19m at 1.31 g/t from 46m including 4m at 3.90 g/t Au from 56m

30m at 0.76 g/t from 76m including 5m at 1.82 g/t Au from 97m

### **Frank North Prospect**

Hole CGW-26 2m at 1.55 g/t from 2m, and

7m at 3.25 g/t Au from 35m, including 1m at 20.2 g/t Au from 36m.

Hole CGW-26b 4m at 1.41 g/t Au from 10m including 1m at 4.65 g/t from 10m

### **West Goongarrie Prospect**

**Hole CGW-03 1m at 1.21 g/t Au from 21m**

**Hole CGW-08 1m at 2.18 g/t Au from 42m**

Surface rock sample CGWR01 from a small pit above drillhole CGW-01 was **18.75 g/t Au and 19.7 g/t Ag**. There are several low grade gold intervals in most of the holes along the gold soil anomaly.

These results will be interpreted together with previous drill results and a new program and the next phase of work will be implemented in the new year. The near surface gold mineralisation is over wide intervals which increases the development potential of the area. Drillholes are currently being surveyed and full data, including plans and cross sections incorporating current and previous drilling will be provided shortly.

## Company Background

Cove Resources Limited was listed on the ASX on the 27 January 2011 to explore and evaluate gold development opportunities at the Goongarrie, Sunrise Dam, Carosue and Spargoville Projects in the Eastern Goldfields of Western Australia and to evaluate complementary merger and acquisition opportunities. In October 2011 the Company signed an agreement to acquire Blenheim Resources Limited.

## Competent Person Statement

The information in this release that relates to exploration results and geological interpretation has been compiled by Mr Steven A. Cooper BSc, (Hons) M.Econ.Geol., MAusIMM and, through his company Orogenic Exploration Pty Ltd, acts as a geological consultant to Cove Resources Limited. Mr Cooper is a Member of the Australian Institute of Mining and Metallurgy and he has sufficient experience with the style of mineralisation and types of deposits under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2004 Edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) for reporting the exploration results. Mr Cooper consents to the inclusion in this report of the contained technical information in the form and context in which it appears.

Down hole intervals are weighted average of 1m riffle split samples, gold determined by 30g fire assay with AA finish by Australian laboratory Services, Perth. Gold values from duplicate and repeats on individual intervals are averaged. External composite interval minimum cut-off was 0.3 g/t Au, no maximum cut-off and no internal minimum cut-off. Survey details in Table 1 subject to verification.

## For further details please contact

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Drillhole	East_GDA94	North_GDA94	Elevation	Depth_m	Azimuth_T	Dip
CGW-003	322103.90	6676271.29	395.94	60	82	-60
CGW-008	322096.81	6676497.80	399.78	120	109	-60
CGW-019	323067.87	6675591.94	379.88	120	51	-60
CGW-020	323047.97	6675570.20	380.56	120	55	-60
CGW-021	323098.42	6675551.27	381.68	120	42	-60
CGW-022	323133.58	6675545.91	383.02	120	37	-60
CGW-023	323142.65	6675558.57	382.35	80	58	-60
CGW-024	323147.61	6675611.34	381.01	120	224	-60
CGW-026	323220.16	6675237.08	378.26	100	260	-60
CGW-026B	323223.73	6675237.02	378.65	17	93	-60

*Table 1 Drillhole details*



Figure 1. Drilling CGW-24 beneath shallow Caledonian Pit



Figure 2. Quartz sample GWR01 with 18.75 g/t Au and 19.7 g/t Ag