

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR URGENT ATTENTION. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

# SCHEME BOOKLET

FOR A RECOMMENDED MERGER BETWEEN

**COVENTRY RESOURCES LIMITED**  
**ACN 082 901 362**

**AND**

**CRESCENT RESOURCES CORP.**

The Coventry Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Schemes. The Directors intend, in the absence of a Superior Proposal, to vote in favour of the Schemes in respect of the Coventry Shares and Coventry Options over which they have voting control.

Australian Legal Advisor

**STEINPREIS PAGANIN**   
Lawyers & Consultants

Canadian Legal Advisor

  
**CASSELS BROCK**  
LAWYERS

## IMPORTANT INFORMATION

### This Scheme Booklet contains important information

The purpose of this Scheme Booklet is to explain the terms of each Scheme, the manner in which each Scheme will be considered and implemented (if the conditions precedent are satisfied), and to provide such information as is prescribed or otherwise material for Coventry Securityholders when deciding whether or not to vote in favour of the Scheme(s) relevant to them. This Scheme Booklet includes the explanatory statement for each Scheme required by section 412(1) of the Corporations Act. You should read this Scheme Booklet in its entirety before making a decision on whether or not to vote in favour of the Scheme(s) relevant to you.

### Investment decisions

This Scheme Booklet is for Coventry Securityholders collectively and does not take into account any individual's investment objectives, financial situation, taxation position or other particular needs. This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to any Coventry Securities, Crescent Securities or any other securities. If you are in any doubt about what you should do, you should seek independent legal, financial or other professional advice before making any investment decision in relation to the Scheme(s).

### Responsibility for information

Crescent has prepared, and is responsible for, the Crescent Information in this Scheme Booklet. Neither Coventry nor any of its directors, officers or advisers, nor the advisers of Crescent, assumes or accepts any responsibility for the accuracy or completeness of that information.

The Independent Expert has prepared, and is responsible for, the Independent Expert's Report. None of Coventry, Crescent, their respective Subsidiaries nor their respective directors, officers, employees and advisers (other than the Independent Expert) assume any responsibility for the accuracy or completeness of the information in the Independent Expert's Report.

Deloitte Tax Services Pty Ltd has prepared, and is responsible for, the information on Australian taxation implications of the Schemes contained in section 9 of this Scheme Booklet. None of Coventry, Crescent, their respective Subsidiaries nor their respective directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of the information in section 9 of this Scheme Booklet.

Cassels Brock & Blackwell LLP has prepared, and is responsible for, the information on Canadian taxation implications of the Schemes contained in section 10 of this Scheme Booklet. None of Coventry, Crescent, their respective Subsidiaries nor their respective directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of the information in section 10 of this Scheme Booklet.

Other than the information identified above, the remainder of this Scheme Booklet has been prepared by Coventry and is the sole responsibility of Coventry. Neither Crescent nor any of its directors, officers, employees, or advisers assumes or accepts responsibility for the accuracy or completeness of any part of this Scheme Booklet other than the Crescent Information.

### Role of ASIC and the ASX

A copy of this Scheme Booklet has been examined by ASIC pursuant to section 411(2)(b) of the Corporations Act and registered by ASIC under section 412(6) of the Corporations Act. Coventry has requested ASIC provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Schemes. If ASIC provides that statement, it will be produced to the Court on the Second Court Date.

A copy of this Scheme Booklet has been lodged with the ASX. Neither ASIC, the ASX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

### Important Notice associated with Court order under subsection 411(1) of the Corporations Act

The fact that under subsection 411(1) of the Corporations Act the Court has ordered that meetings be convened and has approved the Scheme Booklet (or the explanatory statement required to accompany the notice of the Scheme Meetings) does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Schemes or as to how Coventry Securityholders should vote (on this matter Coventry Securityholders must reach their own decision); or
- (b) has prepared, or is responsible for the content of, the Scheme Booklet (or the Explanatory Memorandum).

An order under subsection 411(1) is not an endorsement of, or any other expression of opinion on, the Scheme(s). The Court is not in any other way responsible for the contents of this Scheme Booklet (or the Explanatory Memorandum).

### Coventry Securityholders outside of Australia

This Scheme Booklet has been prepared having regard to Australian disclosure requirements. These requirements may be different from those in other jurisdictions. This Scheme Booklet does not constitute an offer to Coventry Securityholders or a solicitation in any jurisdiction. Restrictions in jurisdictions outside Australia may make it impractical or unlawful for Crescent Securities to be issued under a Scheme to, or be received under a Scheme by, Coventry Securityholders in those jurisdictions. Coventry Securityholders outside Australia should refer to sections 12.6 and 12.7 for more information, and for notices addressed to those in information, and for notices addressed to those in New Zealand, Canada, the United States, Hong Kong and Singapore.

### Notice to Shareholders resident in the United States

The Crescent Securities issuable to Coventry Securityholders pursuant to the Schemes have not been approved or disapproved by the United States Securities and Exchange Commission (**SEC**), any state regulatory authority, or any other any securities regulatory authority, nor has the SEC or any other state or other securities regulatory passed on the adequacy or accuracy of the information contained in this Scheme Booklet. Any representation to the contrary is a criminal offence.

The Crescent Securities issuable to Coventry Securityholders in exchange for their Coventry Securities pursuant the Share Scheme or the Option Scheme, as applicable, have not been and will not be registered under the United States Securities Act of 1933, as amended (**the US Securities Act**), and such securities will be issued in reliance upon the exemption from the

registration requirements of the US Securities Act provided by section 3(a)(10) thereof.

The solicitation of proxies (in connection with this Scheme Booklet or the Schemes) is not subject to the requirements of section 14(a) of the United States Securities Exchange Act of 1934, as amended (**the US Exchange Act**), by virtue of an exemption applicable to proxy solicitations by "foreign private issuers", as such term is defined in Rule 3b-4 under the US Exchange Act. Accordingly, the solicitations and transactions contemplated in this Scheme Booklet are being made in the United States (as such term is defined in Regulations under the US Securities Act) for securities of an Australian issuer in accordance with Australian corporate and securities laws, and this Scheme Booklet has been prepared solely in accordance with applicable Australian disclosure requirements. Coventry Securityholders in the United States should be aware that such requirements differ from those of the United States applicable to proxy statements under the US Exchange Act and registration statements under the US Securities Act.

The financial statements and other financial information included herein or included in documents referred to herein have been prepared in accordance with AIFRS and are subject to Australian auditing and auditor independence standards, which differ from United States generally accepted accounting principles and auditing and auditor independence standards in certain material respects, and thus are not directly comparable to financial statements of United States companies. Likewise, information concerning assets and operations of Crescent and Coventry contained herein or included in documents referred to herein has been prepared in accordance with Australian standards and is not comparable in all respects to similar information for United States companies. In particular, data on mining reserves and resources included in this Scheme Booklet has been prepared in accordance with Canadian and Australian disclosure standards, which are not comparable in all respects to United States disclosure standards.

Crescent Securityholders should be aware that the Schemes and the acquisition and ownership of Crescent Securities may have material tax consequences in the United States, including, without limitation, the possibility that the Schemes are taxable transactions, in whole or in part, for United States federal income tax purposes. Tax considerations applicable to Crescent Securityholders subject to United States federal taxation have not been included in this Scheme Booklet. Coventry Securityholders are advised to consult their own tax advisors to determine the particular tax consequences to them of the Schemes.

The enforcement by Coventry Securityholders of civil liabilities under US federal and state securities laws may be affected adversely by the fact that Coventry and Crescent are corporations existing and governed under the laws of Australia and Canada, respectively, that some or all of their respective directors and officers, and the experts named in this Scheme Booklet, are not residents of the United States, and that all or a substantial portion of such person's respective assets may be located outside the United States. As a result, it may be difficult or impossible for Coventry Securityholders in the United States to effect service of process outside Australia and Canada upon Coventry or Crescent, respectively, their respective officers and directors, or the experts named herein, or to realise against them upon judgments of courts of the United States predicated upon civil liabilities under the federal or state securities laws of the United States.

Securityholders in the United States are also advised that Canadian and Australian standards for disclosure of mineral resources and reserves, including NI 43-101 and the JORC Code, differ significantly from the requirements of the SEC and other jurisdictions outside of Canada and Australia and that while terms such as "measured", "indicated" and "inferred" are recognised by NI 43-101 and the JORC Code, the SEC does not recognise them. It is important that Coventry Securityholders in the United States be cautioned that all or part of any measured, indicated or inferred mineral resources may not be converted into reserves. Under United States standards, mineralisation may not be classified as a "reserve" unless the determination has been made that the mineralisation could be economically and legally produced or extracted at the time the reserve determination is made. Coventry Securityholders in the United States are cautioned not to assume that any part or all of a measured, indicated or inferred resource exists or is economically or legally mineable.

The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralisation in mineral deposits that do not constitute "reserves" by United States standards in documents filed with the SEC. The SEC normally only permits issuers to report mineralization that does not constitute "reserves" as in-place tonnage and grade without reference to unit measures. United States investors should also understand that "inferred mineral resources" have a great level of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility.

It cannot be assumed that all or any part of an "inferred mineral resource" will be upgraded to a higher category. Accordingly, information contained in this Scheme Booklet or documents referred to containing descriptions of mineral deposits may not be comparable to similar information made public by US companies subject to the reporting and disclosure requirements under the US federal securities laws and the rules and regulations thereunder.

#### **Notice to Coventry Securityholders in New Zealand**

The Crescent Shares or Crescent CDIs to be issued under the Share Scheme to New Zealand resident Scheme Shareholders will be issued in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (NZ). This booklet is not a New Zealand prospectus or an investment statement and has not been registered with, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (NZ) (or any other relevant New Zealand law). This booklet may not contain all the information that a prospectus or investment statement is required to contain under New Zealand law.

#### **Notice of Coventry Securityholders in Canada**

This Scheme Booklet has not been approved or disapproved by any security regulatory authority in Canada, nor has any securities regulatory authority passed upon the fairness or merits of the Schemes or upon the accuracy or adequacy of the information contained in this Scheme Booklet and any representation to the contrary is unlawful.

The Crescent Shares, Crescent CDIs and Crescent Options being issued to Coventry Securityholders in connection with the Schemes will be issued by Crescent in reliance upon exemptions from the prospectus and registration requirements of applicable Canadian Securities Law in each province and territory of

Canada. Crescent Shares issued in connection with the Share Scheme may (through a registered dealer unless the dealer registration requirements do not apply) be resold in each province and territory in Canada, including through the TSX-V, subject to the usual conditions that no unusual effort has been made to prepare the market or create a demand for the Crescent Shares and that no extraordinary commission or consideration is paid in respect of any trade and if the selling securityholder is an "insider" of Crescent, he or she has no reasonable grounds to believe that Crescent is in default of Canadian Securities Laws. Resale of the Crescent Shares will however, be subject to additional resale restrictions (including hold periods and advance notice requirements) where the sale is made from the holdings of any person or combination of persons holding a sufficient number of Crescent Shares or Crescent CDIs to affect materially the control of Crescent.

#### **Notice to Coventry Securityholders in Hong Kong**

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This document does not constitute a prospectus (as defined in section 2(1) of the Companies Ordinance) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance.

The document is for the exclusive use of Coventry's Securityholders in connection with the Schemes, and no steps have been taken to register or seek authorisation for the issue of this document in Hong Kong.

This document is confidential to the person to whom it is addressed and must not be distributed, published, reproduced or disclosed (in whole or in part) by Coventry's Securityholders to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Schemes by Coventry's Securityholder.

#### **Notice to Coventry Securityholders in Singapore**

This document has not been lodged or registered with the Monetary Authority of Singapore (MAS). The MAS assumes no responsibility for the contents of this document. The MAS has not in any way considered the merits of the Crescent Securities being offered pursuant to the Schemes as described in this document.

This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Crescent Securities may not be circulated or distributed, nor may the Crescent Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with the exemption under the Securities and Futures Act, Cap 289 (SFA).

Any offer of the Crescent Securities is not made to you with a view to the Shares being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

#### **Forward-looking statements**

All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. The statements contained in this Scheme Booklet about the advantages and disadvantages expected to result from the Schemes are forward looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Coventry, Crescent and/or the Merged Entity to be materially different from future results, performance or achievements expressed or implied by such statements. The operations and financial performance of Coventry, Crescent and/or the Merged Entity and the change of a Scheme Shareholder's or Scheme Optionholder's ownership of Coventry Securities and Crescent securities are subject to various risks that are summarised in section 8 of this Scheme Booklet and that may be beyond the control of Coventry, Crescent and/or the Merged Entity. As a result, Coventry's actual results of operations and earnings and those of Crescent and the Merged Entity following implementation of the Schemes, as well as the actual advantages and disadvantages of the Schemes, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved.

The forward-looking statements included in this Scheme Booklet reflect views only as of the date of this Scheme Booklet. None of Coventry, Crescent, the Coventry Directors or the Crescent Directors or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Scheme Booklet will actually occur and you are cautioned not to place undue reliance on such forward-looking statements. All written and oral forward-looking statements attributable to Coventry or Crescent or any person acting on their behalf are qualified by this cautionary statement. Subject to any continuing obligations under the ASX Listing Rules or the Corporations Act, or applicable Canadian Securities Laws, neither Coventry nor Crescent give any undertaking to update or revise any such statements after the date of this Scheme Booklet to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

#### **Estimates, targets and forecasts**

Unless otherwise indicated, all references to estimates, targets and forecasts and derivations of the same in this Scheme Booklet are references to estimates, targets and forecasts by management of either Coventry or Crescent (as applicable). Management estimates, targets and forecasts are based on views held only at the date of this Scheme Booklet, and actual events and results may be materially different from them. Each of Coventry and Crescent believe that any forecast attributed to it in this Scheme Booklet has been made on reasonable grounds. However, readers are cautioned that the targets and forecasts are subject to a variety of factors that are likely to cause actual results to vary from them, and such variations may be material. Forward looking information generally involves risks and uncertainties as described above, which are in many instances beyond Coventry's and Crescent's control, including: (i) global economic conditions; (ii) pricing and cost factors; (iii) unanticipated events or changes in current development plans, execution of development plans, future operating results, financial conditions or business over time; and (iv) unfavourable regulatory developments. These could cause actual events and results to vary significantly from those included in or contemplated by such statements. Any

targets or forecasts reflect certain assumptions by Coventry and/or Crescent, including assumptions with respect to future events, economic, competitive and regulatory conditions, financial market conditions and future business decisions, including a continuation of existing business operations on substantially the same basis as currently exists, many of which are beyond Coventry's and Crescent's control. Accordingly, there can be no assurance that any estimate, forecast or target is indicative of Coventry's, Crescent's or the Merged Entity's future performance or that actual events and results would not differ materially from them.

#### **Mineral reserves and mineral resources**

Crescent's disclosure of mineral reserve and mineral resource information is governed by NI 43-101. Coventry's disclosure of mineral reserve and mineral resource information is based on the reporting requirements of the JORC Code. The CIM Standards for the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are substantially similar to the corresponding JORC Code definitions of the terms "ore reserve", "proved ore reserve", "probable ore reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource", respectively. Estimates of mineral resources and mineral reserves prepared in accordance with the JORC Code would not be materially different if prepared in accordance with CIM Standards. There can be no assurance that those portions of such mineral resources that are not mineral reserves will ultimately be converted into mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

#### **Effect of rounding**

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet, including those in respect of Scheme Consideration, are subject to the effect of rounding. Accordingly, their actual calculation may differ from the calculations set out in this Scheme Booklet.

#### **Privacy and personal information**

Coventry and Crescent and their respective registries and agents may need to collect personal information to implement the Schemes. The personal information may include the names, contact details, bank account details and details of Coventry Securityholders, and the names and contact details of individuals appointed by

Coventry Securityholders as proxies, attorneys or body corporate representatives to attend and vote at the Scheme Meetings. Coventry Securityholders who are individuals and other individuals in respect of whom personal information is collected have certain rights to access the personal information collected about them. An individual who wishes to exercise any of these rights should contact the Coventry Share Registry at first instance on +61 8 9323 2000 from outside Australia (normal call charges apply) and 8 9323 2000 from within Australia (local call charges apply) or Level 2, Reserve Bank Building, 45 St Georges Terrace, Perth, WA, Australia, 6000. The personal information described above may be disclosed to Coventry's and Crescent's registries and stock transfer agents, securities brokers and third party service providers (including print and mail service providers). Personal information of Coventry Securityholders may also be used to call them in relation to their securities or a Scheme. Third parties who receive personal information in the course of providing the above services will be reminded of their obligations to use the personal information only for the purposes set out above and to protect the information according to applicable statutory and legal requirements. Coventry Securityholders who appoint an individual as their proxy, attorney or body corporate representative to attend and vote at a Scheme Meeting should inform him or her of the matters outlined above.

#### **Defined terms**

Capitalised terms and certain other terms used in this Scheme Booklet are defined in the glossary of defined terms in section 17.

Some of the Appendices to this booklet use their own terms and abbreviations, which may have different defined meanings to those set out in section 17.

#### **Currency**

All references in this Scheme Booklet to "\$", "A\$", "AUD" or "dollar" are references to Australian currency unless otherwise indicated, references to "C\$" and "CDN\$" are to Canadian dollars and references to "USD" and "US\$" are to United States dollars.

#### **Reference to time**

Unless otherwise specified, all references in this Scheme Booklet to time relate to the time in Perth, Western Australia.

#### **Date of this document**

This Scheme Booklet is dated 9 November 2012.

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## OVERVIEW OF THIS DOCUMENT

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### What is the proposal?

Coventry Resources Limited (**Coventry**) and Crescent Resources Corp. (**Crescent**) have each announced a proposed Merger to create a new TSX-V listed and ASX listed gold explorer to be named Coventry Resources Inc (or such other name as agreed by Coventry and Crescent).

The Merger is to be implemented through:

- (a) the Share Scheme between Coventry and Coventry Shareholders; and
- (b) the Option Scheme between Coventry and Coventry Optionholders.

A scheme of arrangement is a Court-supervised process under which the Coventry Shareholders and Coventry Optionholders will have the opportunity to vote for or against the proposed Merger.

If the Schemes are approved by Coventry Shareholders, Coventry Optionholders and the Court, Crescent will acquire all of the Coventry Securities in exchange for the Scheme Consideration to be provided to the Coventry Securityholders, and Coventry will become a wholly-owned subsidiary of Crescent.

If the Share Scheme is not approved, regardless of whether the Option Scheme is approved, the Merger will not occur and Coventry will continue to trade as a stand-alone entity. If the Share Scheme is approved but the Option Scheme is not, Crescent will still acquire all Coventry Shares and may still acquire the Coventry Options, as set out in further detail at section 13.10.2.

### What is this document for?

This document (**Scheme Booklet**) contains information about the proposed Merger. It also provides you, as a Coventry Securityholder, with information to consider before voting on the resolutions to approve the Scheme(s) relevant to you at the Scheme Meetings scheduled to be held on 13 December 2012.

### Why should you vote?

As a Coventry Securityholder, you have a say in whether the Schemes are implemented or not - this is your opportunity to play a role in deciding the future of Coventry in which you have a stake.

### Are the Schemes in the best interests of Coventry Securityholders?

The Coventry Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme(s) relevant to you. The Independent Expert has concluded that, on balance, the Schemes are in the best interests of Coventry Shareholders and Coventry Optionholders. The Independent Expert has determined that the Share Scheme is not fair but reasonable and therefore is in the best interests of Coventry Shareholders; and the Option Scheme is fair and reasonable and therefore in the best interests of the Coventry Optionholders. The Independent Expert Report prepared by the Independent Expert is attached at Appendix 9.

### What you should do next:

#### ***Step 1: Read this Scheme Booklet in full***

You should read and carefully consider the information included in this Scheme Booklet to help you make an informed decision in relation to your Coventry Securities and on how to vote in relation to the Scheme(s) relevant to you. If you have any doubt as to what action you should take, you should promptly consult your financial, legal, taxation or other professional adviser.

**Step 2: Vote on the Scheme(s) relevant to you**

As a Coventry Securityholder, it is your right to vote on whether the Scheme(s) relevant to you should be approved, and therefore, whether the Scheme(s) should proceed. You should note that the Schemes are subject to the Scheme Conditions. Even if the Schemes are approved at the Scheme Meetings, it is possible that the Merger will not proceed if the other Scheme Conditions have not been satisfied.

You can vote in person at the relevant Scheme Meeting(s) scheduled for 13 December 2012, or by returning a validly completed proxy form by not later than 10.00 am (WST) (for the Share Scheme Meeting) or 10.30 am (WST) (for the Option Scheme Meeting) on 11 December 2012. Full details of how to vote are set out in pages 6 to 7 of this Scheme Booklet.

***Step 3: If you are a Coventry Shareholder, decide whether you would prefer to receive your Share Scheme Consideration in the form of Crescent CHES Depository Interests (CDIs) listed on ASX, rather than in the form of Crescent Shares listed on the TSX-V.***

See section 12.5 for information on how to make this decision.

**For further information**

If you have any questions after reading this Scheme Booklet, please call the Coventry Company Secretary, Nick Day on +61 08 9324 1266 from outside Australia (normal call charges apply) and 08 9324 1266 from within Australia between 8.30 am and 5.00 pm (WST), Monday to Friday.

## IMPORTANT DATES AND TIMETABLE FOR THE SCHEMES

Key events and the expected timing in relation to the approval and implementation of the Schemes are set out in the table below. Unless otherwise stated, all references below relate to time in Perth, Western Australia.

Events	Date
Latest time and date for lodgement of completed proxy forms for the: Share Scheme Meeting Option Scheme Meeting	11 December 2012 10.00 am 10.30 am
Time and date for determining eligibility for voting at the Scheme Meetings	4.00 pm on 11 December 2012
Scheme Meetings (to be held at Holiday Inn, 778-788 Hay Street, Perth, Western Australia) Share Scheme Meeting Option Scheme Meeting	13 December 2012 10.00 am (WST) 10.30 am (WST) (or, if later, immediately after the Share Scheme Meeting)
If the Schemes are approved by the Requisite Majorities, the expected timetable for implementation of the Schemes is:	
Second Court Date for approval of the Scheme(s)	14 December 2012
Effective Date of the Scheme(s) and last day of trading of Coventry Shares on the ASX	14 December 2012
Suspension of trading of Coventry Shares on the ASX	14 December 2012
Crescent CDIs to begin trading on the ASX on a deferred settlement basis <sup>6</sup>	17 December 2012
Deadline for receipt of Coventry Option exercise notices from those Coventry Optionholders who wish to exercise their options	12.00 noon 18 December 2012
Deadline for receipt of Share Election Forms by the Coventry Share Registry	2.00 pm (WST) on 18 December 2012
Record Date for determining entitlements to the Scheme Consideration	4.00 pm on 21 December 2012
Implementation Date for the transfer of Coventry Shares and Coventry Options to Crescent and issue of Scheme Consideration	2 January 2013
Despatch of holding statements for Crescent CDIs and certificates <sup>7</sup> for Crescent Consideration Shares	3 January 2013
Crescent Consideration Shares issued to Scheme Shareholders commence trading on TSX-V	4 January 2013
Termination of official quotation of Coventry on the ASX	4 January 2013
Crescent CDIs begin trading on the ASX on a normal settlement basis	4 January 2013

### Notes:

- All dates and times are indicative only. The actual timetable will depend on many factors outside the control of Coventry, including the Court approval process and satisfaction of the Scheme Conditions.
- Coventry reserves the right to vary the times and dates set out above and will notify Scheme Shareholders and Scheme Optionholders of these changes on its website and by announcement to the ASX.
- Coventry Securityholders should note that the Share Scheme is not conditional upon the success of the Option Scheme (so the Share Scheme may still proceed even if the Option Scheme is not approved), but the Option Scheme is conditional upon the Share Scheme becoming Effective.
- Crescent will be making an application for quotation of the Crescent CDIs on the ASX shortly after this Scheme Booklet is published, however whilst every effort will be made to ensure this occurs, there is no guarantee that ASX approval will be obtained. In the event ASX approval for quotation of CDIs is not obtained by the Implementation Date, Scheme Shareholders and Scheme Optionholders will receive Crescent Shares.
- All times are in AWST (Australian Western Standard Time).
- As the exact number of Crescent CDIs to be issued to you will not be known until after the Record Date and will not be communicated to you until you receive your holding statements following the Implementation Date, if you trade in Crescent CDIs during the deferred settlement period and prior to receipt of the holding statement, you do so at your own risk.
- Alternatively, at the option of Coventry Resources Inc., your interests will be held under a direct registration system, in which case you will receive a direct registration system advice, or other record of your holding under any other electronic book-based system.

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## LETTER FROM THE CHAIRMAN OF COVENTRY RESOURCES LIMITED

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Dear Coventry Securityholders

As announced to the ASX on 10 September 2012, the board of Coventry Resources Limited (**Coventry**) has recently determined that, given Coventry's extensive exploration portfolio in North America, Coventry would benefit significantly from seeking a listing on the TSX-Venture Exchange (**TSX-V**). To this end, Coventry has entered into a definitive Merger Implementation Deed (the **Merger Implementation Deed**) with Crescent Resources Corp. (TSX-V:CRC) (**Crescent**), pursuant to which the two companies will merge (**Merger**). The combined company (**Merged Entity**) will make application to have its shares listed and tradable on both the TSX-V and the Australian Securities Exchange (**ASX**) immediately after the Merger is completed, thereby providing Coventry Shareholders greater exposure to the North American equity markets.

Crescent is a TSX-V listed gold exploration company holding approximately C\$900,000 in cash and the Uncle Sam Gold Project in Alaska. Crescent will seek to raise an additional C\$750,000 prior to implementation of the Merger resulting in Crescent having approximately C\$1.6m in cash (before costs). For the purpose of the Merger, Coventry has not ascribed any value to the Uncle Sam Gold Project.

Under the terms of the Merger Implementation Deed:

- (a) Crescent will acquire all of the issued fully paid share capital of Coventry (**Coventry Shares**) by means of a court sanctioned scheme of arrangement under Part 5.1 of the Corporations Act (**Share Scheme**) under which existing Coventry Shares will be exchanged for fully paid and non-assessable common shares in the capital of Crescent; and
- (b) under a separate scheme of arrangement under Part 5.1 of the Australian Corporations Act (**Option Scheme**), Crescent will acquire all of the existing Coventry options to acquire Coventry Shares (**Coventry Options**) in exchange for options to acquire shares in the issued capital of Crescent (**Crescent Consideration Options**).

The Crescent Consideration Options will be issued on terms consistent (to the greatest extent permitted by applicable Canadian securities laws) with the terms of the existing Coventry Options except that the exercise price of the new options will be amended to reflect the exchange ratio.

The Share Scheme will be subject to regulatory, Australian Court, shareholder (both Crescent and Coventry), and third party approvals, together with other customary conditions. Regulatory approvals will be required from the ASX, the ASIC and the TSX-V. The Option Scheme will be conditional upon the Share Scheme, as well as regulatory, Australian Court, Optionholder, and third party approvals, together with other customary conditions.

While there will be some logistical changes caused by the Merger and effective re-domicile of Coventry from Australia to Canada, the Coventry directors consider that the key objective will remain the same; that is, to continue to explore and develop Coventry's North American gold exploration assets. Importantly, it is proposed that the Merged Entity will be listed on both the TSX-V and the ASX, meaning that shareholders in both jurisdictions will be able to freely trade their shares in a market that is familiar to them.

Following the Merger, Coventry shareholders will own approximately 87.26% of the common shares in the Merged Entity.

The Coventry Board believes that this proposal will provide Coventry with greater access to the North American equity markets and funding on more favourable terms than are likely to be available in the Australian market, and will make Coventry more attractive to North American investors who typically afford higher valuations to Canadian gold projects than those received elsewhere.

Coventry has engaged BDO Corporate Finance (WA) Pty Ltd (**Independent Expert**) to prepare an Independent Expert's Report on whether the Schemes are in the best interests of Coventry Shareholders and Coventry Optionholders (**Independent Expert's Report**). The Independent Expert has determined that the Schemes are in the best interests of Coventry Shareholders and Coventry Optionholders. The Independent Expert has determined that the Share Scheme is not fair but reasonable and therefore is in the best interests of Coventry Shareholders; and the Option Scheme is fair and reasonable and therefore in the best interests of the Coventry Optionholders.

This Scheme Booklet outlines all of the information that will be useful to you as Coventry Shareholders and Coventry Optionholders in determining how you should vote at each of the Scheme Meetings. I recommend to all Coventry Shareholders and Coventry Optionholders that they read the Scheme Booklet in detail, including the Independent Expert's Report.

There will be a separate meeting of each of Coventry Shareholders and Coventry Optionholders in connection with the Share Scheme and Option Scheme, respectively (**Scheme Meetings**).

The Scheme Meetings will be held at Holiday Inn, 778-788 Hay Street, Perth, Western Australia on 13 December 2012 at the following times:

- Share Scheme Meeting – 10.00 am; and
- Option Scheme Meeting – 10.30 am (or immediately after the Share Scheme Meeting, if later).

The directors of Coventry unanimously support the proposed Share Scheme and Option Scheme and recommend that you vote in favour of them, as they intend to do in respect of their own holdings of Coventry Shares and Coventry Options, at the Scheme Meetings. If you are unable to attend the meetings, I encourage you to vote by completing and returning the relevant proxy forms enclosed with this Scheme Booklet.

Yours faithfully,

**BY ORDER OF THE BOARD OF  
COVENTRY RESOURCES LIMITED**



**Michael Haynes  
Non-Executive Chairman  
COVENTRY RESOURCES LIMITED**

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## SCHEME MEETING DETAILS AND HOW TO VOTE

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There will be two Scheme Meetings: the Share Scheme Meeting (to approve the Share Scheme), and the Option Scheme Meeting (to approve the Option Scheme). You may attend and vote at each Scheme Meeting for which you meet the eligibility criteria below.

For each Scheme to be implemented, it is necessary that the Requisite Majority of Coventry Securityholders vote in favour of passing the resolution to approve that Scheme at the relevant Scheme Meeting. In addition, the Option Scheme is conditional upon the Share Scheme becoming Effective.

The Scheme Meetings will be held at Holiday Inn, 778-788 Hay Street, Perth, Western Australia on 13 December 2012 at the following times:

- Share Scheme Meeting – 10.00 am (WST); and
- Option Scheme Meeting – 10.30 am (WST) (or immediately after the Share Scheme Meeting, if later)

### Approval requirements

#### **Share Scheme**

To pass the resolution approving the Share Scheme, votes in favour of the Share Scheme must be cast by:

- a majority in number of the Coventry Shareholders present and voting at the Share Scheme Meeting, being more than 50% of Coventry Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and
- at least 75% of the total number of votes cast by Coventry Shareholders entitled to vote on that resolution.

Voting at the Share Scheme Meeting will be by poll rather than by show of hands. The notice of Share Scheme Meeting is set out at Appendix 6.

#### **Address for return of voting forms**

Coventry Securityholders should mail or fax their proxy forms or powers of attorney to the Coventry Share Registry at the following details:

#### **Option Scheme**

To pass the resolution approving the Option Scheme, votes in favour of the Option Scheme must be agreed by:

- a majority in number of Coventry Optionholders present and voting at the Option Scheme Meeting, being more than 50% of Coventry Optionholders present and voting (whether in person, by proxy or by attorney or, in the case of a corporation, by corporate representative); and
- Coventry Optionholders whose Coventry Options amount in aggregate to at least 75% of the total value of Coventry Options held by Coventry Optionholders present and voting at the Option Scheme Meeting (the "value" of an option for this purpose will be determined using a Black & Scholes valuation methodology as described in section 13.4).

Voting at the Option Scheme Meeting will also be by poll rather than by show of hands. The Notice of the Option Scheme Meeting is set out in Appendix 7.

#### **Eligibility – entitlement to vote**

Coventry Shareholders who are registered on the Coventry Share Register at 4.00 pm (WST) on 11 December 2012, may attend and vote at the Share Scheme Meeting.

Coventry Optionholders who are registered on the Coventry Option Register at 4.00 pm (WST) on 11 December 2012, may attend and vote at the Option Scheme Meeting.

Registrable transfers or transmission applications received after the above times will be disregarded in determining entitlements to vote at the Scheme Meetings.

Depending on the Coventry Securities held by you, you may be entitled to vote at one or both of the Scheme Meetings.

Postal address *	Fax
Computershare Investor Services Pty Ltd GPO Box 242 Melbourne VIC 3001, Australia	Computershare Investor Services Pty Ltd +61 3 9473 2555

Proxy forms and powers of attorney must be received by 10.00 am (WST) (for the Share Scheme Meeting) and 10.30 am (WST) (for the Option Scheme Meeting) on 11 December 2012.

## Voting

Coventry Securityholders may vote at the Scheme Meeting(s) relevant to them either in person, or by proxy, attorney or, in the case of a corporation, by corporate representative.

Means	Voting Instructions
In Person	If you wish to vote in person, you may attend the Scheme Meeting(s) at the times indicated above. All persons attending a Scheme Meeting must register their attendance at the Scheme Meeting(s) relevant to them commencing by disclosing their name at the point of entry to the meeting.
By Proxy	<p>You may vote by proxy by completing and returning the personalised proxy form that accompanies this Scheme Booklet. Depending upon your holding of Coventry Securities, you may have received more than one proxy form.</p> <p>The completed and duly executed proxy form (and if the proxy form is executed by an attorney, a certified copy of the power of attorney) must be received by the Coventry Share Registry by no later than 10.00 am (WST) for the Share Scheme (or 10.30 am (WST) for the Option Scheme) on 11 December 2012.</p> <p>The proxy form must be returned to the Coventry Share Registry by posting, delivering or faxing your proxy form to the address or fax number set out on the previous page of this Scheme Booklet.</p> <p>Coventry Securityholders who have returned a proxy form may still attend the Scheme Meeting(s) relevant to them in person and revoke the proxy and vote at the relevant Scheme Meeting. A proxy need not be a Coventry Shareholder or Coventry Optionholder. A proxy may be an individual or a representative of a body corporate.</p> <p>If you are entitled to cast two or more votes, you may appoint two proxies. You may specify the proportion or the number of votes that each proxy is appointed to exercise. If numbers or proportions of votes are not specified, each proxy may exercise half of the votes you are entitled to cast. Fractions of votes will be disregarded.</p>
By Power of Attorney	<p>Your vote may be cast by a duly authorised attorney. An attorney need not be a Coventry Shareholder or Coventry Optionholder. Coventry Securityholders intending to vote by providing a power of attorney must provide a certified copy of the power of attorney to the Coventry Share Registry by no later than 10.00 am (WST) for the Share Scheme, (or 10.30 am (WST) for the Option Scheme, on 11 December 2012.</p> <p>The power of attorney must be delivered by posting it or delivering it, or by faxing it to the address or fax number provided on the previous page.</p>
By Corporate Representative	<p>A Coventry Shareholder or Coventry Optionholder that is a body corporate may appoint an individual to act as its representative at the Share Scheme Meeting or Option Scheme Meeting.</p> <p>To vote by corporate representative at either the Share Scheme Meeting or the Option Scheme Meeting (as appropriate) a corporate Coventry Shareholder or Coventry Optionholder should obtain an "Appointment of Corporate Representative" form from the Coventry Share Registry and complete that form in accordance with its instructions.</p> <p>Corporate representative appointment forms should be provided to the Coventry Share Registry by no later than 10.00 am (WST) for the Share Scheme Meeting, or 10.30 am (WST) for the Option Scheme Meeting, on 11 December 2012 or alternatively brought to the relevant Meeting.</p>

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## 1. KEY REASONS TO VOTE IN FAVOUR OF THE SCHEME(S) RELEVANT TO YOU

This section summarises the key reasons why the Coventry Directors recommend that Coventry Shareholders and Coventry Optionholders vote in favour of the Scheme(s) relevant to them.

This section should be read in conjunction with sections 2 and 8, which describe the disadvantages and risks associated with the Schemes; implications if the Merger does not proceed; and risk factors associated with an investment in Crescent Shares (or Crescent CDIs) or Crescent Options.

1. As the Merged Entity will have a primary listing on the TSX-V and secondary listing on the ASX, this will allow Coventry Securityholders to benefit from direct exposure to the TSX-V.
2. Following implementation of the Schemes, the Merged Entity, including the majority of its senior management, will be based in Canada, where the Merged Entity's assets are located.
3. Coventry Securityholders will benefit from the combination of highly experienced management teams.
4. The Merged Entity will have a primary listing on the TSX-V following the implementation of the Schemes which will position the Merged Entity amongst its geographical peer group of companies which may allow investors to better assess its relative merit and value.
5. Following the implementation of the Schemes, the Merged Entity will have a stronger cash position than Coventry as a standalone entity. It is proposed that the funds of the Merged Entity will be sufficient to complete the ongoing preliminary economic assessment on the Cameron Gold Project and recommence exploration in the first quarter of 2013.
6. The Merged Entity will be able to issue "flow-through" shares (which allows the Merged Entity to flow through tax deductions that cannot be used by the Merged Entity) to Canadian investors at a premium price which may allow the Merged Entity an additional source of equity to fund future exploration activities in Canada until it has taxable income against which it can off-set tax deductions.
7. The Merged Entity will offer an investment in a company with a broader shareholder base; integrating ownership by Australian retail investors, Canadian retail investors and global institutions.
8. The Merger will enhance the scale and growth platform of Coventry through greater access to global capital markets, thereby providing access to growth opportunities likely unavailable to Coventry as a standalone entity.
9. The Independent Expert has concluded that the Merger is in the best interests of Coventry Shareholders and Coventry Optionholders.

Further detail regarding each of these reasons is set out on the following pages.

### **1.1 Direct exposure to TSX-V**

As the Merged Entity will have a primary listing on the TSX-V and secondary listing on the ASX, this will allow Coventry Securityholders to benefit from direct exposure to the TSX-V.

The Coventry Board believes that a listing on the TSX-V will allow Coventry to access deeper pools of capital, and provide shareholders with exposure to the increased liquidity of the TSX-V.

### **1.2 Company and senior management based in Canada**

Following implementation of the Schemes, the Merged Entity including the four members of its senior management will be based in Canada, where the Merged Entity's core assets are located.

The Managing Director and Chief Executive Officer of the Merged Entity will be located in Coventry's head office in Toronto and, Don Halliday, an existing director of Crescent and the proposed vice-president investor relations of the Merged Entity, will be based in Vancouver.

Both locations are major Canadian cities with large investor and research communities that are more familiar with the potential, development and valuation of Canadian mining projects.

### **1.3 Position amongst larger peer group**

As the Merged Entity will have a primary listing on the TSX-V and secondary listing on the ASX, it will be positioned amongst a larger geographic peer group and will allow potential investors to better assess the Merged Entity's relative merit and value.

### **1.4 Stronger Financing Position**

The Merged Entity will have a stronger cash position. Assuming the results of the ongoing preliminary economic assessment on the Cameron Gold Project are positive, this will allow Coventry to advance the Cameron Gold Project to the next stage of development. In addition it will allow Coventry to recommence exploration at its highly-prospective properties in the first quarter of 2013.

The total capital expenditure required to complete the preliminary economic assessment of the Cameron Gold Project is currently estimated at approximately

A\$400,000. The task of funding the required capital expenditure is not insignificant.

The Merged Entity is expected to have a market capitalisation of approximately A\$16.5 million (C\$16.8 million) compared to Coventry's market capitalisation of A\$14.4 million (C\$14.6 million) using the closing share price on the last day of trading before the Announcement Date. On a pro-forma basis, the Merged Entity will have combined total assets of A\$33.5 million (see section 7.11.2) compared with Coventry's total assets of A\$30 million.

Coventry expects that the increased financial strength of the Merged Entity will enable it to access the capital required to fund the eventual development of the Cameron Gold Project more readily than Coventry would be able to as a separate entity.

### **1.5 Funding through tax-advantaged 'flow-through' financing**

As the Merged Entity will be a corporation resident in Canada it will be able to undertake flow-through share (FTS) financing for Canadian tax purposes which may make Canadian financings future exploration expenditures easier. Also FTSs are typically issued at a premium to market value.

An FTS is a type of share issued by a corporation to an investor pursuant to an agreement with the corporation under which the issuing corporation agrees to incur eligible exploration expenses in an amount up to the consideration paid by the investor for the shares and the investor gets to claim a deduction for such expenses for Canadian tax purposes.

### **1.6 Combines highly experienced management teams with complementary skill-sets**

Both Coventry and Crescent have assembled management teams with extensive project exploration, development and operational skills. The combination of these teams provides the organisational depth required to develop the Cameron Gold Project. The enhanced board of directors and management team will be well suited to advancing the Cameron Gold Project, conducting exploration and interacting with the North American and Australian capital markets.

## **1.7 Broader shareholder base**

As it will be listed on the TSX-V, the Merged Entity will have a greater chance of attracting a more diversified institutional ownership base. A Canadian incorporated company may also attract a wider range of North American investor interest than a company domiciled and primarily listed outside North America.

Certain Canadian institutional investors are subject to formal restrictions regarding their investment in foreign companies. If the Schemes are approved, these Canadian institutional investors will be able to invest in the Merged Entity.

## **1.8 The Independent Expert has concluded that the Merger is in the best interests of Coventry Shareholders and Coventry Optionholders**

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Share Scheme is not fair but reasonable and therefore is in the best interests of Coventry Shareholders and that the Option Scheme is fair and reasonable and therefore in the best interests of Coventry Optionholders.

## **1.9 Taxation implications**

The Schemes may have taxation implications for Coventry Securityholders. Accordingly, Coventry Securityholders should refer to section 9 outlining the Australian tax implications for Coventry Shareholders and Coventry Optionholders and the summary of certain Canadian federal income tax considerations in section 10.

Generally, Coventry Securityholders who are Australian residents for taxation purposes who receive Crescent Consideration Shares or Crescent CDIs should generally be able to obtain CGT script-for-script roll over relief on any capital gains which may be incurred in connection with the Schemes.

## **1.10 The Merger is unanimously recommended by the Coventry Board as being in the best interests of Coventry Securityholders in the absence of a Superior Proposal**

The Coventry Board unanimously recommends that Coventry Securityholders approve the Schemes (in the absence of a Superior Proposal for Coventry). Each

Coventry Director intends to vote the voting rights attached to all Coventry Securities over which he has control in favour of any resolutions to be considered at the Scheme Meetings to implement the Schemes and any other transaction in connection with the Scheme (in the absence of a Superior Proposal for Coventry).

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## **2. POTENTIAL DISADVANTAGES, RISKS AND OTHER CONSIDERATIONS**

This section summarises the potential disadvantages and risks to Coventry Securityholders, if the Schemes are implemented.

This section also outlines potential implications for Coventry, and Coventry Shareholders, if the Share Scheme is not implemented. Coventry Optionholders should note that the Share Scheme is not conditional upon the success of the Option Scheme but the Option Scheme is conditional upon the Share Scheme becoming Effective.

Further details of the potential risks are set out in section 8.

The Coventry Directors consider that the disadvantages and risks are outweighed by the Schemes' advantages set out in section 1 of this Scheme Booklet, and that the Schemes are in the best interests of Coventry Securityholders.

### **2.1 Potential disadvantages and risks if the Scheme(s) are implemented**

#### **(a) Change in risk profile and risks of investment in the Merged Entity<sup>1</sup>**

If the Schemes are implemented, Coventry will become part of the Merged Entity (the holding company of which, Crescent, is to be renamed Coventry Resources Inc. or such other name as agreed to by Coventry and Crescent), and Coventry Securityholders will become Crescent (or Coventry Resources Inc.) Securityholders. As a result, Coventry Securityholders will be exposed to:

- (i) new risks relating to Crescent (including, but not limited to, risks specific to Crescent set out in section 8.1.3 of this Scheme Booklet); and
- (ii) certain additional risks related to the integration of Coventry and its operations with Crescent and its operations which are set out in section 8.2.

Coventry and Crescent both hold gold exploration projects (although Coventry's

projects are located in Canada and Crescent's project is located in Alaska). Accordingly, the risks to the Merged Entity are substantially similar to that of Coventry as a standalone entity. Further details of the risks which are applicable to both businesses and which the Merged Entity will be subject to upon implementation of the Merger are set out in section 8.

#### **(b) The investment profile for Coventry Securityholders will change**

While Coventry and Crescent are both gold explorers, the operational profile, capital structure, size and geography of the Merged Entity will be different from that of Coventry on a stand-alone basis. In part, this is for the same reasons as set out in section 2.1(a).

It is possible that certain Coventry Securityholders may wish to maintain an interest in Coventry as a stand-alone entity because they are seeking an investment in a listed company with the specific characteristics and investment focus of Coventry.

#### **(c) Following implementation of the Schemes, the price of the ASX quoted Crescent CDIs and of TSX-V listed Crescent Shares might change**

Following implementation of the Schemes, the price of Crescent CDIs or Crescent Consideration Shares received as Scheme Consideration may rise or fall. If the price of Crescent CDIs or Crescent Shares falls, the value of the securities received by Coventry Securityholders as Scheme Consideration will decline in value. Accordingly, there is no guarantee that Coventry Securityholders will actually realise the implied value of the Scheme Consideration.

Similarly exact value of the Scheme Consideration that would be realised by Coventry Securityholders on implementation of the Schemes is not certain because it will be dependent on the price at which Crescent CDIs and Crescent Shares trade on or about the date of implementation of the Schemes.

#### **(d) Crescent CDIs may trade at a discount to Crescent Shares**

The number of Crescent CDIs listed on the ASX may be less than the number of Crescent Shares listed on the TSX-V. There is no certainty as to what proportion of Crescent

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<sup>1</sup> While this section contemplates both Schemes being implemented, if the Share Scheme is approved but the Option Scheme is not (and the Share Scheme Conditions are satisfied) the Merger will still proceed.

Consideration Shares will be issued in the form of Crescent CDIs that will be tradeable on the ASX, as this will depend on the number of people who elect to receive Crescent Consideration Shares instead of Crescent CDIs, whether any Coventry Optionholders exercise their Coventry Options prior to the Implementation Date, and on the size of the holdings of Ineligible Overseas Shareholders.

(e) **Potential for reduced liquidity**

It is possible that the market for Crescent CDIs on the ASX may be less liquid than the market for Crescent Consideration Shares on the TSX-V. This may have the effect of reducing the volume of Crescent CDIs that can be bought and sold on the ASX and the speed with which they can be bought and sold. This reduced liquidity may also result in Crescent CDIs trading at a discount to Crescent Consideration Shares on the TSX-V. However, a holder of Crescent CDIs can readily convert their Crescent CDIs into Crescent Shares listed on the TSX-V, should the holder wish to access the market in Crescent Shares on TSX-V. Refer to section 12.4.3 for further details.

(f) **Foreign exchange implications**

The Merged Entity will have a primary listing on the TSX-V. Australian shareholders that trade Crescent Shares on the TSX-V would be exposed to foreign exchange risk when converting returns denominated in Canadian dollars to Australian dollars.

(g) **Trading risk associated with period of deferred settlement trading**

The exact number of Crescent CDIs to be issued to Coventry Shareholders will not be known until after the Record Date and will not be communicated until after Coventry Shareholders receive their holding statements following the Implementation Date. However, during an initial period (for further detail, see the "Important dates and timetable for the Schemes" at the front of this Scheme Booklet), Crescent CDIs may trade on the ASX on a deferred settlement basis. Coventry Shareholders who trade Crescent CDIs on a deferred settlement basis, without knowing the exact number of Crescent CDIs they will receive as Scheme Consideration, may risk adverse financial consequences if they sell more Crescent CDIs than they receive.

(h) **Dilution of interest in Coventry**

Coventry Shareholders that hold Crescent Shares or Crescent CDIs after implementation of the Merger will have a diluted interest in the current Coventry portfolio and will share any future revaluation of development and exploration upside in this asset portfolio with the other shareholders of the Merged Entity.

More particularly, Coventry Shareholders currently hold 100% of the issued share capital in Coventry. However, if the Share Scheme is implemented, Coventry Shareholders will only hold an approximate 87.26% interest the issued capital of the Merged Entity.

Potential equity capital raisings required to finance the development of the Cameron Gold Project (assuming positive results of the preliminary economic assessment) may further dilute Coventry Shareholder's ownership in the underlying business of Coventry.

(i) **Individual tax implications**

Implementation of the Scheme may have varying tax consequences for Coventry Shareholders depending on their specific circumstances, some of which may be adverse. Further information on the tax consequences of the Scheme for Coventry Shareholders is outlined in sections 9 and 10 of this Scheme Booklet.

Coventry Shareholders are urged to seek their own taxation and financial advice if they are unsure of how the Scheme will affect them.

(j) **Value fluctuation**

The value of the Scheme Consideration received by Scheme Shareholders and Scheme Optionholders is dependent upon the price Crescent Shares and CDIs trade once the Merger is implemented.

There is no guarantee that the Crescent Shares or Crescent CDIs will trade at or above the current Crescent Share price.

(k) **A Superior Proposal for Coventry may yet emerge**

It is possible that a Superior Proposal for Coventry, which is more attractive for Coventry Securityholders than the Scheme(s), may materialise in the future. The implementation of the Schemes would mean that Coventry Securityholders may not obtain

the benefit of any such Superior Proposal. The Coventry Board is not currently aware of any such Superior Proposal and notes that, since the Announcement Date, there has been a significant period of time for an alternative proposal for Coventry to emerge (which might provide a different outcome for Coventry Securityholders) and one has not emerged.

While Coventry has agreed to certain exclusivity provisions that restrict it from soliciting or inviting, or engaging with, the proponent of a Competing Proposal, these restrictions do not prevent Coventry from entering into an agreement in relation to a Competing Proposal where the Coventry Board determines, after taking advice, that it is reasonably capable of being completed without undue delay (taking into account both the nature of the Competing Proposal and the person(s) making it) and would, if completed substantially in accordance with its terms, result in a transaction more favourable to Coventry Securityholders than the Schemes.

Further disadvantages are set out in the Independent Expert's Report which is annexed to this Scheme Booklet as Appendix 9.

## **2.2 Implications if the Share Scheme is not implemented**

### **(a) Coventry will remain listed on the ASX and continue to operate as a stand-alone entity**

If the Share Scheme is not implemented, the Merger will not occur and Coventry will remain listed on the ASX and will continue to operate its business in the same manner in which it is currently operating. Coventry Shareholders will therefore continue to be exposed to the risks and benefits of owning Coventry Shares, including many of the risks set out in section 8.1 in particular section 8.1.2.

### **(b) Transaction costs will be incurred**

If the Share Scheme is not implemented, transaction costs of approximately A\$300,000 –A\$400,000 may still be incurred by Coventry, which will impact Coventry's cash position and loss for the 2012/13 financial year. In the circumstances described in section 14.3, Coventry may also become obliged to pay Crescent a Break Fee (\$150,000) under the terms of the Merger Implementation Deed. If

the Share Scheme is not implemented, Coventry has sufficient funds to pay the transaction costs (and, if relevant, the Break Fee referred to above), if it becomes liable to pay these costs.

## **2.3 Other considerations**

### **(a) The Scheme may be implemented even if you vote against it**

You should be aware that even if you do not vote at the Scheme Meeting, or you vote against a Scheme at the Scheme Meeting, the Scheme may still be implemented if it is approved by the Requisite Majorities of Coventry Shareholders or Coventry Optionholders (as the case may be) and the Court.

If this occurs, your Coventry Shares will be transferred to Crescent and you will receive the Share Scheme Consideration in respect of your Coventry Shares even though you did not vote on, or voted against, the Scheme.

### **(b) No brokerage or duty**

You will not incur any brokerage or duty on the transfer of your Coventry Shares pursuant to the Scheme unless you are an Ineligible Overseas Holder.

### **(c) Disagreement with the conclusions and/or recommendation of the Directors and/or the Independent Expert**

In concluding that the Schemes are in the best interests of Coventry Securityholders the Coventry Directors and the Independent Expert are making judgements based on future trading conditions and events which are not predictable with certainty and which may prove to be inaccurate (either positively or negatively). Coventry Shareholders may hold a different view from, and are not obliged to follow the recommendation of, the Coventry Directors, and may not agree with the Independent Expert's conclusions, valuations or valuation methodology.

### **(d) Taxation considerations**

As a Canadian incorporated company, Crescent is a resident of Canada for the purpose of the *Income Tax Act (Canada)*, and taxable in Canada on its worldwide income computed according to the provisions of the *Income Tax Act (Canada)*. For general information on certain Canadian

Federal income tax considerations applicable to Coventry Securityholders refer to section 10 of this Scheme Booklet.

annexed to this Scheme Booklet as Appendix 9.

Further considerations are set out in the Independent Expert's Report which is

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### **3. FREQUENTLY ASKED QUESTIONS**

This section provides summary answers to some basic questions that Coventry Securityholders may have in relation to the Scheme(s) relevant to them. This section should be read in conjunction with the whole Scheme Booklet.

#### **3.1 Overview of the Merger**

##### **3.1.1 What is the Merger?**

On 10 September 2012, each of Coventry and Crescent announced the intention to merge to create a well financed, Canadian focused gold exploration company, which (it is proposed) will be renamed Coventry Resources Inc. It is proposed that the Merger will be implemented by way of two schemes of arrangement between Coventry and Coventry Securityholders. Coventry Shareholders will hold approximately 87.26% of the Merged Entity. Section 7 of this Scheme Booklet provides an overview of what the Merged Entity will look like if the Merger is completed.

##### **3.1.2 What is a scheme of arrangement?**

A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire or merge with another. The Schemes are the mechanism by which Coventry and Crescent propose merging, and requires the approval of Coventry Securityholders and the Court.

Refer to section 4 for further information.

##### **3.1.3 What is the effect of the Schemes?**

The principal effect of the Schemes will be that:

- (a) Coventry Securityholders will hold securities in a company listed on the TSX-V, with a secondary listing on the ASX; and
- (b) Coventry Shareholders will hold an approximate 87.26% interest in the Merged Entity.

The Merger will be implemented by:

- the Share Scheme under which all of the Coventry Shares would be transferred to Crescent in return for the issue of 0.2513 Crescent Shares to be represented by Crescent CDIs

(unless Coventry Shareholders otherwise elect to receive Crescent Consideration Shares) for each Coventry Share held (rounded down to the nearest whole number); and

- the Option Scheme under which all Coventry Options would be acquired by Crescent in return for the issue of Crescent Consideration Options, for each Coventry Option held. See section 12.3 for information on the number of Crescent Options to be issued on the transfer of each series of Coventry Options and the basis for their calculation.

Subject to the qualifications referred to below, all Scheme Shareholders or Scheme Optionholders (as applicable) will receive the Scheme Consideration (whether or not they voted for or against the Scheme(s) relevant to them) once the relevant Scheme has become Effective.

Ineligible Overseas Shareholders will not receive Crescent CDIs or Crescent Consideration Shares under the Share Scheme, but will instead receive a pro rata share of the net proceeds (converted into Australian dollars) from the sale by the Sale Nominee of the Crescent Shares attributable to Ineligible Overseas Shareholders. See sections 4.13 and 12.7 for more information.

Refer to sections 7.7 and 7.8 for further information about the proposed capital structure of the Merged Entity.

##### **3.1.4 Who is entitled to participate in the Schemes?**

Coventry Shareholders on the Coventry Share Register as at 4.00 pm on the Record Date are entitled to participate in the Share Scheme. If the Share Scheme is approved and implemented, Scheme Shareholders (other than Ineligible Overseas Shareholders) will receive Crescent Consideration Shares (in the form of ASX listed CDIs, unless they otherwise elect) as their Scheme Consideration.

Coventry Optionholders on the Coventry Option Register as at 4.00 pm on the Record Date are entitled to participate in the Option Scheme. If the Option Scheme is approved and implemented, Scheme Optionholders will receive Crescent Consideration Options as their Scheme Consideration.

Refer to the section "Scheme Meeting details and how to vote" at the front of this Scheme Booklet for further information.

### **3.1.5 Who is an Ineligible Overseas Shareholder for the purposes of the Share Scheme? What do they receive under the Share Scheme?**

A Scheme Shareholder will be an Ineligible Overseas Shareholder for the purposes of the Share Scheme if their address as shown in the Coventry Share Register at 4.00 pm on the Record Date is a place outside Australia and its external territories, New Zealand, Canada, Hong Kong, Singapore and the United States unless Crescent and Coventry are satisfied, acting reasonably, that the laws of that Scheme Shareholder's country of residence (as shown in the Coventry Share Register) permit the issue and allotment of Crescent Shares to that Scheme Shareholder, either unconditionally or after compliance with conditions which Crescent in its sole discretion regards as acceptable.

Ineligible Overseas Shareholders will not be issued Crescent CDIs or Crescent Shares under the Share Scheme. Instead, the Crescent Shares that they would otherwise have been entitled to receive under the Share Scheme (had they not been ineligible) will be issued to the Sale Nominee to sell on market following implementation of the Share Scheme. All such Crescent Shares will be sold by the Sale Nominee as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date. Ineligible Overseas Shareholders will then receive their pro rata portion of the proceeds received by the Sale Nominee of all of the Crescent Consideration Shares that would have been issued to Ineligible Overseas Shareholders. There is no guarantee of the amount of cash that Ineligible Overseas Shareholders will receive from the sale of Crescent Consideration Shares. This will depend on the prices that can be achieved by the Sale Nominee, prevailing C\$:A\$ exchange rates at the time of conversion of the net proceeds, and applicable brokerage, stamp duty and other selling costs, taxes and charges.

See sections 4.13 and 12.7 for more information, including the process by which the Sale Nominee will sell Crescent Shares and distribute the net proceeds.

### **3.1.6 What do the Coventry Directors recommend?**

The Coventry Directors unanimously recommend that, in the absence of a Superior Proposal, Coventry Securityholders vote in favour of the Scheme(s) relevant to them. Each Coventry Director who has a Relevant Interest in Coventry Shares and/or Coventry Options and in respect of which they also have a power to vote, intends to vote in favour of both Schemes, in the absence of a Superior Proposal.

Section 1 of this Scheme Booklet outlines the reasons for the Coventry Directors' recommendation.

### **3.1.7 What is the opinion of the Independent Expert?**

The Independent Expert has concluded that, on balance, it is in the best interests of Coventry Shareholders. The Independent Expert has also concluded that the Option Scheme is in the best interests of Coventry Optionholders. The Independent Expert's Report is set out in Appendix 9.

## **3.2 Merged Entity**

### **3.2.1 How will the Merged Entity differ from Coventry?**

The key difference between the Merged Entity and Coventry will be that the primary listing of the Merged Entity will be on TSX-V, with a secondary listing on the ASX.

In considering the Merger, the Coventry Directors have placed no value on Crescent's Uncle Sam Gold Project, on the basis that it remains the subject of ongoing obligations to maintain the Uncle Sam Option Agreement and on the basis that it remains an early stage exploration project, similar to Coventry's own early stage exploration projects. Details of the Uncle Sam Gold Project can be found in Section 6.3.

The key exploration and development project of the Merged Entity will be Coventry's advanced Cameron Gold Project, to which the significant majority of value of the Merged Entity is being ascribed.

### **3.2.2 What is the strategy for the Merged Entity?**

The Merged Entity's overall strategy is to ultimately create a mid-tier gold producer.

The Merged Entity will continue to focus on exploration of its existing assets, in particular the Cameron Gold Project (subject to the results of the ongoing preliminary economic assessment) and will pursue further exploration opportunities that have an acceptable risk profile and that are consistent with the Merged Entity's strategy. Further detail is set out in section 7.4 and 7.5.2.

### **3.2.3 What are the risks associated with the Merger?**

Various potential risk factors relating to the Merged Entity, the implementation of the Merger and Crescent Securities are discussed in section 8. Coventry Directors have drawn attention to certain of those risks in section 2.1.

## **3.3 Voting**

### **3.3.1 When and where will the Scheme Meetings be held?**

The Scheme Meetings will be held on 13 December 2012 at the Holiday Inn, 778-788 Hay Street, Perth, Western Australia, with the Share Scheme Meeting commencing at 10.00 am (WST), and the Option Scheme Meeting commencing at 10.30 am (WST) (or, if later, immediately after the conclusion of the Share Scheme Meeting).

### **3.3.2 Who is entitled to vote?**

Coventry Shareholders who are recorded as members on the Coventry Share Register at 4.00 pm (WST) on 11 December 2012, are entitled to vote at the Share Scheme Meeting.

Coventry Optionholders who are recorded as Optionholders on the Coventry Option Register at 4.00 pm (WST) on 11 December 2012, are entitled to vote at the Option Scheme Meeting.

### **3.3.3 Is voting compulsory?**

Voting is not compulsory. However, your vote is important in deciding whether the Scheme(s) relevant to you are approved. Coventry Shareholders and Coventry Optionholders are strongly encouraged to vote.

Coventry Shareholders and Coventry Optionholders who cannot attend the Scheme Meeting(s) relevant to them may

complete and return the personalised proxy form(s) (enclosed with this Scheme Booklet) or alternatively appoint a representative with a power of attorney.

### **3.3.4 What voting majorities are required to approve the Schemes?**

For the Share Scheme to be approved by Coventry Shareholders, votes in favour of the Share Scheme must be passed by:

- a majority in number (more than 50%) of Coventry Shareholders present and voting at the Scheme Meeting (whether in person, by proxy, by attorney or, in the case of corporate Coventry Shareholders, by corporate representative); and
- at least 75% of the total number of votes cast on the resolution.

For the Option Scheme to be approved by Coventry Optionholders, votes in favour of the Option Scheme must be agreed by:

- a majority in number (more than 50%) of Coventry Optionholders present and voting at the Option Scheme Meeting (in person, by proxy or by attorney or by corporate representative); and
- Coventry Optionholders whose Coventry Options amount to at least 75% of the total value of Coventry Options held by the Coventry Optionholders who vote at the meeting.

The "value" of an Option for the purpose of determining the voting thresholds for the Option Scheme will be determined using a Black & Scholes valuation methodology as described in section 13.4.

### **3.3.5 How will Coventry Directors be voting?**

Each member of the Coventry Board intends to vote any Coventry Securities in which they hold a Relevant Interest and in respect of which they also have the power to vote, in favour of the Schemes at the Scheme Meetings, in the absence of a Superior Proposal.

### **3.3.6 When will the results of the Scheme Meetings be known?**

The results of each Scheme Meeting will be available shortly after the conclusion of all Scheme Meetings on 13 December 2012 and will be announced to the ASX as soon as practicable thereafter. Even if the Schemes are approved at the Scheme Meetings, the Schemes will remain subject to the approval of the Court at the Second Court Hearing to be held on the Second Court Hearing Date (currently 14 December 2012 as well any Scheme Conditions which have not been satisfied or waived.

### **3.3.7 Can I be bound by a Scheme if I do not vote or if I vote against its approval?**

Yes, if the Schemes are approved and become Effective, then:

- any Coventry Shares held by you at 4.00 pm on the Record Date will be transferred to Crescent; and
- any Coventry Options held by you at 4.00 pm on the Record Date will be transferred to Crescent,

and you will receive the Scheme Consideration, notwithstanding that you did not vote, or that you voted against the Scheme(s) relevant to you.

See section 13.6 for more information.

## **3.4 Scheme Conditions**

### **3.4.1 What are the Scheme Conditions?**

The Scheme Conditions are described in sections 4.10 and 13.2.

The Share Scheme will only become Effective if, amongst other things:

- the Requisite Majority of Coventry Shareholders approves the Share Scheme;
- the Court approves the Share Scheme; and
- the remainder of the Scheme Conditions are satisfied.

The Option Scheme will only become Effective if, amongst other things:

- the Requisite Majority of Coventry Optionholders approves the Option Scheme;
- the Share Scheme becomes Effective;
- the Court approves the Option Scheme; and
- the remainder of the Option Scheme Conditions are satisfied.

At the date of this Scheme Booklet the Coventry Directors are not aware of any Scheme Condition that is likely to prevent the Schemes becoming Effective or the Merger progressing.

### **3.4.2 What happens if one or more of the Scheme Conditions are not satisfied or waived?**

If the Share Scheme is not approved by Coventry Shareholders or the Court, neither Scheme will become Effective and the Merger will not proceed. In this case, Coventry Securityholders will not receive the Scheme Consideration but will retain their Coventry Securities (with Coventry Shares continuing to be quoted on the ASX) and Coventry will remain a stand-alone entity with each company bearing its own costs incurred as a result of the proposed Merger.

If the Option Scheme is not approved by Coventry Optionholders or the Court, but the Share Scheme is (and the Share Scheme Conditions are otherwise satisfied), the Share Scheme will still become Effective. In this case, Coventry Optionholders will need to consider whether to retain their Coventry Options or (where they are capable of exercise) exercise them before the deadline to do so (12.00 noon on the Business Day before the Record Date) and participate in the Share Scheme. If Coventry Options are retained, they may be subject to subsequent compulsory acquisition by Crescent. See section 13.10.2 for more information.

### **3.4.3 What will happen if a Superior Proposal emerges?**

If a Superior Proposal emerges, Coventry's Directors will carefully consider it and advise you of their recommendation. Coventry's Directors withdraw or adversely modify their recommendation concerning the Merger, Coventry may be obliged to pay a break fee of A\$150,000 to Crescent.

See section 14.2, 14.3 and 14.4 for more information.

### **3.4.4 Under what circumstances can Coventry or Crescent terminate the Merger?**

The Merger Implementation Deed provides for various circumstances where one of or both Coventry and Crescent may have a right to terminate. These include termination rights arising upon:

- (a) the failure of a Condition which is not waived or cannot be waived;
- (b) a Material Adverse Change or prescribed occurrence affecting Coventry or Crescent;
- (c) a change or withdrawal of the recommendation of either the Coventry Directors or the Crescent Directors in certain circumstances (including as a result of a Superior Proposal);
- (d) a material breach of certain representations and warranties made by Coventry or Crescent which is not remedied during the prescribed period; and
- (e) a material breach of certain prescribed provisions of the Merger Implementation Deed by Coventry or Crescent.

Under some circumstances, the exercise of termination rights will trigger an obligation by Coventry or Crescent to pay a break fee of A\$150,000 to the other party.

At the date of this Scheme Booklet, neither Coventry nor Crescent is aware of any circumstance which gives either of them a right of termination.

See section 14.4 for more information.

## **3.5 How the Scheme(s) will affect you**

### **3.5.1 What will I receive as a Scheme Shareholder or Scheme Optionholder?**

The Share Scheme Consideration comprises 0.2513 Crescent Shares or Crescent CDIs for every one Coventry Share held by a Scheme Shareholder as at 4.00 pm on the Record Date, with the total Share Scheme

Consideration for any Coventry Shareholder rounded down to the nearest whole number (that is, fractional entitlements are eliminated).

By default, the Share Scheme Consideration will be issued in the form of Crescent CDIs to be quoted on the ASX. However, you may (by making the Share Election) elect to receive Crescent Shares to be listed on the TSX-V instead. See section 12.5.1 for information about the election process and section 12.4 for more information on CDIs.

Ineligible Overseas Shareholders will not be issued Crescent Consideration Shares or Crescent CDIs. Further details of the Share Scheme Consideration for Ineligible Overseas Shareholders are set out at sections 4.13 and 12.7.

The Option Scheme Consideration comprises 0.2513 Crescent Consideration Options for every one Coventry Option held by Scheme Optionholders as at 4.00 pm on the Record Date, with the total Option Scheme Consideration for any Coventry Option Holder being rounded down to nearest whole number of options (that is, fractional entitlements are eliminated). See section 12.3 for information about the terms of the Crescent Consideration Options.

### **3.5.2 What if I am an Ineligible Overseas Shareholder?**

Ineligible Overseas Shareholders will not receive Crescent Shares or Crescent CDIs under the Share Scheme. Crescent Shares that would otherwise have been issued to Ineligible Overseas Shareholders will instead be issued to the Sale Nominee who will then sell these shares on the TSX-V, and Crescent will pay the Ineligible Overseas Shareholders their proportion of the Cash Proceeds (which are net of applicable brokerage, stamp duty and other selling costs, taxes and charges).

Refer to sections 4.13 and 12.7 for further information.

### **3.5.3 Will I have to pay brokerage fees or stamp duty?**

Scheme Shareholders and Scheme Optionholders will not be required to pay brokerage or stamp duty on the transfer of their Coventry Shares or the issue of the Crescent Shares or Crescent CDIs (or the transfer of their Coventry Options or the issue

of Crescent Options) in connection with the Schemes.

Brokerage fees and other selling costs will, however, be incurred by Ineligible Overseas Shareholders whose attributable Crescent Consideration Shares are issued to, and sold by, the Sale Nominee, and the Cash Proceeds of the sale remitted to them.

Refer to sections 4.13 and 12.7 for further information.

### **3.5.4 When will I receive my Scheme Consideration?**

If the Schemes becomes Effective, the Scheme Consideration (being Crescent Shares or Crescent CDIs and Crescent Consideration Options) will be issued on the Implementation Date, which is expected to be 2 January 2013.

Ineligible Overseas Shareholders will receive their proportion of the Cash Proceeds as soon as practicable after the Implementation Date, noting that the Sale Nominee has not more than 15 Business Days in which to sell Crescent Shares.

Refer to sections 12.2.2 (for Scheme Shareholders), 12.3.2 (for Scheme Optionholders) and 12.7 (for Ineligible Overseas Shareholders) for further information.

### **3.5.5 Can I sell my Coventry Shares now?**

Coventry Shareholders may sell their Coventry Shares at the prevailing market price, on market, at any time before the close of trading on the ASX on the Effective Date, which is expected to be 14 December 2012.

If Coventry Shareholders sell their shares before the Effective Date of the Share Scheme (the last day of trading in Coventry Shares on the ASX before suspension from the Official List):

- they will not receive Crescent Shares (or Crescent CDIs in respect of them);
- they may pay brokerage fees; and
- there may be different tax consequences compared to those that would arise under the implementation of the Share Scheme.

See section 9 for more information regarding potential taxation considerations.

### **3.5.6 What is a CDI? Can I receive Crescent Shares listed on the TSX-V instead of Crescent CDIs listed on the ASX?**

A CDI, or CHESS Depositary Interest, is the instrument through which Crescent Shares will trade on the ASX if the Share Scheme is implemented. Each Crescent CDI will represent a beneficial interest in one Crescent Share. See section 12.4.1 for more information on the differences between CDIs and Crescent Shares.

You can elect to receive Crescent Shares listed on TSX-V instead of Crescent CDIs listed on the ASX. To make this election, you should complete and return the Share Election Form accompanying this Scheme Booklet in accordance with the instructions on that form. The deadline for receipt of Share Election Forms by the Coventry Share Registry is 2.00 pm on the Record Date.

If the Share Scheme is implemented, and you do not make a valid Share Election by that time, you will receive Crescent CDIs to be quoted on the ASX by default. See section 2.1(d) for a description of the market for Crescent CDIs.

### **3.5.7 When can I start trading my Crescent CDIs on the ASX?**

Deferred settlement trading of CDIs in respect of the Crescent Shares issued as Share Scheme Consideration is expected to be available from 17 December 2012.

Trading on the ASX of Crescent CDIs and on the TSX-V of Crescent Shares issued as Scheme Consideration is expected to commence on a normal settlement basis on 4 January 2013.

### **3.5.8 Can I transfer between CDIs and Crescent Shares?**

Yes, upon the Crescent Shares being admitted to trading on the TSX-V and the Crescent CDIs being quoted on the ASX, securities can then be transferred between the registers of Crescent Shares maintained in Canada and the register of Crescent CDIs maintained in Australia.

Shareholders contemplating transfer should contact their stockbroker or the relevant

share registry where their Crescent Shares or Crescent CDIs are maintained in order to obtain the applicable documentation.

Transfers between registers may take some time, and as such, shareholders should not trade the Crescent Shares or Crescent CDIs (as appropriate) once a request has been made to transfer the securities and prior to receiving confirmation from the relevant share registry that the transfer has been completed.

### **3.5.9 How will fractional entitlements be treated?**

If pursuant to the Share Scheme and the Option Scheme you become entitled to a fraction of a Crescent Consideration Share, Crescent Consideration CDI or Crescent Consideration Options, the number of Crescent Consideration Shares, Crescent CDIs or Crescent Consideration Options you will receive will be rounded down to the next lowest whole number. Refer to section 5.1 of the Share Scheme in Appendix 2 of this Scheme Booklet and refer to section 5.1 of the Option Scheme in Appendix 4 of this Scheme Booklet.

### **3.5.10 Will the Schemes be taxable transactions for Securityholders?**

The transfer of your Coventry Shares for Crescent Shares (or Crescent Shares represented by Crescent CDIs) pursuant to the Share Scheme may be a taxable transaction. Please refer to section 9 of this Scheme Booklet for a general summary of the Australian tax implications for Scheme Securityholders. You should seek your own professional advice regarding the tax consequences applicable to you, as these may vary depending on your individual circumstances.

### **3.5.11 What other information is available?**

For further information, please call the Coventry Company Secretary, Nick Day on +61 8 9324 1266 from outside Australia (normal call charges apply) and 08 9324 1266 from within Australia (normal call charges apply) between 8.30 am and 5.00 pm (WST), Monday to Friday.

If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

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## **4. OVERVIEW OF THE MERGER AND THE SCHEMES**

### **4.1 The Merger**

On 10 September 2012, Coventry and Crescent announced the Merger to be implemented through schemes of arrangement being:

- (a) the Share Scheme between Coventry and Coventry Shareholders; and
- (b) the Option Scheme between Coventry and Coventry Optionholders.

Coventry and Crescent also signed the Merger Implementation Deed on that date.

### **4.2 What is a Scheme of Arrangement?**

A scheme of arrangement is an arrangement between a company and either its shareholders (or a class of shareholders) or its creditors (or a class of creditors) which by law, binds the members to a form of re-arrangement of their rights and obligations arising in respect of Coventry.

A scheme of arrangement may be used to effect a merger of two companies by which one company becomes a subsidiary of the other.

In order to be implemented, a scheme of arrangement must be voted on and approved by the members of Coventry, or creditors, as the case may be, and then approved by the Court.

Coventry Optionholders are considered to be creditors of Coventry for the purposes of the Option Scheme.

### **4.3 Purpose of the Explanatory Statement**

This Explanatory Statement is required by Part 5.1 of the Corporations Act in relation to the Schemes. The purpose of this Explanatory Statement is to explain the terms of the Schemes, the manner in which the Schemes will be considered and implemented (if approved) and to provide such information as is prescribed or is otherwise material to the decision of a Coventry Securityholder whether or not to vote in favour of the Schemes.

### **4.4 The Merger Proposal**

On 10 September 2012, Coventry announced that it had entered into a Merger Implementation Deed with Crescent pursuant to which Crescent will acquire all Coventry Shares and all Coventry Options on issue in consideration for the issue of the Scheme Consideration to Scheme Shareholders and Scheme Optionholders (as the circumstances require).

The Merger Implementation Agreement sets out each of Coventry's and Crescent's rights and obligations in connection with the Merger.

See Appendix 1 for a full copy of the Merger Implementation Deed.

### **4.5 Summary of the proposed Share Scheme**

If the Share Scheme is approved by Coventry Shareholders and the Court, and becomes Effective, all Coventry Shares outstanding at 4.00 pm on the Record Date will be transferred to Crescent. The Share Scheme Consideration to be issued to Coventry Shareholders will be Crescent Shares (in the form of Crescent CDIs quoted on the ASX unless Coventry Shareholders otherwise elect). See sections 4.7 and 12.2 for further details of the Share Scheme Consideration.

See Appendix 2 for a copy of the Share Scheme.

Implementation of the Share Scheme is subject to the Share Scheme Conditions being satisfied, including the condition that the Share Scheme may only be implemented if the Requisite Majority of Coventry Shareholders vote in favour of the Share Scheme at the Share Scheme Meeting.

A summary of the Share Scheme Conditions and the steps necessary to implement the Share Scheme appears in sections 4.7 and 13.

### **4.6 Summary of the proposed Option Scheme**

If the Option Scheme is approved by Coventry Optionholders and the Court, and becomes Effective, all Coventry Options outstanding at 4.00 pm on the Record Date will be transferred to Crescent. The Option Scheme Consideration to be issued to Coventry Optionholders will be Crescent

Consideration Options that will be immediately capable of exercise, will have an exercise price (in Australian dollars) that is amended to reflect the Exchange Ratio, will each be exercisable into a Crescent Share (or, if elected, a Crescent CDI) on the basis of 0.2513 Crescent Shares for each Coventry Share theretofore issuable under the Coventry Option, and will otherwise be issued on the terms consistent (to the greatest extent permitted by applicable Canadian Securities Laws) with the terms of the Coventry Options. See sections 4.7 and 12.3 for further details of the Option Scheme Consideration.

See Appendix 4 for a copy of the Option Scheme.

Implementation of the Option Scheme is subject to the Option Scheme Conditions being satisfied, including the conditions that the Requisite Majority of Coventry Optionholders vote in favour of the Option Scheme at the Option Scheme Meeting, and that the Share Scheme becomes Effective.

A summary of the Option Scheme Conditions and the steps necessary to implement the Option Scheme appears in section 13.

#### **4.7 Scheme Consideration**

The Share Scheme Consideration comprises 0.2513 Crescent Consideration Shares for every one Coventry Share held by a Scheme Shareholder as at 4.00 pm on the Record Date, with the total Share Scheme Consideration for any Coventry Shareholder rounded down to the nearest whole number (that is, fractional entitlements are eliminated). The Share Scheme Consideration will be issued by Crescent on the Implementation Date, which is expected to be 2 January 2013.

By default, the Share Scheme Consideration will be issued in the form of Crescent CDIs to be quoted on the ASX. However, you may (by making the Share Election) elect to receive Crescent Shares to be listed on TSX-V instead. See section 12.5 for information about the election process and section 12.4 for more information on CDIs.

Ineligible Overseas Shareholders will not receive Crescent Shares or Crescent CDIs. Instead, the Crescent Shares that would otherwise have been issued to them will be issued to the Sale Nominee to sell those shares on the TSX-V. The Cash Proceeds of

the sale of these Crescent Shares (which will be converted into Australian dollars and will be net of brokerage, stamp duty and other selling costs, taxes and charges) will then be paid to Ineligible Overseas Shareholders, pro-rata to their Coventry shareholdings. The entitlement of an Ineligible Overseas Shareholder will be calculated on an average basis, so that all Ineligible Overseas Shareholders receive the same price per Scheme Share, subject to rounding.

Further details of the Share Scheme Consideration for Ineligible Overseas Shareholders are set out at sections 4.13 and 12.7.

The Option Scheme Consideration comprises 0.2513 Crescent Consideration Options for every one Coventry Option held by Scheme Optionholders at 4.00 pm on the Record Date. Each Crescent Consideration Option will:

- (a) have an exercise price per Crescent Consideration Option (in A\$) equal to the exercise price per Coventry Option it replaces divided by 0.2513, provided that such exercise price of the Crescent Consideration Option shall be rounded up to the nearest whole cent;
- (b) have an exercise period equal to the unexpired exercise period of the Coventry Option it replaces;
- (c) be fully vested and immediately capable of exercise;
- (d) entitle the holder to a Crescent Share upon exercise (to be issued as a Crescent CDI unless the option holder elects, at or before the time of exercise, to receive a Crescent CDI); and
- (e) otherwise be issued on the terms consistent (to the greatest extent permitted by applicable Canadian Securities Laws) with the terms of the Coventry Options

The Option Scheme Consideration (of new Crescent Consideration Options) will be issued by Crescent on the Implementation Date, which is expected to be 2 January 2013.

#### **4.8 Unanimous recommendation of the Coventry Directors**

The Coventry Directors unanimously recommend that, in the absence of a Superior Proposal, Coventry Securityholders vote in favour of the Scheme(s) relevant to them at the Scheme Meetings.

The Coventry Directors believe that the reasons for Coventry Securityholders to vote in favour of the Schemes outweigh the potential disadvantages and reasons to vote against the Schemes.

In the absence of a Superior Proposal, each Coventry Director intends to vote in favour of the Scheme(s) relevant to them any Coventry Shares and/or Coventry Options in which they have a Relevant Interest and in respect of which they have power to vote.

In making their recommendation and determining how to vote on the Schemes, the Coventry Directors have considered:

- (a) the advantages and disadvantages of the Schemes, as summarised in section 1 and section 2.1;
- (b) the implications of the Schemes (and Merger) not being approved, as summarised in section 2.2;
- (c) the opinion of the Independent Expert contained in the Independent Expert's Report (refer to section 1.8 and Appendix 9), that the Merger is in the best interests of Coventry Shareholders and Coventry Optionholders; and
- (d) the alternatives to the Schemes available to Coventry.

#### **4.9 Independent Expert's conclusion**

Coventry commissioned the Independent Expert to prepare a report on whether the Schemes are in the best interests of Coventry Securityholders.

The Independent Expert has determined that the Schemes are in the best interests of Coventry Shareholders and Coventry Optionholders. The Independent Expert has determined that the Share Scheme is not fair but reasonable and therefore is in the best interests of Coventry Shareholders; and the Option Scheme is fair and reasonable and

therefore in the best interests of the Coventry Optionholders.

The Independent Expert's Report is set out in Appendix 9. You should read the Independent Expert's Report in full.

#### **4.10 Conditions of the Scheme**

A number of conditions need to be satisfied (or waived) by Coventry and/or Crescent before the Share Scheme can become Effective.

In particular, the Share Scheme is subject to a Requisite Majority of Scheme Shareholders approving the Share Scheme at the Share Scheme Meeting and the approval of the Court.

It is also a condition to the Scheme that the ASX provide approval for Crescent to be admitted to the official list of the ASX, and for quotation of the CDIs before 8.00 am (WST) on the Second Court Date. This condition to the Scheme may be waived with the written consent of both Crescent and Coventry, in which case the Scheme Consideration will be issued in the form of Crescent Shares and not Crescent CDIs. In this case, it would not be possible to trade Crescent Shares (as Crescent CDIs) on the ASX.

Similarly, the Option Scheme is subject to the Requisite Majority of Scheme Optionholders approving the Option Scheme at the Option Scheme Meeting and the approval of the Court, as well as the Share Scheme becoming Effective.

Refer to sections 13.2 and 14.1 for a summary of the conditions and Appendix 1 for a full copy of the Merger Implementation Deed.

#### **4.11 Warranties**

The Share Scheme provides (at clause 7.6(b)) that each Scheme Shareholder at 4.00 pm on the Record Date is taken to have warranted to Coventry, in its own right and for the benefit of Crescent, that all their Scheme Shares (including any rights and entitlements attaching to those shares) will, at the date of the transfer of them to Crescent, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and to transfer

their Scheme Shares to Crescent under the Share Scheme.

The Option Scheme provides (at clause 7.6(b)) that each Scheme Optionholder is deemed to have warranted to Coventry, in its own right and for the benefit of Crescent that all their Scheme Options (including any rights and entitlements attaching to those options) will, at the date of the transfer of them to Crescent, be free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and to transfer their Scheme Options to Crescent under the Option Scheme.

#### **4.12 Tax consequences of the Schemes**

A general guide to the Australian tax consequences of the Schemes for Scheme Shareholders and Scheme Optionholders who are Australian residents is set out in section 9. This guide is not intended to provide specific tax advice in respect of the individual circumstances of any Coventry Securityholder. Accordingly, Coventry Securityholders should seek their own taxation advice.

#### **4.13 Ineligible Overseas Shareholders**

Crescent is not obliged to issue, and will not issue, any Crescent Shares (or Crescent CDIs) to any Ineligible Overseas Shareholder (that is, any Scheme Shareholder whose address as shown in the Coventry Share Register at 4.00 pm on the Record Date is a place outside Australia and its external territories, New Zealand, Canada, Hong Kong, Singapore and the United States of America), unless Crescent and Coventry are satisfied, acting reasonably, that the laws of a particular foreign holder's country of residence (as shown in the Coventry Share Register) permit the issue and allotment of Crescent Shares or Crescent CDIs to that foreign holder, either unconditionally or after compliance with conditions which Crescent in its sole discretion regards as acceptable.

The Crescent Shares that would have been issued to these Ineligible Overseas Shareholders will be issued to the Sale Nominee on the Implementation Date.

Crescent will procure that, as soon as reasonably practicable (and in any event

not more than 15 Business Days after the Implementation Date), the Sale Nominee:

- (a) sells on the financial market on which the Crescent Shares are then listed all of the Crescent Shares issued to the Sale Nominee (in relation to Ineligible Overseas Shareholders) in such manner, at such price and on such other terms as the Sale Nominee determines in good faith and at the risk of Ineligible Overseas Shareholders; and
- (b) remits to Crescent the proceeds of such sales (after converting to Australian dollars and deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) subject to applicable withholding taxes; and
- (c) promptly after the last such sale, Crescent will pay to each Ineligible Overseas Shareholder their proportion of the Cash Proceeds (calculated on an average basis so that all Ineligible Overseas Shareholders receive the same price per Scheme Share) by sending, or procuring the despatch to each such Ineligible Overseas Shareholder by prepaid post to the registered address of the Ineligible Overseas Shareholder at 4.00 pm on the Record Date, a cheque in the name of that Ineligible Overseas Shareholder for the relevant amount (denominated in Australian dollars).

Under the Share Scheme, Ineligible Overseas Shareholders appoint Coventry as their agent to receive on their behalf any financial services guide or other notices (including any updates of those documents) that the Sale Nominee is required to provide to Ineligible Overseas Shareholders under the Corporations Act. Copies of any document Coventry receives from the Sale Nominee as agent for the Ineligible Overseas Shareholders can be obtained by contacting Coventry's Company Secretary.

Coventry, Crescent and the Sale Nominee give no assurance as to the price that will be achieved for the sale of Crescent Shares described above. The proportionate share of Cash Proceeds that Ineligible Overseas Shareholders will receive may be more or less than the market value of Crescent Shares or

Crescent CDIs that would otherwise have been issued to that Ineligible Overseas Shareholder at the date of receipt of payment.

#### **4.14 Documents available for inspection**

Copies of the following documents are available for inspection at the registered office of Coventry between 9.30 am and 5.00

pm on Business Days up until the date of the Scheme Meeting:

- (a) the Constitution of Coventry;
- (b) the Crescent Articles of Association; and
- (c) financial statements of Coventry for the year ended 30 June 2012.

## 5. INFORMATION ON COVENTRY RESOURCES LIMITED

This section of the Scheme Booklet contains information in relation to Coventry. Additional information is included in the Independent Expert's Report attached as Appendix 9.

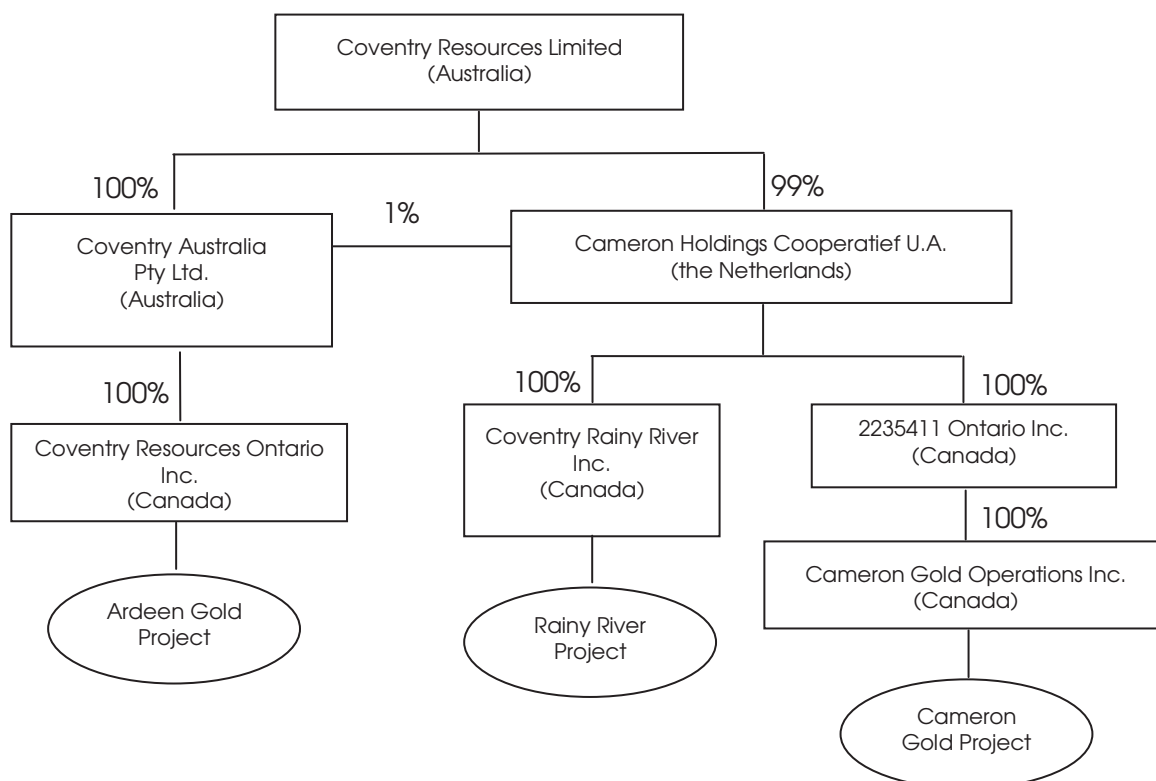
### 5.1 Overview

Coventry is an ASX listed gold exploration company that had a market capitalisation of \$14,400,000 as at 9 September 2012, the last trading day before the Announcement Date.

Coventry's flagship asset is the Cameron Gold Project, an advanced gold exploration project located 80km southeast of the city of Kenora and 80kms north-northwest of the city of Fort Frances located on the US border in the southern-most part of western Ontario in Canada (refer to Figure 1 in section 5.3.1). Since acquiring an interest in the Cameron Gold Project in April 2010, Coventry has subsequently quadrupled the size of the project area to almost 128km<sup>2</sup>.

Coventry also has mineral rights in the area referred to as the Rainy River Project in Western Ontario under a number of the Property Option Agreements. The Rainy River Project represents a unique and highly-prospective opportunity for Coventry. During 2011, Coventry secured a large portion of a largely unexplored greenstone belt, in an area of excellent infrastructure near to a recently discovered gold deposit held by Rainy River Resources Ltd with a large and increasing endowment. The Rainy River Project provides Coventry with an additional pipeline of prospects as it continues to explore and advance the Cameron Gold Project to development.

The corporate structure of Coventry is as shown below:



### 5.2 Business model

Coventry's overall strategy has been to position itself as a mid-tier gold producer by advancing a pipeline of assets that have near-term production potential. To that end, Coventry's principal objectives are to:

- (a) complete a preliminary economic assessment (**PEA**) of the development of an open pit and underground mining operation at the Cameron Gold Project;
- (b) subject to a positive outcome of the PEA, complete a definitive feasibility study (**DFS**) on the development of an open pit and underground mining operation at the Cameron Gold Project;
- (c) subject to a positive outcome of the DFS, develop the Cameron Gold Project into a profitable mining project; and
- (d) expand its resource base through rapid exploration of existing ground and the acquisition of prospective new projects.

### **5.3 Projects**

#### **5.3.1 Cameron Gold Project, Ontario**

2235411 Ontario Inc (**2235411 Inc**), a subsidiary of Coventry, acquired a 100% interest in the Cameron Gold Project from Nuinsco Resources Limited (**Nuinsco**) in April 2010 and has subsequently quadrupled the size of the project area to almost 128km<sup>2</sup>.

The Cameron Gold Project is centred on the Cameron Gold Deposit, an Archaean-aged, shear-hosted gold deposit that is hosted by the Cameron Lake Shear Zone, an arcuate gold-fertile structural corridor that extends for more than 20 kilometres through Coventry's project area.

The Cameron Gold Deposit is the most advanced of a series of more than thirty prospects and occurrences that are known to be present within Coventry's project area.

#### **Location, Access and Tenure**

The Cameron Gold Project is located in the southern part of western Ontario approximately eighty kilometres south-east of the town of Kenora and eighty kilometres northwest of the town of Fort Frances on the USA border (Figure 1). The Cameron Gold Project comprises a portfolio of unpatented and patented mining claims, licenses of occupation and mining leases located about 23km east of Highway 71. Access to the Cameron Gold Project is via a well-maintained, all-weather gravel road that was purposely constructed by the previous owner to access the Cameron Gold Project.

There are numerous towns and villages within two hours driving distance of the Cameron Gold Project, the largest being Kenora and Fort Frances, both of which support forest industry activities. The city of Winnipeg, Manitoba (population 635,000) is the closest large urban centre, being about 4.5 hours by road from the Cameron Gold Project.

Commercial power is available within thirty kilometres of the Cameron Gold Project, with a 230 kV power line adjacent to Highway 71.

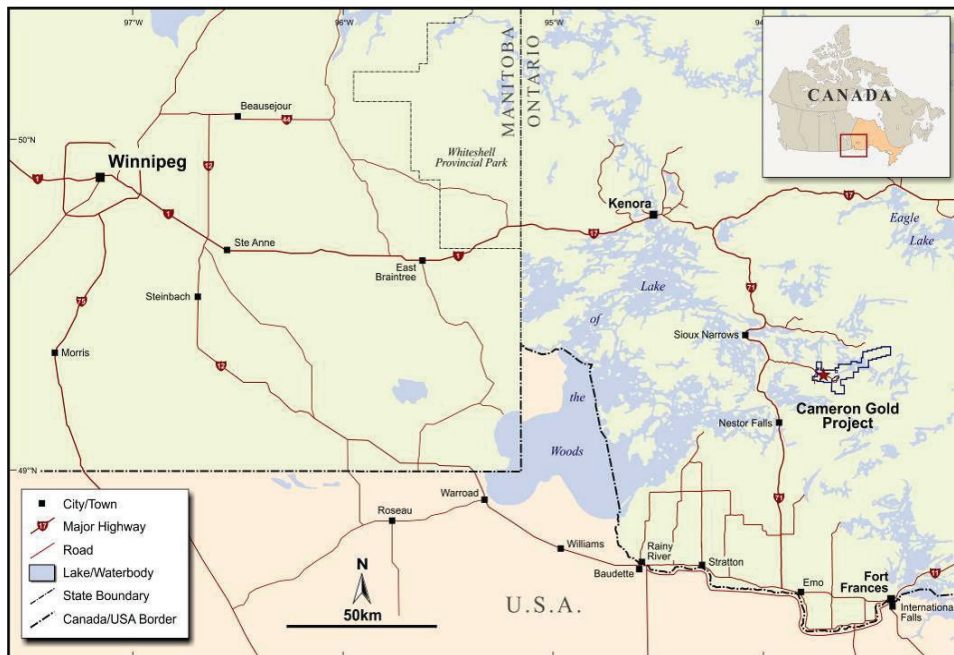


Figure 1. Plan showing the location of the Cameron Gold Project.

In total, including the areas covered by option agreements, the Cameron Gold Project comprises sixty-four unpatented mining claims (10,480 Ha), four patented mining claims (mineral rights only; 42.9 Ha), six mining licences of occupation (57 Ha) and three mining leases (1,296 Ha). The total area of the Cameron Gold Project is approximately 120 km<sup>2</sup> or 12,000 hectares.

### **JORC Code Compliant Mineral Resources**

In October 2011, following completion of a 29,212 metre drilling program at the Cameron Gold Deposit, Coventry integrated its drilling information with all historic information to calculate the mineral resource estimate at a 1 g/t cut-off grade following the guidelines of the JORC Code as presented in Table 1.

**Table 1. October 2011 JORC Code Mineral Resource Estimate of the Cameron Gold Project using a 1.0 g/t gold cut-off.**

Category	Tonnes	Grade (g/t gold)	Ounces of gold
Measured Resource	2,472,000	2.68	213,400
Indicated Resource	4,724,000	2.33	353,700
Inferred Resource	12,226,000	2.11	830,100

*\*Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate.*

Calculations at various cut-off grades further confirm that there is a substantial and very robust high-grade component to the resource base (see Table 2).

**Table 2. JORC Code compliant mineral resource estimate for the Cameron Gold Deposit by applying various cut-off grades.**

Cut-off grade (g/t gold)	Category	Tonnes	Grade (g/t gold)	Ounces of gold
<b>0.5</b>	Measured	3,230,000	2.23	232,000
	Indicated	6,922,000	1.82	405,000
	Inferred	17,847,000	1.68	962,000
<b>1.0</b>	Measured	2,472,000	2.68	213,400
	Indicated	4,724,000	2.33	353,700
	Inferred	12,226,000	2.11	830,100
<b>1.5</b>	Measured	1,793,000	3.23	186,000
	Indicated	3,084,000	2.91	289,000
	Inferred	7,853,000	2.60	658,000
<b>2.0</b>	Measured	1,288,000	3.81	158,000
	Indicated	2,068,000	3.49	232,000
	Inferred	4,867,000	3.14	491,000

Note.

1. Tonnes and ounces are rounded to the nearest 1,000 and 100, respectively in Table 2

### **Preliminary Economic Assessment and Mine Permitting Activities**

Having established a substantial, robust mineral resource estimate at the Cameron Gold Deposit and with considerable upside to continue to expand the potential resource with further exploration at the Cameron Gold Deposit itself and elsewhere within the project area, Coventry has commissioned a PEA to determine the economic viability of developing an initial open pit mining operation followed by a underground mining operation at the Cameron Gold Project. Coventry currently considers that the results from the PEA will be available in December 2012, following which Coventry will announce those results to ASX in accordance with its general continuous disclosure obligations.

Coventry has been concurrently acquiring environmental baseline data so that it will be positioned to apply for the requisite mine permits immediately on completion of the DFS.

### **Further information**

Detailed information in relation to the geology, exploration history and exploration results obtained by Coventry since it acquired the Cameron Gold Project are outlined in the Independent Valuation Report annexed to the Independent Expert's Report in Appendix 9 to this Scheme Booklet. Coventry Shareholders seeking further information are encouraged to review the Independent Technical Expert's Report for further detail.

### **5.3.2 Rainy River Project, Ontario**

During 2011 Coventry secured mineral rights covering approximately 132.7km<sup>2</sup> adjacent to the NI43-101 compliant gold resource of 1.2 Moz Measured, 5.0 Moz Indicated and 2.3 Moz Inferred held by held by Toronto Stock Exchange listed Rainy River Resources Ltd. and known as "the Rainy River Project" in northwestern Ontario, Canada. The Rainy River Project held by Coventry covers a large proportion of the underexplored but highly prospective Rainy River Greenstone Belt.

## **Location, Access and Tenure**

The Rainy River Project is located in the western-most part of northern Ontario, immediately to the north of Canada's border with the United States and about 60km to the northwest of the town of Fort Frances (population about 10,000).

Access to the project area is excellent, with a grid network of paved and unpaved, all-weather roads located throughout the region. High-voltage power is available throughout the area.

The project area comprises sparsely populated undulating land that is a mix of farmland interspersed with marsh and swamp land.



Figure 2. Plan showing the location of the Rainy River Gold Project.

## **Exploration Completed**

Since assembling the Rainy River Project, Coventry has undertaken detailed interpretation of geophysical data, geological mapping, geochemical water sampling and has completed 46 backhoe dug pits and 181 Reverse Circulation (RC) drillholes (4,349 metres) for geochemical analyses as part of a first stage evaluation. This work has defined eight high-priority gold anomalies and a further three high-priority base metal anomalies.

## **Forward Work Program**

Follow up overburden sampling of the highest priority targets is proposed to be undertaken by Coventry during the first quarter of 2013, in preparation for evaluation of the potential primary sources with diamond drilling in the second half of 2013.

### 5.3.3 Ardeen Gold Project, Ontario

In 2009, Coventry secured the right to acquire up to a 100% interest in the Ardeen Gold Project from Pele Gold Corporation (**Pele**). To earn this interest Coventry was required to initially spend C\$1.5 million on the Ardeen Gold Project to earn a 51% interest. Coventry has satisfied this initial requirement. Coventry now has the right to increase its interest in the Ardeen Gold Project to 75%, by spending an additional C\$1.5 million on the Ardeen Gold Project prior to December 2013. Pele will then have the right to contribute to further expenditure on a pro-rata basis; otherwise, if Coventry completes a bankable feasibility study at its cost, Coventry will earn a 100% interest, with Pele retaining a 2% NSR royalty.

#### **Location, Access and Tenure**

The Ardeen Gold Project is located about 110 kilometres west of the city of Thunder Bay, which is situated on the western edge of Lake Superior in northwestern Ontario. The Ardeen Gold Project is located about 15 kilometres south of Highway 11 which forms part of the Trans-Canada Highway system.



Figure 3. Plan showing the location of the Ardeen Gold Project.

The Ardeen Gold Project comprises 153 unpatented mining claims (4,540 hectares) and four patented mining claims (404.3 hectares). Access to the claims is gained via a gravel all-season main logging road. This road transects the central portion of the claim block and connects with numerous secondary logging roads which provide access to most parts of the Ardeen Gold Project.

High-voltage power is available along the Trans-Canada Highway, approximately 15 kilometres to the north.

The Ardeen Gold Project is located 4.5 km west of the 1.5 Moz Moss Lake/Snodgrass Gold Deposit.

#### **Prospects and Recent Exploration**

Numerous zones of gold mineralisation have been delineated within the Ardeen Gold Project by previous explorers. As part of Coventry's exploration program in 2009 and early 2010, 70 diamond drill holes for a total of 7,728 metres were completed at the Fisher, McKellar, Dome, Matt Berry, Lawton, Martin and Post Prospects. In addition to

drilling, Coventry completed a till and humus sampling program (508 samples) over the structurally complex central part of the Ardeen Gold Project area on a 200m x 200m grid in order to delineate further prospects.

### 5.3.4 West Cedartree Gold Project

On 26 June 2012 Coventry entered into a binding letter of intent (the **Houston Lake Letter of Intent**), under which Coventry agreed to acquire and Houston Lake Mining Inc agrees to sell, the West Cedartree Gold Project, subject to Coventry being satisfied with the results of due diligence investigations.

Under the terms of the Houston Lake Letter of Intent Coventry has agreed to pay Houston Lake Mining Inc. C\$500,000 in cash, of which C\$100,000 has been paid, and issue to it 7.7 million Coventry Shares. In addition, Coventry has agreed to pay a 2.5% net smelter royalty on production from a small portion of the West Cedartree Gold Project.

#### **Location, access and tenure**

The West Cedartree Gold Project is located 10 kilometres west-north west of the Cameron Gold Deposit and incorporates mineral rights over an area of 16.51km<sup>2</sup> (see Figure 1).

#### **JORC Code Compliant Mineral Resource**

The West Cedartree Gold Project can be readily accessed via the all-weather road that was constructed to access Coventry's 1.4Moz Cameron Gold Deposit. The West Cedartree Gold Project hosts a JORC-Code compliant Indicated and Inferred resource at the Dubenski Gold Deposit totalling 573,000 tonnes at a grade of 3.50 g/t gold for 64,500 ounces of gold (see Table 3).

**Table 3 – January 2009 JORC-Code compliant mineral resource estimate for the Dubenski Gold Deposit, West Cedartree Gold Project Cut-off at 0.65g/t gold**

Resources Classification	Tonnes	Gold Grade (g/t Au)	Gold Ounces
Indicated	551,000	3.53	62,700
Inferred	22,000	2.57	1,800
<b>Total</b>	<b>573,000</b>	<b>3.50</b>	<b>64,500</b>

#### **Forward Work Program**

Coventry is in the process of updating the mineral resource estimate for the Dubenski Gold deposit (both JORC Code and NI 43-101) and also endeavours to finalise a first JORC-Code/NI 43-101 Compliant mineral resource estimate for the Dogpaw Prospect.

### 5.3.5 Other opportunities

Coventry routinely examines new opportunities which may relate to existing or new businesses or assets. Other than the Merger or as otherwise disclosed on the ASX, there are no discussions presently being undertaken in relation to acquisitions or divestments that are sufficiently advanced that Coventry considers would warrant disclosure in this Scheme Booklet.

## 5.4 Financial information

This section sets out historical consolidated financial information for Coventry. The summary has been extracted from Coventry's audited consolidated statement of financial position for the 12 months ended 30 June 2012 and 31 December 2011.

The information in this section is only a summary of the statement of financial position and has been prepared for this Scheme Booklet.

#### 5.4.1 Basis of preparation

Coventry's audited statement of financial position for the year ended 30 June 2012 were prepared in accordance with the Australian Accounting Standards (AAS). Compliance with AAS reflects that the consolidated financial information of Coventry complies with IFRS.

The financial information is presented in an abbreviated form in this Scheme Booklet and does not include all information required by IFRS for financial reports.

#### 5.4.2 Statement of financial position

Set out below is Crescent's unaudited condensed consolidated statement of financial position for the six months ended 30 June 2012 and 31 December 2011. All amounts are rounded to the nearest Australia thousand dollars.

#### COVENTRY CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012 AND 31 DECEMBER 2011 (UNAUDITED)

	Consolidated	
	2012	2011
	A\$	A\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,985,446	7,968,108
Trade and other receivables	207,684	390,045
<b>Total current assets</b>	3,193,130	8,358,153
<b>Non-current assets</b>		
Plant and equipment	354,744	351,267
Deferred exploration and evaluation expenditures	26,481,592	22,321,346
<b>Total non-current assets</b>	26,836,336	22,672,613
<b>TOTAL ASSETS</b>	30,029,466	31,030,766
<b>CURRENT LIABILITIES</b>		
Trade and other payables	729,007	841,804
<b>Total current liabilities</b>	729,007	841,804
<b>TOTAL LIABILITIES</b>	<b>729,007</b>	<b>841,804</b>
<b>NET ASSETS</b>	29,300,459	30,188,962
<b>EQUITY</b>		
Issued Capital	51,099,974	46,556,617
Reserves	1,540,862	1,393,824
Accumulated losses	(23,340,377)	(17,761,479)
<b>TOTAL EQUITY</b>	29,300,459	30,188,962

#### 5.4.3 Material changes in financial position since last published accounts

Coventry's latest published financial statements are the audited financial statements for the twelve months ended 30 June 2012. These statements are contained in Coventry's Financial Report for that period, which was released to the ASX on 1 October 2012. An

electronic copy of this Financial Report can be downloaded from Coventry's website ([www.coventryres.com](http://www.coventryres.com)) or the ASX's website ([www.asx.com.au](http://www.asx.com.au)) under Coventry's name.

Material events which may have a material change on Coventry's financial position between 30 June 2012 and the date of this Scheme Booklet are:

- (a) On 2 July 2012, Coventry announced that Mr. Michael Naylor had commenced employment as Coventry's Managing Director/Chief Executive Officer.
- (b) On 20 August 2012, Coventry announced the issue of incentive options; a total of 5,000,000 to Coventry's Managing Director and Exploration Manager, and 500,000 options to a senior consultant engaged to manage the PEA on the Cameron Gold Project.
- (c) On 21 August 2012, Coventry announced the key appointment of Mr. Steven Chadwick as a senior consultant to review and manage the completion of the PEA on the development of the Cameron Gold Project.
- (d) On 10 September 2012, Coventry announced that it had entered into the Merger Implementation Deed.
- (e) On 12 September 2012, Coventry announced that it had completed the Coventry Capital Raising of \$1.3 million through the placement of 23.6 million new shares at a price of \$0.055 per share to institutional investors.

#### **5.4.4 Forecast financial information**

Given the current status of Coventry's operations and the recent volatility in global financial and commodity markets, Coventry believes that it does not have a reasonable basis for the preparation and presentation of forecast financial information in this Scheme Booklet.

#### **5.4.5 Anticipated future capital requirements**

Following the date of this Scheme Booklet and prior to the implementation of the Scheme it is anticipated that Coventry will have the following material capital requirements (in addition to the costs associated with the Merger):

- (a) A\$400,000 of estimated costs to complete the PEA on the development of an open pit and underground mining operation at the Cameron Gold Project; and
- (b) C\$400,000 cash payable to Houston in accordance with the Houston Lake Letter of Intent for the acquisition of the West Cedartree Gold Project.

#### **5.4.6 Interim financing**

Coventry has entered into a short term facility agreement with Mr Don Halliday, a Director of Crescent, pursuant to which Mr Halliday has agreed to provide to Coventry a short term working capital facility up to \$400,000 should Coventry require it until such time as the Schemes become Effective or are terminated. The facility is intended to remove any uncertainty that Coventry can continue to meet its working capital commitments during the period of the Schemes where it cannot look to raise further funds without affecting the terms of the Schemes.

The facility has been provided on arm's length terms, and is repayable three months after the date of the facility. No interest is payable on the amounts drawn down under the facility. However, where the amount drawn down is not fully repaid by three months after the date of the facility, the outstanding amount will attract default interest at prime plus 2%.

## 5.5 Capital Structure

As at the date of this Scheme Booklet, the total securities on issue were:

<b>Coventry Shares</b>	
Coventry Shares currently on issue	240,256,037 <sup>1, 2, 3</sup>
<b>Unlisted Coventry Options<sup>5</sup></b>	
Options exercisable at \$0.26 on or before 18/12/12	3,230,770
Options exercisable at \$0.20 on or before 30/04/13	1,496,733
Options exercisable at \$0.20 on or before 30/04/13	11,073,207
Options exercisable at \$0.20 on or before 30/04/1	6,688,042
Options exercisable at \$0.30 on or before 30/01/13	10,000,000
Options exercisable at \$0.30 on or before 25/03/15. <sup>4</sup>	500,000
Options exercisable at \$0.30 on or before 30/07/13 <sup>4</sup>	500,000
Options exercisable at \$0.28 on or before 28/02/2013	1,000,000
Options exercisable at \$0.20 on or before 8/08/2014 <sup>4</sup>	750,000
Options exercisable at \$0.20 on or before 23/08/2014 <sup>4</sup>	400,000
Options exercisable at \$0.26 on or before 1/12/2016 <sup>4</sup>	6,000,000
Options exercisable at \$0.12 on or before 8/3/2017 <sup>6</sup>	500,000
Options exercisable at \$0.12 on or before 17/6/2015 <sup>4</sup>	500,000
Options exercisable at \$0.12 on or before 17/8/2017 <sup>7</sup>	4,500,000
<b>Total</b>	<b>47,138,752</b>

### Notes:

- Includes 23.6 million Coventry Shares issued to institutional and sophisticated investors pursuant to the Coventry Capital Raising
- Coventry has agreed to issue up to 1.3 million Coventry Shares pursuant to the Property Option Agreements. These are in addition to the Shares shown in this section.
- Coventry has agreed to issue 7.7 million Coventry Shares pursuant to Houston Lake Letter of Intent in consideration for the acquisition of the West Cedartree Gold Project. This commitment is conditional upon Coventry completing satisfactory due diligence in connection with the West Cedartree Gold Project.
- Coventry has established three employee option plans (**Coventry Employee Option Plans**) and an employee share plan (**Coventry Employee Share Plan**), (together, the **Coventry Employee Incentive Plans**). The Employee Incentive Plans were designed to provide a mechanism to motivate and reward the performance of Coventry's management and key personnel, and align their interests with the interests of shareholders. Each Coventry Employee Option entitles the holder (subject to the satisfaction of any applicable vesting conditions) to one Coventry Share upon exercise.
- Refer to section 15.4 of this Scheme Booklet for further details of Coventry Securities held by or on behalf of Coventry Directors.
- These Coventry Options are held by Nick Walker.
- These Coventry Options are held by Michael Naylor, Coventry's Managing Director/Chief Executive Officer.

In accordance with section 170 of the Corporations Act, Coventry maintains a register of the names of all Shareholders and Optionholders. Pursuant to section 173 of the Corporations Act, Coventry Shareholders and Coventry Optionholders may, upon request to Coventry:

- inspect the Coventry Share Register and Coventry Option Register free of charge; and
- obtain a copy of the Coventry Share Register and Coventry Option Register subject to payment of a prescribed fee to Coventry.

## 5.6 Ownership

As at the date of this Scheme Booklet the only substantial shareholders (holding more than 5%) in Coventry are as follows:

Substantial Shareholders	Number of Coventry Shares	Percentage shareholding
Citicorp Nominees Pty Limited	29,568,072	12.31
Macquarie Bank Limited	25,209,790	10.50
HSBC Custody Nominees	22,044,257	9.18
<b>Total</b>	<b>76,822,119</b>	<b>31.98</b>

As at the date of this Scheme Booklet, the top 20 Shareholders held approximately 54.46 % of the Shares as indicated in the following table:

Shareholder Name	Number of Coventry Shares	Percentage shareholding
Citicorp Nominees Pty Limited	35,744,616	14.88
Macquarie Bank Limited	25,209,790	10.49
Hsbc Custody Nominees	22,044,257	9.18
National Nominees Limited	7,638,803	3.18
Ms Karen Jennifer Pittard	4,208,696	1.75
Deck Chair Holdings Pty Ltd	4,075,000	1.70
Bullseye Geoservices Pty Ltd	3,776,085	1.57
Hillboi Nominees Pty Ltd	3,519,211	1.46
Mrs Katrina Frances Banks-Smith	2,875,500	1.20
Mahsor Holdings Pty Ltd <Rosham Family S/F No2 A/C>	2,665,000	1.11
Colorado Conversions Pty Ltd	2,500,000	1.04
Don Martin Superannuation Pty Ltd <Don Martin Super Fund A/C>	2,500,000	1.04
Perth Investment Corporation Ltd	2,200,000	0.92
Black Prince Pty Ltd <Black Prince Super Fund A/C>	2,000,000	0.83
Allied Strategic Resources Limited	1,805,693	0.75
JP Morgan Nominees Australia Limited	1,671,913	0.70
Kohen Enterprises Pty Ltd	1,630,000	0.68
Mr Emanuel Jose Fernandes Dias	1,614,129	0.67
Abn Amro Clearing Sydney Nominees Pty Ltd <Custodian A/C>	1,610,135	0.67
Merrill Lynch (Australia) Nominees Pty Limited	1,556,147	0.65
<b>Total top 20 holders of Coventry Shares</b>	<b>130,844,975</b>	<b>54.46</b>
<b>Total remaining holders balance</b>	<b>109,411,062</b>	<b>45.54</b>

**Note:**

1. Please also refer to section 15.4 of this Scheme Booklet for further details of Coventry Shares held by or on behalf of Coventry Directors.

## **5.7 Coventry Board**

The following is an outline of the current directors of Coventry:

### **Mr. Michael Haynes**

Non-Executive Chairman

Mr. Haynes is a qualified geologist/geophysicist with more than 19 years experience in the mining industry, including periods of employment with both BHP and Billiton (prior to their merger). During the past eight years Mr. Haynes has been heavily involved in the identification, acquisition, and financing of undervalued resources projects. In this period Mr. Haynes has been intimately involved in initial public offerings for several resources companies, and in the ongoing financing, management and development of these companies. Mr. Haynes is currently the non-executive Chairman of Overland Resources Limited and Genesis Minerals Limited and a non-executive director of Black Range Minerals Limited and Birimian Gold Limited.

### **Mr. Michael Naylor**

Managing Director/Chief Executive Officer

Mr. Naylor has over 16 years experience in the resources sector, primarily in gold projects located in Europe, Africa and Australia. Mr. Naylor recently held the role of finance director of Dragon Mining Limited, a gold mining company listed on the ASX, which has exploration, mining and processing operations and development projects in Sweden and Finland. Mr. Naylor has extensive experience in feasibility studies, project finance, development and risk management of gold projects.

Mr. Naylor is a Chartered Accountant and formerly held a senior management position with Ernst and Young in Perth and Toronto.

### **Mr. Anthony Goddard**

Technical Director

Mr. Goddard graduated from the University of Western Australia in 1992 with a first class honours degree in Geology. Mr. Goddard has more than 18 years exploration experience worldwide, primarily for gold and copper, with companies including BHP Billiton Limited, Rio Tinto Limited, Equinox Resources Limited, Phelps Dodge Corporation and Barrick Gold Corporation, as well as acting as an independent consultant. Mr. Goddard has extensive global experience in project generation, identification, and acquisition, mostly recently as regional generative geologist for Barrick Gold in Australia and Eurasia.

### **Mr. Rhod Grivas**

Non-Executive Director

Mr. Grivas is a geologist with in excess of 22 years experience who possesses a strong combination of commercial, strategic, and senior executive management capabilities and extensive experience with feasibility studies, project development and gold operations. Mr. Grivas has held a number of director and management positions with publicly listed mining and exploration companies including as MD/CEO of ASX and TSX listed gold miner Dioro Exploration NL prior to its acquisition by Avoca Resources Limited in early 2010. Mr. Grivas has significant exploration and operational experience relevant to the future development of Coventry.

Mr. Grivas is currently non-executive Chairman of several ASX listed resource companies.

**Mr. Faldi Ismail**

Non-Executive Director

Mr. Ismail has significant experience working as a corporate advisor specialising in the restructure and recapitalisation of a wide range of ASX-listed companies. Mr. Ismail has many years of investment banking experience covering a wide range of sectors, with a specific focus on the resources sector. Mr. Ismail is the co-founder and operator of Otsana Capital, a boutique advisory firm specialising in mergers & acquisitions, capital raisings and initial public offerings. Mr. Ismail is currently a director and CEO of Kalimantan Gold Corporation Limited (TSX-V/AIM Listed).

**5.8 Information in relation to Coventry Shares**

Coventry Shares are quoted on the ASX. The highest and lowest recorded sale prices of Coventry Shares on the ASX during the 3 months immediately preceding the date on which the Merger was announced (10 September 2012) and the respective dates of those sales, were:

Date	Highest Price	Date	Lowest Price
25 September 2012	\$0.17	16 August 2012	\$0.048

The last recorded sale price of Coventry Shares on the ASX on the date of this Scheme Booklet was \$0.135.

**5.9 Other information about Coventry**

Coventry is subject to the periodic and continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. Specifically, Coventry is a "disclosing entity" for the purposes of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. Coventry is required to notify the ASX (subject to certain exceptions) immediately it becomes aware of any information concerning Coventry which a reasonable person would expect to have a material effect on the price or value of its securities.

Coventry has lodged the following announcements with the ASX since the lodgement of its 2012 Annual Report:

Date	Description of Announcement
31/10/2012	Quarterly Cashflow Report
31/10/2012	Quarterly Activities Report
29/10/2012	Annual Report to Shareholders
29/10/2012	Notice of Annual General Meeting/Proxy Form
10/10/2012	Appendix 3Y: Michael Naylor
05/10/2012	Appendix 3B
01/10/2012	Full Year Statutory Accounts

The ASX maintains files containing publicly available information for all listed companies. Coventry's file is available for inspection at the ASX during normal office hours.

Further announcements concerning developments relating to Coventry will continue to be made available on the ASX website after the date of this Scheme Booklet.

Coventry will provide a copy of each of the following documents, free of charge, to anyone who asks for them before the Schemes are approved by the Court. The following documents can also be obtained from the ASX website [www.asx.com.au](http://www.asx.com.au) or from the Coventry website [www.coventryres.com](http://www.coventryres.com):

- (a) the annual financial report of Coventry for financial year ended 30 June 2012 (being the last audited financial statements for a financial year of Coventry lodged with ASIC before the date of the Scheme Booklet); and
- (b) any continuous disclosure announcements made by Coventry after the date of the lodgement of the annual financial report referred to above and before the lodgement of a copy of this Scheme Booklet with ASIC.

Copies of all documents lodged with the ASIC in relation to Coventry can be inspected at Coventry's registered office or an ASIC office during normal office hours, free of charge.

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## 6. INFORMATION ON CRESCENT RESOURCES CORP.

This section of the Scheme Booklet contains information in relation to Crescent. Additional information is included in the Independent Expert's Report attached as Appendix 9.

### 6.1 Overview

Crescent is a TSX-V listed mineral exploration company that had a market capitalisation of C\$1,163,675, as at 7 September 2012, the last trading day before the Announcement Date.

Crescent's principal asset is an option (**Uncle Sam Option**) to earn a 100% interest in the Uncle Sam mineral property (**Uncle Sam Property**) located in Alaska, USA, subject to an underlying 2% net smelter return royalty. Crescent entered into an option agreement dated 15 December 2010 (**Uncle Sam Option Agreement**), as amended on 22 December 2011, with Millrock Resources Inc. (**Millrock**) and Millrock Alaska LLC (together, with Millrock referred to as the **Millrock Companies**) in respect of the Uncle Sam Option Agreement.

### 6.2 Business model

Crescent's overall strategy is to acquire, explore and develop mineral properties. To that end, Crescent's principal objectives are to:

- (a) complete the Merger by 31 December 2012;
- (b) subject to the completion of the Merger, to fulfil the objectives with respect to the Cameron Gold Project set out in section 5.2 of this Scheme Booklet; and
- (c) complete the acquisition of the Uncle Sam Property in the immediate future and, subject to available funding, continue exploration, or seek a joint venture partner to fund continued exploration, on the Uncle Sam Property.

Crescent will continue to identify, investigate and, where appropriate, acquire additional mineral properties.

### 6.3 Principal Activities and Assets

Crescent's principal asset is the Uncle Sam Option. The Uncle Sam Property is located 75 kilometres southeast of the city of Fairbanks, Alaska.

The Uncle Sam Property contains an intrusion related gold target hosted in similar age of intrusive rocks to those of the Pogo Gold Mine approximately 60 kilometres to the east of the Uncle Sam Property. A comprehensive exploration data package compiled by previous operators indicates that there are extensive anomalous areas defined by surface gold geochemistry and numerous significant drill intercepts that indicate potential for a possible large new gold discovery within the Uncle Sam Property. Crescent's 2011 exploration program consisted of a helicopter-supported auger drilling program and geochemical soil sampling. Crescent is funding exploration on the Uncle Sam Property and Millrock is the operator.

Pursuant to the terms of the Uncle Sam Option Agreement, to date, Crescent has completed the following to maintain the Uncle Sam Option: paid US\$300,000 to Millrock; paid US\$60,000 to the underlying owner of the Uncle Sam Property (with which Millrock entered into an option agreement to earn a 100% interest in the Uncle Sam Property, subject to an underlying 2% net smelter return royalty); issued 3,583,281 Crescent Shares to Millrock; and paid work expenditures of US\$2,386,293. To complete the exercise of the Uncle Sam Option, Crescent must: (a) pay an additional US\$60,000 to the underlying owner of the Uncle Sam Property by 1 November 2012; (b) issue an additional 2,600,000

Crescent Shares to Millrock by 6 January 2013; and (c) fund additional work expenditures of US\$53,707 by 1 November 2013.

## 6.4 Resources and Reserves

The Uncle Sam Property is considered to be in the early exploration stage and does not contain any known body of Mineral Reserves or Mineral Resources, as such terms are defined in the CIM Standards and NI 43-101.

## 6.5 Financial information

### 6.5.1 Basis of preparation

The unaudited condensed consolidated interim financial statements, prepared in conformity with IAS 34, follow the same accounting principles and methods of application as the most recent annual consolidated financial statements. Since the unaudited condensed consolidated interim financial statements do not include all disclosures required by the IFRS for annual financial statements, they should be read in conjunction with Crescent's annual consolidated financial statements for the year ended 31 December 2011.

### 6.5.2 Statement of financial position

Set out below is Crescent's unaudited condensed consolidated statement of financial position for the six months ended 30 June 2012 and 31 December 2011. All amounts are rounded to the nearest Canadian dollar.

#### CRESCENT CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012 (UNAUDITED)

	30 June 2012 \$	31 December 2011 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	1,002,307	1,317,419
Receivables	14,526	17,309
Advances and prepaid expenses	10,191	-
	<u>1,027,024</u>	<u>1,334,728</u>
<b>Non-current assets</b>		
Exploration and evaluation assets	1,074,919	867,660
Property, plant and equipment	1,627	2,072
	<u>1,076,546</u>	<u>869,732</u>
	<u>2,103,570</u>	<u>2,204,460</u>
Trade and other payables	10,275	867,660
	<u>10,275</u>	<u>869,732</u>
<b>EQUITY</b>		
Share capital	23,818,000	23,698,000
Contributed surplus	1,596,177	1,593,531
Deficit	(23,320,882)	(23,130,212)
	<u>2,093,295</u>	<u>2,161,319</u>
	<u>2,103,570</u>	<u>3,031,051</u>

### 6.5.3 Material changes in financial position since last published accounts

Crescent's latest published financial statements are the unaudited condensed consolidated interim financial statements for the six month period ended 30 June 2012. An electronic copy of these financial statements can be downloaded from the SEDAR

website (www.sedar.com) under Crescent's company profile or on Crescent's website (www.crescentresourcescorp.com).

The directors of Crescent are not aware of any material change to the financial position of Crescent between 30 June 2012 and the date of this Scheme Booklet.

As contemplated in the Merger Implementation Deed, Crescent has undertaken a concurrent non-brokered private placement offering of C\$750,000 of subscription receipts (**Subscription Receipts**) at a price of C\$0.05 each, the proceeds of which are being held in escrow pending completion of the Merger (**Crescent Capital Raising**).

#### 6.5.4 Forecast financial information

Given the current status of Crescent's operations, and the recent volatility in global financial and commodity markets, Crescent believes that it does not have a reasonable basis for the preparation and presentation of forecast financial information in this Scheme Booklet.

#### 6.5.5 Anticipated future capital requirements

Crescent estimates that it will expend approximately C\$115,000 from working capital on hand at June 30, 2012 before December 31, 2012, to complete the expenditure requirements to exercise its option to purchase the Uncle Sam Property.

### 6.6 Capital Structure

#### 6.6.1 General

As at the date of this Scheme Booklet, the capital structure of Crescent is as summarised below<sup>1,3</sup>.

<b>Crescent Shares</b>	
Crescent Shares currently on issue	29,091,872 <sup>4,5</sup>
<b>Unlisted Crescent Options</b>	
Options exercisable at C\$1.12 on or before 02/01/13.	25,000
Options exercisable at C\$1.00 on or before 10/09/14.	98,750
Options exercisable at C\$1.00 on or before 16/10/14.	25,000
Options exercisable at C\$0.80 on or before 07/01/15.	146,250
Options exercisable at C\$0.37 on or before 31/01/16.	1,000,000
<b>Total</b>	<b>1,295,000</b>
<b>Unlisted common share purchase warrants</b>	
Warrants exercisable at C\$0.50 on or before 30/03/13.	5,314,380
<b>Unlisted Subscription Receipts</b>	
Subscription Receipts <sup>2</sup>	15,186,000

**Notes:**

1. Please also refer to section 15.7 of this Scheme Booklet for further details of Crescent Securities held by or on behalf of Crescent Directors.
2. Once the Merger is completed Crescent will issue 3,000,000 Crescent Shares (post Consolidation) to subscribers to the Crescent Capital Raising and 37,200 Crescent Shares (post-Consolidation) to Haywood (see note 6) upon conversion of 15,186,000 Subscription Receipts (each five Subscription Receipts will convert into one Crescent Share on a post-Consolidation basis).
3. Crescent proposes to undertake the Consolidation of its issued capital, subject to the receipt of approval of the Crescent Shareholders and the TSX-V. It is expected that the Consolidation will become effective immediately prior to completion of the Merger. If Crescent implements the Consolidation prior to the Implementation Date, then the number of Crescent Securities on issue will be reduced.
4. Crescent has agreed pursuant to the Uncle Sam Option Agreement to issue an additional 2,600,000

Crescent Shares to Millrock on a pre-Consolidation basis on or before 6 January 2013. Refer to section 6.3 for further details in relation to the Uncle Sam Option Agreement.

6. Haywood has provided financial advisory services to Crescent in relation to the Merger and participated in the Crescent Capital Raising referred to above. Haywood will receive a fee of up to 550,000 Crescent Shares on a post-Consolidation basis in connection with its financial advisory services and for acting as a finder in the Crescent Capital Raising. This amount includes the 37,200 Crescent Shares to be issued to Haywood on conversion of the 186,000 Subscription Receipts issued to Haywood for acting as finder upon completion of the Crescent Capital Raising.

Crescent has agreed under the Merger Implementation Deed to undertake a Crescent Share Consolidation prior to the implementation of the Merger, subject to the receipt of approval from Crescent Shareholders and the TSX-V, to make the price of Crescent Shares more attractive to a broader range of institutional and other investors.

Crescent maintains a register of the names of all Crescent Shareholders, and holders of Crescent Options and common share purchase warrants of Crescent.

## **6.7 Employee Options**

Crescent has established a stock option plan (**Crescent Plan**) pursuant to which employees, consultants, directors and officers of Crescent may be granted incentive stock options which are intended to motivate and reward the performance of such individuals, as well as align their interests with the interests of the Crescent Shareholders. All of the unlisted Crescent Options set out above in section 6.6.1 were granted pursuant to the Crescent Plan. See section 6.8 for further details of the Crescent Plan and the Crescent Options granted thereunder.

## **6.8 Crescent Options and the Crescent Option Plan**

The Crescent Plan governs the grant, from time to time, of Crescent Options to eligible recipients, being the employees, consultants, directors and officers of Crescent. Crescent Options are granted under the Crescent Plan as a means of rewarding positive performance and providing incentive to attract and retain personnel to effectively manage the affairs of Crescent. The grant of Crescent Options under the Crescent Plan is also intended to align the interests of the employees, management and service providers of Crescent with the interests of the Crescent Shareholders.

The Crescent Plan, in accordance with the rules and policies of the TSX-V, provides the Crescent Directors, in their discretion, the ability to grant to directors, officers, employees and consultants of Crescent, non-transferable Crescent Options which are exercisable for a period of up to five years, to purchase up to 10% of the issued and outstanding Crescent Shares. In addition, the number of Crescent Shares reserved for issuance to any one person in a 12 month period shall not exceed 5% of the issued and outstanding Crescent Shares; the maximum number of Crescent Options which may be granted to any one consultant in a 12 month period will not exceed 2% of the issued and outstanding Crescent Shares and the maximum number of Crescent Options which may be granted to employees or consultants engaged in investor relations activities in a 12 month period will not exceed 2% of the issued and outstanding Crescent Shares and such Crescent Options granted to employees or consultants engaged in investor relations activities must vest in stages over 12 months with no more than 25% of the Crescent Options vesting in any three month period. The Crescent Directors will determine the price per Crescent Share and the number of Crescent Shares which may be allotted to each director, officer, employee and consultant and all other terms and conditions of the Crescent Options, subject to the rules and policies of the TSX-V, when such Crescent Options are granted. Crescent Options must be exercised within 90 days of termination of employment or cessation of the option holder's position with Crescent, subject to the expiry date of such Crescent Option and certain other provisions of the Crescent Plan. The price per Crescent Share set by the Crescent Directors, shall not be less than the closing trading price of the Crescent Shares on the TSX-V on the last trading day prior to the date on which such Crescent Option is granted, less the applicable discount permitted (if any) by the TSX-V.

Pursuant to the policies of the TSX-V, a listed company must obtain the approval of both the TSX-V and a majority of its shareholders for the adoption or renewal of any stock option plan.

## 6.9 Ownership

As at the date of this Scheme Booklet the substantial shareholders in Crescent are as follows (on a pre-Consolidation basis)<sup>3</sup>:

Substantial Shareholders <sup>2</sup>	Number of Crescent Shares	Percentage Shareholding
Don Halliday	5,481,378 <sup>1,4</sup>	18.8%
Millrock Resources Inc.	3,083,281	10.60%
<b>Total</b>	<b>8,564,659</b>	<b>29.4%</b>

### Notes:

1. 2,149,392 of the shares are held by Mr. Halliday's wife, Amanda Halliday, and 159,486 of the shares are held by 524124 BC Ltd, a private company wholly owned and controlled by Mr. Halliday.
2. There may be other substantial shareholders of Crescent which are either unknown or cannot be publicly disclosed under Canadian Securities Law.
3. Please also refer to section 15.7 of this Scheme Booklet for further details of the Crescent Securities held by or on behalf of the Crescent Directors.
4. This does not include Crescent Shares issuable upon the conversion of 2,440,000 Subscription Receipts held by Mr Halliday's wife, Amanda Halliday.

As at the date of this Scheme Booklet, the Crescent Shareholders are as outlined below (shown on a pre-Consolidation basis)<sup>3</sup>:

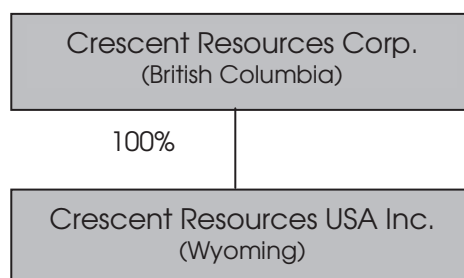
Shareholder Name	Number of Crescent Shares	Percentage shareholding
CDS & Co (NCI) <sup>(1)</sup>	28,266,825	97.16%
Craig Angus	400,000	1.37%
Computershare Investor Services Inc.	157,542 <sup>(2)</sup>	0.54%
Michael J Hopley	150,000	0.51%
524124 BC Ltd.	100,000	0.34%
Robert C Stibor TR Stibor Fam Tr	17,500	0.06%
Bruce N Oxley	1	< 0.001%
Cede & Co <sup>(1)</sup>	4	< 0.001%
<b>Total</b>	<b>29,091,872</b>	<b>100.00%</b>

### Notes:

1. Cede & Co and CDS & Co are intermediaries which hold shares on behalf of other parties. The beneficial shareholders for whom these registered shareholders are holding Crescent Shares are unknown or cannot publicly be disclosed under Canadian Securities Laws.
2. These Crescent Shares are held on trust by Computershare Investor Services Inc., Crescent's registrar and transfer agent, for holders in connection with a previous share consolidation of Crescent.
3. Please also refer to section 15.7 of this Scheme Booklet for further details of the Crescent Shares held by or on behalf of Crescent Directors.

## 6.10 Group structure

The current corporate structure of Crescent is shown diagrammatically as follows:



## 6.11 Crescent Board

The following is a description of the current directors of Crescent:

### **Mr. Don Halliday** President and Chief Executive Officer

Mr. Halliday has over 18 years experience in investor relations and corporate development and brings a very strong background in shareholder communications and fund raising. He has played a key role as Executive Vice President in the growth of Sunridge Gold Corp. and, prior to that, Nevsun Resources Ltd.

### **Mr. Michael Hopley** Non-Executive Chairman

Mr. Hopley is a key member of Crescent's management team for his ability to evaluate the geological merits of resource properties and for his vast network within the industry. He has over 30 years experience with companies in the precious metals sector, including in his role as President and Chief Executive Officer of Sunridge Gold Corp. and, prior to that, Bema Gold Corporation. Mr. Hopley was the former President and Chief Executive Officer of Crescent.

### **Mr. Ian MacLean** Non-Executive Director

Mr. MacLean began his investor relations career in 1996 with Nevsun Resources Ltd. From 1999 to 2001 he was involved as an executive of the predecessor company to Everton Resources Inc. Mr. MacLean was previously the Manager of Investor Relations for Bema Gold Corporation and is currently the Vice President, Investor Relations of B2Gold Corp. Mr. MacLean currently sits on the board of directors of Everton Resources Inc. and has a Bachelor of Arts degree from Carleton University in Ottawa, Canada.

### **Mr. Eric Edwards** Non-Executive Director

Over the past 14 years, Mr. Edwards has served as Chief Financial Officer for a number of publicly traded gold companies. Mr. Edwards has completed acquisitions, divestitures, mergers, several equity placements and project and corporate debt facilities. Mr. Edwards has over 25 years of experience in the gold mining sector in positions of increasing responsibility in operations, business development and corporate finance. Mr. Edwards is currently the President and Chief Executive Officer of Lupaka Gold Corp. Mr. Edwards holds a Master of Business Administration degree from University

of Utah and a Bachelor of Science (Honors) degree in Geology from Utah State University.

## 6.12 Information in relation to Crescent Shares

The Crescent Shares are listed on the TSX-V. The highest and lowest recorded sale prices of existing Crescent Shares on the TSX-V during the 3 months immediately preceding 15 October 2012<sup>1</sup> and the respective dates of those sales were:

Date	Highest Price	Date	Lowest Price
5 September 2012	0.05 <sup>2</sup>	25 July 2012	0.025

### Notes:

1. The Crescent Shares were halted from trading on September 10, 2012, prior to the Announcement. Such shares will remain halted, pending the approval of the TSX-V for a reinstatement of trading as part of its review process in connection with the Merger.
2. There were multiple occurrences of this trading price during the three month period ended September 30, 2012. This date is the last date that Crescent Shares were sold at such trading price on the TSX-V.

As noted above, the Crescent Shares were halted from trading on 10 September 2012, therefore the last recorded sale price of Crescent Shares on the TSX-V was C\$0.04 6 on September 2012.

## 6.13 Other information about Crescent

Crescent is subject to the periodic and continuous disclosure requirements of Canadian Securities Laws. Specifically, Crescent is a "reporting issuer" in the Provinces of British Columbia and Alberta for the purposes of the Canadian Securities Laws and is subject to continuous disclosure obligations under Canadian Securities Laws.

Copies of continuous disclosure filings made by Crescent are available for viewing on the SEDAR website at [www.sedar.com](http://www.sedar.com) under Crescent's company profile.

Further announcements concerning developments relating to Crescent will continue to be made available on the SEDAR website after the date of this Scheme Booklet. Certain disclosure documents filed in relation to Crescent can also be obtained on Crescent's website at [www.crescentresourcescorp.com](http://www.crescentresourcescorp.com).

Crescent will provide a copy of each of the following documents, free of charge, to anyone who asks for them before the Schemes are approved by the Court. The following documents can also be obtained from the SEDAR website ([www.sedar.com](http://www.sedar.com)) under Crescent's company profile or from Crescent's website ([www.crescentresourcescorp.com](http://www.crescentresourcescorp.com)):

- (a) the unaudited consolidated interim financial statements for the six month period ended 30 June 2012 (being the last set of financial statements of Crescent filed on the SEDAR website before the date of the Scheme Booklet);
- (b) the audited consolidated annual financial statements for the year ended 31 December 2011 (being the last audited financial statements for a financial year of Crescent filed on the SEDAR website before the date of the Scheme Booklet); and
- (c) any continuous disclosure filings made by Crescent on the SEDAR website after the date of filing of the unaudited consolidated interim financial statements for the six month period ended 30 June 2012 and before the lodgement of a copy of this Scheme Booklet with ASIC.

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## **7. OVERVIEW OF THE MERGED ENTITY**

This section of the Scheme Booklet contains information in relation to the Merged Entity that will be created if the Share Scheme is implemented.

### **7.1 Overview of the Merger**

On implementation of the Merger, Crescent will continue to be a corporation existing under the laws of British Columbia, Canada, and former Coventry Shareholders will hold Crescent Shares or Crescent CDIs. Upon implementation of the Merger, and subject to the approval of the Crescent Shareholders, Crescent intends to amend its notice of articles in order to change its name to Coventry Resources Inc. (or such other name as agreed by Coventry and Crescent).

The board of Crescent will be reconstituted to be comprised of two (2) nominees of Crescent and four (4) nominees of Coventry, acceptable to the other party, acting reasonably, and to the TSX-V and the ASX; and the non-executive Chairman of the reconstituted Crescent Board will be one of the directors nominated by Crescent. Details on the proposed nominees are set out below at section 7.10.

Following the Merger, the Merged Entity will maintain offices in Perth, Australia, as well as Vancouver, Canada, and Toronto, Canada. The head office will be located in Toronto, Canada.

The Crescent Consideration Shares will be listed for trading on the TSX-V and the Crescent CDIs will be quoted on the ASX. It is planned that the assets of Crescent and Coventry will be managed largely in a manner equivalent to how they are managed now, with the added benefit of the financial strength and management expertise of the Merged Entity.

### **7.2 Principal Activities and Assets of the Merged Entity**

There is very little overlap between the operations of Coventry and Crescent, and no significant assets or operations are expected to be materially modified following the Merger. The Cameron Gold Project, currently held by Coventry and summarised in section 5.3.1, will be the main focus of the Merged Entity.

### **7.3 Mineral Resources**

On implementation of the Merger, the Mineral Resources of the Merged Entity would be the Mineral Resources of Coventry as set out in the tables in sections 5.3.1 and 5.3.4, as the Cameron Gold Project and the West Cedartree Gold Project (assuming the acquisition of the West Cedartree Gold Project is completed) are the only projects which will be held by the Merged Entity which have a JORC Code compliant Mineral Resource.

### **7.4 Strategy**

The Merged Entity will continue to focus on exploration of its existing assets, in particular the Cameron Gold Project (subject to the results of the preliminary economic assessment that is in progress) and will pursue further exploration opportunities that have an acceptable risk profile and that are consistent with the Merged Entity's strategy, that is to become a mid-tier gold producer in the near term through successful exploration, development and/or further acquisition.

The Crescent Directors and Coventry Directors believe that the Merger will create a compelling opportunity for the Merged Entity's shareholders to participate in the significant benefits expected to be derived from the combination of the two companies.

## **7.5 Intentions**

The current intentions of Crescent in relation to Coventry are set out in this section. These intentions have been formed on the basis of facts and information concerning Coventry, and the general business environment, as known to Crescent at the time of preparation of this Scheme Booklet. The statements set out in this section are statements of current intention only and may vary as new information becomes available or circumstances change.

Crescent's current intentions are as follows:

### **7.5.1 Corporate matters in relation to Coventry**

If the Schemes are implemented, it is intended that:

- (a) after the Implementation Date, Coventry will apply for termination of Official Quotation of Coventry Shares on the ASX and to have itself removed from the Official List of the ASX; and
- (b) as Coventry will be a wholly-owned subsidiary of Crescent, the Merged Entity's Board will be reconstituted so that it comprises persons nominated by both Crescent and Coventry as described in section 7.10 of the Scheme Booklet.

Crescent's intentions in the event that the Option Scheme does not become Effective while the Share Scheme does become Effective are set out in section 13.10 of this Scheme Booklet.

### **7.5.2 Strategic direction**

The Merged Entity intends to continue the business of Coventry in the manner in which it is currently conducted while maintaining a focused approach to the timely completion of the preliminary economic assessment of the Cameron Gold Project.

### **7.5.3 Further growth through selective acquisitions in the mining sector**

It is the current intention of both Coventry and Crescent that the Merged Entity will consider further strategic acquisitions. The Merger of Coventry and Crescent will produce a step-change creating a larger corporate entity and increasing stock market liquidity. This step-change should provide a much stronger foundation to support further acquisitions in a dynamic market where companies with the requisite degree of scale and financial strength will be better positioned to take advantage of acquisition opportunities.

### **7.5.4 Name of the Merged Entity**

The structure of the transaction, which was considered the most efficient way to effect a combination of Coventry and Crescent, will result in Crescent issuing Crescent Consideration Shares (represented by Crescent CDIs, unless a Coventry Shareholder elects to receive Crescent Shares) to Coventry Shareholders. Accordingly, the Merged Entity will trade on both the TSX-V and the ASX and, subject to Crescent shareholder approval (as one of the Crescent Shareholder Resolutions) and TSX-V approval, will be renamed "Coventry Resources Inc." (or such other name as agreed by Coventry and Crescent).

### **7.5.5 Dividend policy**

Neither party has ever paid a dividend and it is not expected that that will change in the short to medium term following completion of the Merger. In the longer term, the actual timing, payment and amount of any dividends paid by the Merged Entity will be determined by the Merged Entity Board (from time to time) based upon, among other factors, cash flow, results of operations and financial condition of the Merged Entity, the

need for funds to finance ongoing operations, and such other business considerations as the Merged Entity Board considers relevant.

#### **7.5.6 Directors**

Following implementation of the Merger, it is intended that the Merged Entity Board will have six members, being four nominees of Coventry and two nominees of Crescent. The non-executive chairman of the Merged Entity will be one of the directors nominated by Crescent, and will be appointed by the Merged Entity Board following the implementation of the Merger.

Details of the Directors who will comprise the Merged Entity Board are set out in section 7.10 below.

#### **7.5.7 Management and employees**

It is intended that management of the Merged Entity will consist of the current members of the Coventry and Crescent management teams. Given the complementary operations of Coventry and Crescent, any staffing related duplications are expected to be minimal, and as such, it is anticipated that the vast majority of Coventry's employees will be retained.

If the Merger proceeds, management of Crescent will include:

- (a) Michael Naylor as President and Chief Executive Officer;
- (b) Don Halliday as Vice President Investor Relations;
- (c) Anthony Goddard as Vice President, Exploration;
- (d) Stephen Chadwick as Vice President, Operations;
- (e) Nick Walker as Manager of Exploration;
- (f) Nick Day as Corporate Secretary; and
- (g) Doris Meyer as Chief Financial Officer.

Agreements with each of the above persons will be negotiated in good faith and agreed to by the Merged Entity and each proposed executive.

The Merged Entity will have the opportunity and resources to advance the Merged Entity's development and exploration assets, managed largely as they are now, with the benefit of the financial strength of the Merged Entity.

#### **7.5.8 Corporate governance and reporting obligations**

It is intended that the Merged Entity will adopt an approach to corporate governance based on the ASX corporate governance principles and Canadian Securities Laws consistent with the framework currently adopted by Coventry and Crescent.

Upon completion of the Merger:

- (a) as the Merged Entity intends to be listed on the ASX, it will be required to comply with the ASX corporate governance principles to which Coventry is currently subject; and
- (b) as the Merged Entity will be a reporting issuer in the Canadian provinces of British Columbia and Alberta for the purposes of Canadian Securities Laws it will be subject to the ongoing statutory and other reporting requirements of applicable Canadian Securities Laws.

Crescent's continuous disclosure filings are and will be available on SEDAR at [www.sedar.com](http://www.sedar.com). In particular, the Merged Entity will provide annual disclosure with respect to its corporate governance practices in its management proxy circular prepared in connection with its annual meeting each year.

## 7.6 Other intentions in relation to Coventry (and Crescent)

Except for the possible changes and current intentions set out in this section and elsewhere in this Scheme Booklet, it is the intention of Crescent, based on the facts and information known to it at the date of this Scheme Booklet:

- (a) to conduct the business of Coventry in substantially the same manner as at the date of this Scheme Booklet;
- (b) not to make any major changes to the deployment of Coventry's assets; and
- (c) to continue the employment of the employees of Coventry as appropriate.

## 7.7 Capital Structure of the Merged Entity

The capital structure of the Merged Entity based on the number of Crescent Securities and Coventry Securities on issue at the date of this Scheme Booklet will be as follows (shown on a post-Consolidation basis):

<b>Crescent Shares</b>	
Crescent Shares currently issued and outstanding (on a post-Consolidation basis)	8,855,574 <sup>1</sup>
Shares in Merged Entity issuable to former Coventry Shareholders at the 0.2513 Exchange Ratio <sup>2</sup>	60,376,342
<b>Total Crescent Shares on issue</b>	<b>69,231,916<sup>3</sup></b>
<b>Crescent Options</b>	
Crescent Options currently issued and outstanding (on a post-Consolidation basis)	259,000
Options in Merged Entity issuable to former Coventry Optionholders at the 0.2513 Exchange Ratio	11,845,967
<b>Total Crescent Options on issue</b>	<b>12,104,967</b>
<b>Crescent common share purchase warrants</b>	
Common share purchase warrants of Crescent issued and outstanding (on a post-Consolidation basis)	1,062,876
<b>Total warrants on issue</b>	<b>1,062,876</b>

### Notes:

1. Includes the number of Crescent Shares to be issued upon conversion of the Subscription Receipts. For further detail refer to Section 6.5.3.
2. The number of Crescent Shares issuable to former Coventry Shareholders includes 23,600,000 Coventry Shares which were issued to raise A\$1,300,000 at a price of A\$0.055 per share pursuant to the Coventry Capital Raising which have been converted into Crescent Shares at the Exchange Ratio.
3. Subject to the effects of rounding under the Scheme and Consolidation.

## 7.8 Ownership

Crescent has an authorised share capital of an unlimited number of Crescent Shares. At the date of this Scheme Booklet there were 29,091,872 Crescent Shares on issue, which

will be consolidated on a 5 for 1 basis prior to completion of the Merger. Crescent's Articles of Association do not contain limitations on the ability of a person who is not a Canadian resident to be a securityholder of Crescent or to exercise the voting rights associated with Crescent Shares.

Pursuant to the terms of the Merger Implementation Deed, Crescent will issue a maximum of approximately 60,376,342 Crescent Shares to Scheme Shareholders (ignoring the effects of rounding and assuming that no additional Coventry Shares are issued between the date of this Scheme Booklet and the Record Date). In addition, Crescent will issue a maximum of approximately 11,845,967 Crescent Consideration Options to Coventry Optionholders under the Option Scheme (ignoring the effects of rounding and assuming that no additional Coventry Options are exercised between the date of this Scheme Booklet and the Record Date), which Crescent Consideration Options will be immediately capable of exercise. This is expected to take the total number of Crescent Shares on issue to 69,231,916, and the total number of Crescent Options issued and outstanding to 12,104,967.

Immediately following implementation of the Merger, existing Crescent shareholders will hold approximately 12.74% of the Crescent Shares on issue and current Coventry Shareholders will hold approximately 87.26% of the Crescent Shares on issue, effectively acquiring control of Crescent through a reverse takeover.

## 7.9 Top 5 Shareholders of the Merged Entity

Based on the current shareholders of Coventry and Crescent, following completion of the Merger, the top 5 shareholders of the Merged Entity are expected to be as follows:

Shareholder name	Number of Crescent Shares – pre Merger	Number of Crescent Shares – post Merger	Percentage shareholding – post Merger
Sun Valley Gold Master Fund	Nil	7,635,654	11.0%
Macquarie Bank	Nil	6,335,220	9.2%
Ms Karen Jennifer Pittard as trustee for the Whitehaven Mansions Trust	Nil	1,057,645	1.5%
Deck Chair Holdings Pty Ltd	Nil	1,024,048	1.5%
Don Halliday	5,481,378 <sup>1</sup>	1,584,275 <sup>2</sup>	2.3%
<b>Total Crescent Shares held by above shareholders</b>	<b>5,481,378</b>	<b>17,963,331</b>	

### Notes:

- 2,149,392 of the shares are held by Mr. Halliday's wife, Amanda Halliday, and 159,486 of the shares are held by 524124 BC Ltd, a private company wholly owned and controlled by Mr. Halliday.
- Includes 488,000 Crescent Shares to be issued on a post-Consolidation basis upon the conversion of 2,440,000 Subscription Receipts held by Mr. Halliday's wife, Amanda Halliday.

## 7.10 Board of Directors

Under the Merger Implementation Deed, Crescent has agreed to do all things necessary to procure that the Merged Entity Board is composed as follows:

- Michael Naylor –Director and CEO (Coventry nominee);
- Anthony Goddard –Director (Coventry nominee);
- Steven Chadwick –Director (Coventry nominee);

- (d) Don Halliday –Director (Crescent Nominee);
- (e) Michael Haynes –Director (Coventry nominee); and
- (f) Eric Edwards –Director (Crescent nominee),

or such other two nominees of Crescent or four nominees of Coventry acceptable to the other party, acting reasonably, and to the TSX-V and the ASX.

The profiles of the proposed directors listed above are included in sections 5.7 and 6.10 except for Steven Chadwick which is set out below.

### **Steven Chadwick**

Proposed Executive Director of the Merged Entity

On 21 August 2012 Coventry announced the appointment of Mr Steven Chadwick as a senior consultant to review and manage the development of the Cameron Gold Project, in preparation for taking the Cameron Gold Project into production. Mr Chadwick has over 35 years experience in the mining industry, including technical, operating and management roles in gold and base metals mining and processing. Mr. Chadwick was the managing director of PacMin Mining, which produced over 320,000 ounces of gold annually and has extensive experience in metallurgical consulting, feasibility studies and project management in Australia and Canada.

The non-executive Chairman of Merged Entity Board will be one of the directors nominated by Crescent.

The Crescent Board is subject to nomination and re-election each year at Crescent's annual general meeting. It is expected the first annual general meeting of the Merged Entity will be held in the second quarter of 2013. It is expected that this next annual general meeting will be held at a venue in Canada. All shareholders of the Merged Entity will have the right to attend and vote at the meeting either in person, or by proxy. See section 12.4.2(b) of the Scheme Booklet for further detail in respect of the procedure for Crescent CDI holders to vote at general meetings of the Merged Entity.

Due to the current structure and composition of the Coventry Board, the Coventry Directors have not established any corporate governance committees given the size and nature of the operations of Coventry. Following implementation of the Merger, the Merged Entity Board will consider whether it is appropriate to establish any corporate governance committees in accordance with the corporate governance recommendations of the ASX and the TSX-V.

Crescent currently has an audit committee consisting of 3 members. The Merged Entity Board will review the composition of the audit committee following the implementation of the Merger.

## **7.11 Financial Information**

Set out on the following pages is an unaudited pro-forma consolidated statement of financial position of the Merged Entity which has been prepared based on the audited consolidated financial statement of Coventry as at 30 June 2012 (as shown in section 5.4) and the unaudited consolidated statement of financial position of Crescent as at 30 June 2012 (as shown in section 6.5), including pro-forma adjustments and reclassifications to account for the proposed merger of Coventry and Crescent as though it had occurred on 14 September 2012.

The Merged Entity pro-forma financial information is presented in an abbreviated form and does not include all the disclosures required by IFRS applicable to financial reporting.

### 7.11.1 Basis of preparation

The basis on which the unaudited pro forma consolidated statement of financial position has been compiled is set out below:

- (a) The unaudited pro-forma consolidated statement of financial position has been prepared by the management of Coventry, in accordance with IFRS, for illustrative purposes only to show the effect of the proposed Merger.
- (b) The unaudited pro-forma consolidated statement of financial position assumes that Crescent will acquire all Scheme Shares.
- (c) The unaudited pro-forma consolidated statement of financial position is not intended to be indicative of the financial position that would actually have occurred, or the financial position expected in future periods. Coventry is required to account for the acquisition based on values on completion of the Merger and as such, actual amounts recorded by Coventry upon completion of the transaction will differ from those recorded in the unaudited pro-forma consolidated statement of financial position.
- (d) The unaudited pro-forma consolidated statement of financial position should be read in conjunction with the historical consolidated financial information of Coventry and Crescent as shown in sections 5.4 and 6.5 respectively. Certain elements of Coventry and Crescent's financial information have been reclassified to provide a consistent format.

### 7.11.2 Statement of financial position

Set out below is the Merged Entity's pro forma unaudited condensed consolidated statement of financial position for the six months ended 30 June 2012. All amounts are rounded to the nearest Australian dollar.

#### CRESCENT PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012) (UNAUDITED)

			Adj	Adj	Adj	Adj	Adj	Adj	Adj	
			7.11.3(a)	7.11.3(b)	7.11.3(c)	7.11.3(d)	7.11.3(e)	7.11.3(f)	7.11.3(g)	Consolidated
	Crescent June 30, 2012	Coventry, June 30, 2012								
<b>ASSETS</b>										
<b>Current assets</b>										
Cash and cash equivalents	977,384	2,985,446	-	(1,267,019)	(186,665)	735,294	1,298,000	(350,000)	-	4,192,440
Trade and other receivables	14,165	207,684	-	(41,977)	2,167	-	-	-	-	182,039
Prepaid expenses	9,937	-	-	-	118,573	-	-	-	-	128,510
	1,001,486	3,193,130	-	(1,308,996)	(65,925)	735,294	1,298,000	(350,000)	-	4,502,989
<b>Non-current assets</b>										
Plant and equipment	1,587	354,744	-	619	-	-	-	-	-	356,950

Deferred exploration and evaluation expenditures	1,062,326	26,481,592	-	1,056,059	-	-	-	350,000	6,500	28,956,477
	1,063,913	26,836,336	-	1,056,678	-	-	-	350,000	6,500	29,313,427
	2,065,399	30,029,466	-	(252,318)	(65,925)	735,294	1,298,000	-	6,500	33,816,416
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Trade and other payables	10,020	729,007	-	(245,952)	51,133	-	-	-	-	544,208
<b>EQUITY</b>										
Issued Capital	25,362,844	51,099,974	(25,362,844)	-	-	735,294	1,298,000	-	6,500	55,195,147
			2,055,379							
Reserves	1,689,391	1,540,862	(1,689,391)	432,607	-	-	-	-	-	1,973,469
Accumulated losses	(24,996,856)	(23,340,377)	24,996,856	(438,973)	(117,058)	-	-	-	-	(23,896,408)
	2,055,379	29,300,459	-	(6,366)	(117,058)	735,294	1,298,000	-	6,500	33,272,208
	2,065,399	30,029,466	-	(252,318)	(65,925)	735,294	1,298,000	-	6,500	33,816,416

### 7.11.3 Pro-forma assumptions and adjustments

The unaudited pro-forma consolidated statement of financial position reflects the Merger as if it occurred on the date presented (30 June 2012); additional adjustments have been made for significant transactions that occurred from 30 June 2012 to 14 September 2012. The following adjustments and assumptions were made:

- (a) An increase in issued capital of \$2,055,379 to record the assumed value of new Crescent Shares to be issued as Share Scheme Consideration under the Share Scheme.

The purchase price of Crescent has been allocated as follows:

Cash	\$ 977,384
Trade and other receivables	14,165
Prepaid expenses	9,937
Plant and equipment	1,587
Deferred exploration and evaluation expenditures	1,412,326
Trade and other payables	(10,020)
<b>Total</b>	<b>\$ 2,405,379</b>

As a result of the Merger, there will be an elimination of Crescent's pre-acquisition capital of \$25,362,844, contributed surplus of \$1,689,391 and the accumulated deficit of \$24,996,856 will all be eliminated.

- (b) Coventry's significant deferred exploration and evaluation expenditures subsequent to 30 June 2012 and up to 14 September 2012 and the affect on the Merged Entity's working capital and accumulated losses.

- (c) Crescent's transactions subsequent to 30 June 2012 and up to 14 September 2012 and the affect on the Merged Entity's working capital and accumulated losses.
- (d) Crescent's Capital Raising of CDN\$750,000 (A\$735,294) on the issuance of 15,000,000 Subscription Receipts at a price of C\$0.05 per Subscription Receipt, the proceeds of which will be held in escrow pending completion of the Merger. Upon the closing of the Crescent Capital Raising, each Subscription Receipt will be exchanged for one pre-consolidation Crescent Share.
- (e) Coventry Capital Raising of A\$1,298,000 at \$0.055 per Coventry Share to sophisticated institutional investors.
- (f) The estimated transaction costs associated with the Merger are \$350,000.
- (g) Subsequent to 30 June 2012, Coventry's issuance of 50,000 Coventry Shares for the acquisition of mineral interests in Ontario in accordance with Coventry's existing obligations under the Property Option Agreements.

#### **7.11.4 Significant accounting policies**

The unaudited pro-forma financial information has been prepared in accordance with IFRS.

In preparing the unaudited pro-forma consolidated financial information, a review was undertaken to identify accounting policy differences between Coventry and Crescent where the impact was potentially material and could be reasonably estimated. Further accounting policy differences may be identified after completion of the proposed Merger. The significant accounting policies of Crescent are believed to conform in all material respect to those of Coventry.

#### **7.11.5 Combination of the assets of Coventry and Crescent**

The Merged Entity will make an application to have its shares listed and tradable on both the TSX-V and the ASX.

Under the Merger Implementation Deed, Crescent will acquire Coventry by means of court sanctioned schemes of arrangement under Part 5.1 of the Corporations Act. Following the Merger, Coventry Shareholders will own 87.26% of the common shares of the Merged Entity with current Crescent Shareholders holding approximately 12.74%, effectively acquiring control of Crescent through a reverse takeover.

Pursuant to Merger Implementation Deed, it is proposed that Crescent will undertake the Consolidation of the Crescent Shares on issued prior to implementation of the Merger. Crescent will offer to acquire all Coventry Shareholder on the basis of 0.2513 post-Consolidation Crescent Shares for each Coventry Share.

In accordance with the Merger Implementation Deed, Crescent completed a financing of C\$750,000 of Subscription Receipts at a price of C\$0.05 per Subscription Receipt, the proceeds of which are being held in escrow pending completion of the Merger. Upon the completion of the Merger, each five Subscription Receipts will be exchanged for one post-Consolidation Crescent Share. This will result in Crescent having approximately C\$1.6million (before costs) in cash prior to implementation of the Merger.

Subsequent to 30 June 2012, Coventry issued 23,600,000 Coventry Shares pursuant to a capital raising of \$1,298,000 at \$0.055 per Coventry Share to sophisticated and institutional investors.

Completion of the Coventry Capital Raising and the Crescent Capital Raising will ensure the Merged Entity is suitably financed on completion of the Merger to progress the PEA

on the Cameron Gold Project to the next stage and to recommence exploration in the first quarter of 2013.

The capital structure of the Merged Entity following implementation of the Merger is set out in section 7.7 of the Scheme Booklet.

In addition, under a separate scheme of arrangement under Part 5.1 of the Corporations Act, existing Coventry Options will be exchanged for Crescent Consideration Options, to be issued on terms consistent (to the greatest extent permitted by applicable Canadian Securities Laws) with the terms of the existing Coventry Options other than the number of shares of the Merged Entity issuable upon exercise of the options, and the exercise price of the new options, which will both be adjusted to reflect the Exchange Ratio. No value to be assigned at the transaction for the exchange.

The Schemes will be subject to regulatory, Australian Court, shareholder (both Crescent and Coventry), and third party approvals, together with customary conditions. Regulatory approvals will be required from the Australian Foreign Investment Review Board, the ASIC, the ASX, and the TSX-V. The Option Scheme will be conditional upon the Share Scheme, as well as regulatory, Australian Court, approval of Coventry Optionholders, together with customary conditions.

The proposed Merger with Crescent will be accounted for under IFRS-2 share base payment. The results of the operations of Crescent will be included in the consolidated financial statements of Coventry from the date control of the Merged Entity is effectively acquired by Crescent. Certain adjustments (if any) have been reflected in the unaudited balance pro-forma statement of financial position to illustrate the effects of the transaction.

For the purpose of preparing the unaudited pro-forma consolidated statement of financial position, Coventry has made certain assumptions. The unaudited pro-forma consolidated statement of financial position assumes the completion of a business combination whereby there are 240.2 million Coventry Shares, representing 216.6 million Coventry Shares on issue at 30 June 2012 and 23.6 million Coventry Shares issued pursuant to Coventry Capital Raising completed subsequent to 30 June 2012. Crescent will issue 60.4 million Crescent Shares for the 240.2 million Coventry Shares.

Under IFRS, the acquisition date is the date on which one company effectively obtains control of another. Coventry shall measure the cost of the transaction as the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by Crescent, in consideration for control of Coventry. Consequently, the value of the purchase consideration for accounting purposes may differ from the amount assumed in the unaudited pro-forma consolidated statement of financial position due to future changes in the market price of both companies.

The unaudited pro-forma consolidated statement of financial position assumes the fair market value of the transaction to be \$2,055,379 plus \$350,000 totalling \$2,405,379.

Based on publicly available information and due diligence conducted to date, Coventry has formed a preliminary assessment of the fair value of all identifiable assets and liabilities to be acquired and the impact of applying purchase accounting.

Once the Scheme(s) have been implemented, the fair value of all identifiable assets and liabilities acquired will be finalised, including a formal assessment of the fair value of property, plant and equipment and deferred tax balances.

#### **7.11.6 Capital structure and listing information**

Assuming none of the existing Crescent convertible securities or Coventry Options are exercised or lapse, upon implementation of the Merger Crescent's capital structure (on a post-Consolidation basis) is likely to comprise:

- (a) 69,194,716 Crescent Shares (of which (ignoring the effect of any sale by the Sale Nominee) current Coventry Shareholders will hold approximately 87.26% – see section 7.7 and 7.8 for further detail);
- (b) 12,104,967 Crescent Consideration Options (of which current Coventry Optionholders will hold approximately 97.90% – see section 7.7 for further detail); and
- (c) 1,062,876 common share purchase warrants of Crescent.

## **7.12 Financial forecasts**

Crescent and Coventry have given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. Crescent and Coventry have concluded that, as at the date of this Scheme Booklet, a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

The financial performance of the Merged Entity in any period will be influenced by various factors that are outside the control of the directors and that cannot, at this time, be predicted with a high level of confidence. In particular, the financial performance of the Merged Entity may be materially affected by its listing on both the TSX-V and the ASX. The Merged Entity may also be materially affected by exchange rates, commodity prices, and the availability of funding to undertaking exploration and development.

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## **8. POTENTIAL RISK FACTORS**

The Merged Group will continue the current business of Coventry (as described in section 5 of this Scheme Booklet) and Crescent (as described in section 6 of this Scheme Booklet), except that Coventry will become a wholly-owned subsidiary of Crescent and Scheme Shareholders and Scheme Optionholders will hold an indirect interest in Coventry through their Crescent Shares or CDIs, or Crescent Options, and the primary listing for securityholders of the Merged Entity will be the TSX-V.

This may result in the change in the risk profile to which Coventry Securityholders are exposed.

The value of the Crescent Shares, Crescent CDIs and Crescent Options will be influenced by a range of factors, some of which will be beyond the control of the Merged Entity.

This section outlines a number of the risks that may affect the performance of the Merged Entity and the value of its shares and other risks that Coventry Securityholders should be aware of. These risks include:

- (a) risks relating to the existing Coventry and Crescent businesses;
- (b) risks relating to the implementation of the Merger;
- (c) risks relating to the Merged Entity; and
- (d) risks if the Merger does not proceed.

The outline of risks in this section 8 is a summary only and should not be considered exhaustive. No assurances or guarantees are given in relation to the future performance of, profitability of, or potential payment of dividends by any of Coventry, Crescent or the Merged Entity. These risk factors do not take into account the investment objectives, financial situation, position or particular needs of any Coventry Securityholder.

### **8.1 Risks relating to the existing Coventry and Crescent businesses**

#### **8.1.1 Mutual risks**

Like Coventry, Crescent is subject to the inherent risks of the gold mining industry and general economic risks in varying degrees. A

non-exhaustive list of some of the more important of these risks is set out below.

For the purposes of this section 8.1, the terms "Mineral Reserve" and "Mineral Resource", when used in respect of Crescent, have the meanings ascribed to them in the CIM Standards.

#### **Exploration and development risks**

Few mineral properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in the definition of a Mineral Resource. Operations are subject to all of the hazards and risks normally encountered in the exploration and development of minerals. Although precautions to minimise risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance.

In addition, substantial expenditures are required to establish Ore Reserves, Mineral Reserves and Mineral Resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralised deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing gold and other mineral properties is affected by many factors, including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.

The long-term success of both Coventry and Crescent depends on their ability to explore, develop and commercially produce minerals from their mineral properties and to locate and acquire additional properties worthy of exploration and development for minerals.

### **Substantial capital requirements**

Each of Coventry and Crescent anticipate it may require substantial future capital expenditures for the acquisition, exploration, development and production of each company's mineral properties. Both companies are at the exploration stage with no revenue being generated from the exploration activities on their respective mineral properties. Each company may therefore have to raise the capital necessary to undertake or complete future exploration work, including drilling programs.

There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Coventry or Crescent. Moreover, future activities may require Coventry or Crescent to alter its capitalisation significantly. An inability to access sufficient capital for operations could have a material adverse effect on each company's financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause a company to forfeit its interest in its mineral properties, miss certain acquisition opportunities, or reduce or terminate its operations.

### **Competition**

The mining industry is highly competitive. Coventry's and Crescent's competitors for the acquisition, exploration, production and development of mineral properties, and for capital to finance such activities, include companies that have greater financial and personnel resources available to them.

### **Volatility of metal prices**

The market price of any precious or base metal is volatile and is affected by numerous factors that are beyond Coventry's or Crescent's control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events

and international events as well as a range of other market forces. Sustained downward movements in metal market prices could render less economic, or uneconomic, some or all of the precious or base metal extraction and/or exploration activities to be undertaken by Coventry or Crescent.

### **Mineral Resources estimates**

Coventry's and Crescent's mineral properties do not contain a known quantity of commercial minerals. Mineral Resources are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realised. Estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render Mineral Resources containing relatively lower grades of mineralisation uneconomic. Moreover, short-term operating factors relating to Mineral Resources, such as the need for orderly development of ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

### **Recent global financial conditions**

Recent global financial conditions have resulted in increased volatility in the financial sector. Access to public financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of Coventry and Crescent to obtain equity or debt financing in the future and, if obtained, on terms favourable to Coventry and Crescent. If these increased levels of volatility and market turmoil continue, Coventry's and Crescent's operations could be adversely impacted and the value and the price of the Coventry Shares and Crescent Shares could be adversely affected.

### **Environmental risks**

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on

spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with environmental legislation can require significant expenditures and a breach may result in the imposition of fines and penalties.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Changes to legislation and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Coventry and Crescent and cause increases in capital expenditures or production costs or reduction in levels of production at any future producing properties or require abandonment or delays in the development of new mining properties.

### **Reliance on key personnel**

The success of Coventry and Crescent will be largely dependent upon the performance of its management and key employees and contractors. In assessing the risk of an investment in the Coventry Shares and Crescent Shares, potential investors should realise that they are relying on the experience, judgment, discretion, integrity and good faith of the proposed management of Coventry and Crescent.

### **Conflicts of interest**

Certain of the directors and officers of Coventry and Crescent may be engaged in, and may continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and

officers of Coventry and Crescent may become subject to conflicts of interest. Relevant laws in Australia and Canada provide that in the event that a director or officer has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director or officer must disclose his or her interest in such contract or agreement and a director must refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of those laws.

### **Permits and licenses**

The activities of Crescent and Coventry are subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters, including issues affecting local native populations. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of Coventry or Crescent. Further, the mining licenses and permits issued in respect of each company's mineral properties may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of Coventry's or Crescent's investments in their respective mineral properties may decline.

### **Title risks**

The acquisition of title to resource properties or interests therein is a very detailed and time-consuming process. Coventry's or Crescent's mineral properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. The boundaries of their mineral properties have not been surveyed and consequently may be disputed.

### **Uninsured risks**

Each of Coventry and Crescent, as a participant in mining and exploration activities, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. Furthermore, each of Coventry and Crescent

may incur a liability to third parties (in excess of any insurance coverage) arising from negative environmental impacts or any other damage or injury.

### **8.1.2 Risks specific to Coventry**

In addition to the risks applicable to both businesses, Coventry is also subject to additional risks including those set out below.

#### **Incomplete transaction**

Coventry notes, that the Houston Lake Letter of Intent, pursuant to which Coventry will acquire the West Cedartree Gold Project, is subject to the parties entering into a formal agreement. Although the Houston Lake Letter of Intent is evidence of the parties agreement to undertake the transaction, the risk remains that the parties may be unable to agree all of the terms of the formal agreement, in which case, unless this condition is waived, the agreement to acquire the West Cedartree Gold Project would terminate, and Coventry will not acquire an interest in the asset.

The Coventry Directors consider that Coventry can manage the negotiation with the vendors of the West Cedartree Gold Project in relation to the completion of the formal agreement such as to ensure that this condition is satisfied.

#### **Contractual risk**

In order for Coventry to be able to achieve its objectives Coventry is reliant on the owners of its mining properties which are subject to the Property Option Agreements and Coventry each complying with their respective contractual obligations under the Property Options Agreements, to maintain Coventry's interest the mining properties subject to Property Option Agreements in full force and effect.

### **8.1.3 Risks specific to Crescent**

In addition to the risks applicable to both businesses, Crescent is subject to additional risks including the risks set out below.

#### **Substantial number of authorised but unissued shares**

Crescent has an authorized share capital consisting of an unlimited number of common shares which may be issued by the Crescent Board without further action or approval of the Crescent Shareholders, except in limited

circumstances. While the Crescent Board is required to fulfil its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all Crescent Shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of Crescent Shareholders.

#### **Limited Operating History**

Crescent is a company with limited successful operating history. Crescent was incorporated in November 1945 and has yet to generate a profit from its activities. Crescent will be subject to all of the business risks and uncertainties associated with any business enterprise, including the risk that it will not achieve its growth objective. Crescent anticipates that it may take several years to achieve positive cash flow from operations. Even if Crescent does undertake further exploration activity on its mineral property, there is no certainty that Crescent will produce revenue, operate profitably or provide a return on investment in the future.

#### **Ongoing Arbitration**

On 4 October 2012, Crescent received notice that it had been named as a party in arbitration proceedings in the Paraguay Centre for Arbitration relating to a contractual dispute arising from April 2007. A summary of this dispute is outlined in Section 15.23.

The maximum liability of Crescent under this arbitration is approximately US\$1.5m. Should an adverse result arise from the arbitration, Crescent may be required to pay financial compensation, which would need to be funded from the Merged Entity. As outlined in Section 15.23, Crescent has advised Coventry that it considers that this claim is without merit and will be defended vigorously by Crescent. Coventry continues to work with Crescent to understand this matter and to ensure that any potential adverse consequence for Coventry Shareholders and Coventry Optionholders under the Schemes are minimised.

### **8.2 Risk factors relating to the Merged Entity**

In addition to the risks associated with the businesses of Coventry and Crescent set out above, there are key risks to an investment in the Merged Entity including the risks set out below.

### **Integration risk**

The successful integration of Coventry's business into Crescent may have a material impact on the success of the Merged Entity in particular in connection with the retention of key employees. There is no guarantee that the business of Crescent and Coventry will be able to integrate successfully, or over the expected time period, or at the implementation cost estimated by the parties.

It is intended that four of the existing Coventry Directors will be appointed to the Merged Entity Board (for further details refer to section 7.10 of this Scheme Booklet) and that members of Coventry's management will be appointed to the positions outlined in section 7.5.7 of this Scheme Booklet. The unintended loss of key employees may occur following implementation of the Merger, which may have an adverse impact on the Merged Entity's performance, at least in the near to medium term. Other than as disclosed in this Scheme Booklet Coventry's directors are not aware of any key employee who wishes to terminate their employment contract at this time in the event the Merger is implemented.

### **Unforeseen expenses**

While neither company is aware of any expenses that may need to be incurred that has not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Merged Entity may be adversely affected.

### **Selling of Crescent Share and Crescent CDIs issued as Scheme Consideration**

Coventry Securityholders will receive as Scheme Consideration a specified number of Crescent Shares or Crescent CDIs, or Crescent Consideration Options, rather than a number of Crescent Securities at a specified market value.

As a result, the value of the Scheme Consideration will fluctuate depending upon the market value of the Crescent Shares or Crescent CDIs.

Pursuant to the terms of the Merger Implementation Deed, Crescent will issue a maximum of approximately 60,376,342 Crescent Shares to Scheme Shareholders (ignoring the effects of rounding and assuming that no additional Coventry Shares

are issued before the Record Date). In addition, Crescent will issue a maximum of approximately 11,845,967 Crescent Consideration Options to Coventry Optionholders under the Option Scheme (ignoring the effects of rounding and assuming that no additional Coventry Options are exercised before the Record Date), which will be immediately capable of exercise into Crescent Shares. Some of the Scheme Shareholders and Scheme Optionholders may not wish to hold their allotment of Crescent Shares (or if applicable Crescent CDIs) and may choose to sell them on the TSX-V or the ASX (as applicable).

In addition, the Sale Nominee will be issued Crescent Consideration Shares attributable to Ineligible Overseas Shareholders, and will sell them on the TSX-V as soon as practicable in order to remit the Cash Proceeds to Ineligible Overseas Shareholders.

Crescent Share prices may be adversely affected in the short term if a significant number of Scheme Shareholders or Scheme Optionholders sell their allotment of Crescent Shares soon after implementation of the Merger.

### **Future capital requirements**

The continued operations of the Merged Entity will be dependent on its ability to obtain financing through debt and equity financing, or generating sufficient cash flows from future operations. There is a risk that the Merged Entity may not be able to access capital from debt or equity markets (or via any other forms of available financing) for future projects or developments, which could have a material adverse impact on the Merged Entity's business and financial condition. If, post the Merger, financing was undertaken through the issuance of new equity or equity-linked securities of the Merged Entity other than on a pro rata basis existing shareholders may experience additional dilution and the control of the Merged Entity may change.

### **8.3 Risks to Coventry Securityholders if the Schemes do not proceed**

Coventry Securityholders should be aware that if the Schemes do not proceed, they will retain their Coventry Shares and Coventry Options and will not receive any form of Scheme Consideration. Coventry Securityholders may, in addition to the normal risks Coventry faces, be exposed to the additional risks as described in section 2.1 of

this Scheme Booklet.

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## **9. AUSTRALIAN TAXATION CONSIDERATIONS**

### **9.1 Australian tax implications for Coventry Shareholders and Coventry Optionholders**

The paragraphs below prepared by Deloitte Tax Services Pty Ltd comment on the general Australian taxation position of Coventry Securityholders in relation to the disposal of their Coventry Securities in exchange for Crescent Securities.

In relation to the Australian tax implications, the comments below only apply to those Coventry Securityholders who hold their investments on capital account and the comments do not apply to Coventry Securityholders who hold their Coventry Securities as trading stock, revenue assets or otherwise on revenue account. Such Coventry Securityholders will not likely have access to any form of tax rollover relief and should seek independent tax advice as to how they will be impacted by the Scheme.

Further, the comments below do not deal with the implications for Coventry Securityholders who are participants in Coventry's employee incentive plans, are subject to the taxation of financial arrangement rules, or implications of disposing of Coventry Securities under the taxation laws of countries other than Australia.

In providing these comments, Deloitte Tax Services Pty Ltd has relied upon certain facts, as set out in this Scheme Booklet that have not been independently reviewed or verified by Deloitte Tax Services Pty Ltd.

The following comments are intended as only a general guide to the Australian tax implications discussed in this section, and not other Australian or foreign taxes. They should not be a substitute for advice from an appropriate professional adviser and all Coventry Securityholders are strongly advised to obtain their own professional advice on the tax implications based on their own specific circumstances.

The comments are based on the law and practice of the tax authorities in Australia as at the date of this document. These are subject to change periodically as is their interpretation by the courts.

The representatives of Deloitte Tax Services Pty Ltd involved in preparing this report are not licensed to provide financial product advice. All holders should consider taking advice from an Australian Financial Services licence holder before taking any decision in relation to a financial product.

### **9.2 Tax Residency of Coventry and Crescent**

The tax outcomes set out in this section are dependent on the residency of Coventry and Crescent for Australian tax purposes.

The issue of tax residency is determined by fact. We understand that Coventry is currently an Australian tax resident. Based on the fact that Crescent is incorporated in Canada and management's current intentions with regards to the future management of Crescent, it is likely that Crescent would be considered a non-resident of Australia and a tax resident of Canada for Australian tax purposes. The comments below have been prepared on the basis that Crescent is considered a non-resident of Australia for Australian tax purposes.

### **9.3 Tax implications for Australian residents**

This section applies to Coventry Securityholders that are residents of Australia for Australian income tax purposes and hold their Coventry Securities on capital account.

#### **(a) Disposal of Coventry Securities**

Australian resident Coventry Securityholders must consider the impact of the Australian Capital Gains Tax (**CGT**) rules on the disposal of their Coventry Securities as a CGT event when they dispose of their Coventry Securities.

#### **(i) Calculation of capital gain/loss**

Coventry Securityholders will derive a capital gain if the value of the Crescent Securities they receive is greater than the CGT cost base of their Coventry Securities. Broadly, the amount of any capital gain liable to Australian tax will be the amount by which the market value of the Crescent Securities exceeds the cost base of their Coventry Securities. The time of recognition of any capital gain will be at the time the Coventry Securityholders dispose of their Coventry Securities (which should be the Implementation Date).

Coventry Securityholders will incur a capital loss if the value of the Crescent Securities they receive is less than the CGT reduced cost base of their Coventry Securities. Such a capital loss may be used to offset a capital gain made in the same income year or a future income year. For Coventry Securityholders that are not individuals, a capital loss can only be carried forward to offset a future capital gain if the required loss recoupment tests are satisfied. A capital loss may not be used to offset ordinary assessable income.

(ii) **Availability of rollover relief**

If a Coventry Securityholder would otherwise derive a capital gain, they may be able to elect for CGT rollover relief (more specifically, scrip for scrip rollover relief) in relation to the exchange of their Coventry Securities for Crescent Securities. Scrip for scrip relief will not apply if a Coventry Securityholder would otherwise make a capital loss.

In order to obtain scrip for scrip rollover relief, a Coventry Securityholder must receive similar Crescent Securities in exchange for their Coventry Securities i.e. Coventry Options must be exchanged for Crescent Options or Coventry Shares must be exchanged for Crescent Shares. For the purpose of the scrip for scrip rollover relief, any Crescent Securityholders that hold Crescent CDIs should be treated as if they hold the underlying interests that the CDI represents on the basis the CDIs are Chess Units of Foreign Security (**CUFs**).

Partial rollover relief may be available to the extent the capital proceeds received by the Coventry Securityholder for its Coventry Security included something in addition to the Crescent Security (for example, cash). Additional requirements may need to be satisfied to the extent Coventry does not have 300 or more shareholders just prior to the Implementation Date. As at the date of this Scheme Booklet Coventry has at least 300 Coventry Shareholders. The following comments are on the basis Coventry has at least 300 Coventry Shareholders.

Electing for scrip for scrip rollover relief will result in any capital gain being disregarded for Australian tax purposes. Further, Crescent Securities received upon the disposal of Coventry Securities will have a cost base equal to the cost base of the Coventry Securities (note, in some cases if Coventry

Securities were acquired by an earlier scrip transaction the cost base may need to be traced back to an earlier acquisition). The cost base of the Crescent Securities is relevant in working out any capital gain liable to Australian tax on a subsequent disposal or other CGT event related to the Crescent Securities.

A Coventry Securityholder who chooses rollover relief will be taken to acquire their Crescent Securities at the time of acquiring their Coventry Securities for the purpose of the CGT rules.

If a Coventry Securityholder chooses rollover relief, then the choice must be made before they lodge their income tax return for the income year in which they dispose of their Coventry Securities. However, there is no requirement to lodge an election with the Australian Taxation Office (**ATO**) – the choice will be evident from the way the tax return is prepared.

(iii) **Implications if rollover relief does not apply**

If a Coventry Securityholder derives a capital gain at the time they receive the Crescent Securities and does not choose to or cannot apply the CGT rollover rules, then the Coventry Securityholder may be able to offset any gain arising on disposal of its Coventry Securities with capital losses incurred by the Coventry Securityholder on or before the end of the income year to determine the net capital gain. Further, the indexation and CGT discount rules may also apply.

If the Coventry Securityholder's securities were acquired at or before 11.45am (by legal time in the Australian Capital Territory) on 21 September 1999, for the purpose of calculating a capital gain (but not a capital loss), its cost base for those securities may be indexed for inflation to 30 September 1999 (which would only be of any practical effect if the securities were acquired prior to 1 July 1999). If the Coventry Securityholder wants indexation to apply, it must choose for indexation to apply. The choice must be made on or before the day the Coventry Securityholder lodges its income tax return for the income year in which it disposes of its Coventry Securities. The Coventry Securityholder does not need to inform the ATO or document the choice to apply indexation other than to complete its income

tax return in a manner consistent with that choice. If the Coventry Securityholder chooses for indexation to apply, it will not be eligible for discount CGT treatment (described below). If the Coventry Securityholder is a type of entity that is not eligible for discount CGT treatment (e.g. a company), indexation may apply by default.

If indexation does not apply, and the Coventry Securityholder is an individual, trust or complying superannuation fund that has held their Coventry Securities for more than 12 months at the time they dispose of their Coventry Securities, then it is possible for the Coventry Securityholder to obtain a CGT discount which will reduce the net capital gain by half (if the Coventry Securityholder is an individual or trust) or by one third (if the Coventry Securityholder is a complying superannuation fund). No reduction in the capital gain is available to companies that hold Coventry Securities.

Any remaining capital gain after the above reductions should be included in the Coventry Securityholder's assessable income in their tax return.

The CGT cost base of the Crescent Securities acquired for all Coventry Securityholders who do not choose to apply the CGT rollover rules (or who are unable to make this choice) should practically be the market value of the Crescent Securities at the time the Coventry Securities are disposed of (the Implementation Date) and will be taken to have been acquired on the Implementation Date.

(iv) **Legislative changes**

The Australian Government has proposed changes to the CGT rollover provisions. If these provisions come into effect, then Australian resident Coventry Shareholders may be entitled to rollover relief under the replacement asset rollover provisions. If this is the case, these rollover provisions will take precedence over the scrip for scrip rollover provisions, for those shareholders. Under the replacement asset rollover provisions, rollover relief in relation to any capital gain arising will still be available provided the requisite conditions are met. However, we note that under the replacement asset rollover provisions if a capital loss arises from the Scheme a Coventry Shareholder can choose to apply rollover in relation to this capital loss (there is no such choice under the scrip for

scrip rollover provisions). Given the uncertainty around these proposed changes, we strongly recommend that each investor obtain their own tax advice in relation to the consequences of the Scheme.

In addition, the Australian Government has announced proposed changes to the integrity measures contained in the scrip for scrip rollover provisions, which may apply to scrip for scrip arrangements entered into after 7.30 pm on 8 May 2012. Broadly, the proposed change will ensure that the test for a significant or common stakeholder includes all shares and options held by the shareholder. The legislation in respect of these proposed amendments is yet to be released. The comments relating to the scrip for scrip rollover relief are subject to these changes.

(b) **CGT consequences if Option Scheme is not approved**

If the Share Scheme is approved but the Option Scheme is not, and Crescent compulsorily acquires the outstanding Coventry Options in exchange for cash (refer to section 13.10.2), this transaction may be taxable under the CGT provisions. The CGT consequences will depend on your individual circumstances. Coventry Optionholders should seek their own specific taxation advice in this regard.

(i) **Ongoing ownership of Crescent Securities**

On the basis that Crescent will not be an Australian resident for Australian tax purposes, Australian resident Crescent Securityholders will own interests in a foreign company. The tax consequences of owning interests in a foreign company (including the potential application of accrual taxation) are complex and all Crescent Securityholders are advised to seek independent professional advice from their own tax adviser regarding the Australian and foreign tax consequences to them of acquiring, holding and disposing of Crescent Securities according to their own particular circumstances.

(ii) **Taxation of dividends**

The comments outlined below are based on the assumption that any dividends paid by Crescent will be paid out of ordinary profits. Should dividends be paid out of a contributed surplus, this may have different taxation implications for Crescent Shareholders or holders of Crescent CDIs.

If the Crescent Shareholder or the holder of a Crescent CDI is an Australian resident and Crescent pays a dividend on the Crescent Shares or Crescent CDIs, then the gross amount of the dividend (including any foreign taxes deducted from the dividend) must be included in the assessable income of the Crescent Shareholder or the holder of a Crescent CDI for the year of payment.

As Crescent will not be an Australian resident for tax purposes, it will not be able to frank dividends it pays to its shareholders. Accordingly, Crescent Shareholders and holders of Crescent CDIs will not receive any franked dividends (and will not be entitled to any franking tax offsets in respect of such dividends) from Crescent.

Canada may impose withholding tax on the payment of dividends and therefore Australian residents may be entitled to a foreign income tax offset (**FITO**) to reduce the Australian tax payable on the dividend. If any FITOs are unable to be utilised in an income year, they cannot be carried forward and will be lost.

In the case of Australian resident companies that hold at least 10% of Crescent Shares at the time the dividend is paid, the dividends should be non-assessable, non-exempt income for Australian tax purposes and therefore should not be required to be included in the assessable income of Coventry.

#### (iii) **Disposal of Crescent Securities**

If a Crescent Securityholder is an Australian resident, then the Australian tax consequences of any disposal of Crescent Securities will be similar to the consequences of the disposal of their current Coventry Securities described above (provided that Crescent Securities continue to be held on capital account). However, as set out above, there will be a difference in the cost base of the Crescent Securities depending on whether the Coventry Securityholder chose the rollover relief to apply.

If an Australian resident company has held a 10% or greater voting interest in Crescent for a continuous period of at least 12 months during the 24 months prior to a future disposal of the Crescent Securities, then the Crescent Securityholder may be entitled to a reduction in the capital gain or loss arising from the disposal under the "participation exemption" rules. Crescent Securityholders are

recommended to seek their own professional advice on the potential application of these rules.

#### **9.4 Tax Implications for Non-residents**

This section applies to Coventry Securityholders that are not residents of Australia for Australian income tax purposes and hold their Coventry Securities on capital account. It does not apply to Coventry Securityholders that have held their Coventry Securities at any time in carrying on a business at or through a permanent establishment in Australia, or as trading stock, revenue assets or otherwise on revenue account.

##### (a) **Disposal of Coventry Securities**

Under the Australian CGT rules, a capital gain or loss made by a non-resident in relation to the sale of shares in an Australian resident company will only be subject to CGT if the non-resident holds 10% or more of the voting shares in Coventry and the underlying assets relate predominantly (i.e. greater than 50%) to assets that are 'taxable Australian property'. Taxable Australian property comprises Australian land and interests in Australian land or interests (e.g. options or shares) in companies whose underlying assets comprise such land.

On the basis that the value of Coventry is not predominantly attributable to 'taxable Australian property', then it is likely that non-resident Coventry Securityholders will not be subject to Australian CGT on the disposal of their Coventry Securities for Crescent Securities.

##### (b) **Ongoing ownership of Crescent Securities**

###### (i) **Taxation of dividends**

Non-resident Crescent Shareholders or holders of Crescent CDIs will generally not be subject to Australian tax on dividends paid by Crescent.

###### (ii) **Disposal of Crescent Securities**

Non-resident Crescent Securityholders will generally not be subject to Australian tax on the disposal of Crescent Securities except where the Crescent Securityholder, together with its associates, has a 10% or greater voting interest in Crescent and Crescent has acquired substantial Australian real property assets such that Crescent Securities are

considered to be 'indirect Australian real property interests'.

#### **9.5 Stamp duty consequences**

There will be no liability for stamp duty on the disposal of their Coventry Securities or the acquisition of Crescent Securities.

This is on the basis that Coventry is registered and incorporated in Western Australia,

Crescent is incorporated overseas and both Coventry and Crescent and their relevant Subsidiaries are not entitled to any land (including fixtures, mining interests and leasehold interests) in Australia.

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## 10. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the **Canadian Tax Act**) generally applicable to a Coventry Securityholder (a **Holder**) who exchanges Coventry Securities for Crescent Securities pursuant to the Share Scheme or Option Scheme, and who, for purposes of the Canadian Tax Act and at all relevant times, holds such securities as capital property and deals at arm's length with and is not affiliated with Coventry or Crescent. Generally, Coventry Securities and Crescent Securities would be considered to be capital property to a Holder provided that the Holder does not hold such securities in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade.

This summary is not applicable to a Holder (i) that is a "financial institution" for purposes of the mark-to-market rules, (ii), that is a "specified financial institution", (iii) an interest in which is a "tax shelter investment", (iv) in relation to which Coventry is a "foreign affiliate" or (iv) that has made a functional currency reporting election, all within the meaning of the Canadian Tax Act. Such Holders should consult their own tax advisors.

Additional Canadian tax considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada, and is, or becomes, controlled by a corporation which is a non-resident of Canada for purposes of the "foreign affiliate dumping" rules in proposed section 212.3 of the Canadian Tax Act. Such Holders should consult their tax advisors.

The following comments also do not address all of the Canadian income tax consequences for Coventry Optionholders who acquire Crescent Options and who acquired their Coventry Options in respect of, in the course of, or by virtue of employment (an **Employment Option**). Coventry Optionholders should consult their own tax advisors.

This summary is based upon the current provisions of the Canadian Tax Act and the Regulations thereunder (**the Regulations**). This summary takes into account all specific proposals to amend the Canadian Tax Act and the Regulations publicly announced by

or on behalf of the Minister of Finance (Canada) prior to the date hereof (**the Proposed Amendments**) and assumes that all Proposed Amendments will be enacted in the form proposed. However, there can be no assurance that the Proposed Amendments will be enacted in their current form or at all. This summary does not otherwise take into account or anticipate any changes in the law or administrative or assessing practice or policy of the Canada Revenue Agency whether by legislative, regulatory, administrative, or judicial action, nor does it take into account tax legislation or considerations of any province, territory, or foreign jurisdiction, which may differ significantly from those discussed herein.

**This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Holders should consult their own tax advisors having regard to their own particular circumstances.**

Crescent has agreed to make a joint election pursuant to section 85 of the Canadian Tax Act (and any applicable provincial legislation) with any Coventry Shareholder who would otherwise realise a capital gain for purposes of the Canadian Tax Act as a result of the Share Scheme and who requests that Crescent make such joint election. Coventry Shareholders who would otherwise be liable for Canadian tax as a result of the Share Scheme and who wish to defer Canadian tax by making a joint section 85 election with Crescent should consult their own tax advisors and contact Crescent immediately following the Effective Date. The comments below regarding the exchange of Coventry Shares for Crescent Shares assume that the Holder will not make a joint section 85 election with Crescent.

The comments below regarding a Crescent Share generally apply equally to a Crescent CDI.

For the purposes of the Canadian Tax Act, all amounts relating to the acquisition, holding or disposition of Coventry Securities or Crescent Securities (including proceeds of disposition, dividends and adjusted cost base) must generally be converted into Canadian dollars using the relevant exchange rate quoted by the Bank of Canada at noon on the relevant day or such other rate or rates of exchange

acceptable to the Minister of National Revenue (Canada).

### **10.1 Coventry Securityholders who are not resident in Canada**

The following portion of this summary is generally applicable to a Holder who, at all relevant times, for the purposes of the Canadian Tax Act and any applicable income tax convention, is neither resident nor deemed to be resident in Canada, and who does not use or hold and is not deemed to use or hold Coventry or Crescent Securities in carrying on a business in Canada (a **Non-Canadian Holder**). Special rules, which are not discussed in this summary, may apply to a non-resident of Canada that is an insurer carrying on business in Canada and elsewhere. This part of the summary assumes that any Non-Canadian Holder of Employment Options did not acquire such Coventry Options in respect of, in the course of, and by virtue of employment carried on in Canada.

#### **10.1.1 Exchange of Coventry Securities for Crescent Securities**

Non-Canadian Holders who exchange their Coventry Securities for Crescent Securities under the Share Scheme or Option Scheme, as the case may be, will not be subject to tax under the Canadian Tax Act on any capital gain realised on the exchange unless such Coventry Securities: (a) are, or are deemed to be, "taxable Canadian property" (as described below) of the Non-Canadian Holder at the time of the exchange; and (b) the Coventry Securities are not "treaty protected property", as defined in the Canadian Tax Act, of the Non-Canadian Holder at the time of exchange.

The cost of any Crescent Security received in exchange for a Coventry Security (other than for an Employment Option) will be equal to the fair market value of the Crescent Security received in exchange, as the case may be, immediately after the applicable Scheme becomes Effective.

The exchange of an Employment Option for a Crescent Option will not give rise to an employment benefit taxable in Canada to a Non-Canadian Holder.

#### **10.1.2 Dispositions of Crescent Securities**

Any capital gain realised by a Non-Canadian Holder on the disposition or deemed

disposition of Crescent Securities will not be subject to tax under the Canadian Tax Act unless such Crescent Securities: (a) are, or are deemed to be, taxable Canadian property of the Non-Canadian Holder at the time of disposition; and (b) are not "treaty protected property", as defined in the Canadian Tax Act, of the Non-Canadian Holder at the time of disposition.

Generally, a Coventry Security or Crescent Security owned by a Non-Canadian Holder will not be taxable Canadian property of the Non-Canadian Holder at a particular time provided that the Coventry Shares or Crescent Shares, as applicable, are listed on a "designated stock exchange" (as defined in the Canadian Tax Act) (which includes the ASX and TSX-V Tiers 1 and 2) at that time unless at any time during the 60 month period preceding the disposition the following two conditions are met concurrently: (i) the Non-Canadian Holder, persons with whom the Non-Canadian Holder does not deal at arm's length, or the Non-Canadian Holder together with all such persons, owned 25% or more of the shares of any class or series of Coventry or Crescent, as the case may be; and (ii) more than 50% of the fair market value of such shares was derived directly or indirectly from one or any combination of real or immoveable property situated in Canada, "Canadian resource properties", "timber resource properties" (each as defined in the Canadian Tax Act), or an option in respect of, or interests in, or for civil law rights in, any such properties, whether or not such property exists. Notwithstanding the foregoing, in certain circumstances set out in the Canadian Tax Act, a share could be deemed to be taxable Canadian property of a Non-Canadian Holder.

Even if Coventry Securities or Crescent Securities are taxable Canadian property to a Non-Canadian Holder at a particular time, such holder may be exempt from tax on any capital gain realised on the disposition of such securities by virtue of an applicable income tax treaty or convention to which Canada is a signatory (i.e. treaty protected property).

In circumstances where a Coventry Security or Crescent Security owned by a Non-Canadian Holder constitutes "taxable Canadian property" of the Non-Canadian Holder, any capital gain that would be realised on the disposition of the security that is not treaty protected property will be subject generally to the same Canadian tax

consequences discussed below for Coventry Securityholders who are resident in Canada under the headings “*Exchange of Coventry Securities for Crescent Securities*” and under “*Capital Gains and Capital Losses*”. Non-Canadian Holders who hold Coventry Securities or Crescent Securities as taxable Canadian property should consult their own tax advisors.

### **10.1.3 Dividends on Crescent Shares**

Dividends paid, deemed to be paid, or credited on Crescent Shares to a Non-Canadian Holder will be subject to non-resident withholding tax under the Canadian Tax Act at a rate of 25% of the gross amount of the dividend unless the rate is reduced by an applicable income tax treaty. In the case of a beneficial owner of dividends who is a resident of Australia for purposes of the *Australia-Canada Income Tax Convention*, as amended, and who is entitled to the benefits of that treaty, the rate of withholding tax on dividends will generally be reduced to 15%.

## **10.2 Coventry Securityholders who are resident in Canada**

The following section of this summary applies to Holders (**Canadian Holders**) who, for the purposes of the Canadian Tax Act, are or are deemed to be resident in Canada at all relevant times.

### **10.2.1 Exchange of Coventry Securities for Crescent Securities**

A Canadian Holder whose Coventry Securities (other than Employment Options) are exchanged for Crescent Securities pursuant to the Share Scheme or Option Scheme, as applicable, will be considered to have disposed of such Coventry Securities for proceeds of disposition equal to the aggregate fair market value, immediately after the exchange, of the Crescent Securities received on the exchange. As a result, the Canadian Holder will generally realise a capital gain (or capital loss) to the extent that such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Canadian Holder’s Coventry Securities immediately before the exchange. See “*Capital Gains and Capital Losses*” below for a general discussion of the treatment of capital gains and capital losses under the Canadian Tax Act. The cost to the Canadian Holder of the Crescent Securities acquired on the exchange will equal the fair market value

of those securities as at the time of the exchange.

### **10.2.2 Dividends on Crescent Shares**

A Canadian Holder will be required to include in computing its income for a taxation year any dividends received, or deemed to be received, in the year by the Canadian Holder of the Crescent Shares. In the case of a Canadian Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit provisions where Crescent designates the dividend as an “eligible dividend” in accordance with the provisions of the Canadian Tax Act. A dividend received or deemed to be received by a Canadian Holder that is a corporation will generally be deductible in computing the corporation’s taxable income.

A corporation that is a “private corporation” (as defined in the Canadian Tax Act) or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), generally will be liable to pay a refundable tax under Part IV of the Canadian Tax Act at the rate of 33 1/3% on dividends received or deemed to be received on the Crescent Shares in a year to the extent such dividends are deductible in computing taxable income for the year.

### **10.2.3 Dispositions of Crescent Securities**

A Canadian Holder who disposes, or is deemed to dispose, of a Crescent Security (other than an Employment Option or in the case of a Crescent Option on the exercise thereof) generally will realise a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Canadian Holder of such Crescent Securities immediately before the disposition or deemed disposition. The taxation of capital gains and losses is described below under the heading “*Capital Gains and Capital Losses*”.

#### 10.2.4 Capital Gains and Capital Losses

Generally, a Canadian Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a **taxable capital gain**) realised by the Canadian Holder in such taxation year. Subject to and in accordance with the provisions of the Canadian Tax Act, a Canadian Holder is required to deduct one-half of the amount of any capital loss (an **allowable capital loss**) realised in a particular taxation year against taxable capital gains realised by the Canadian Holder in the year. Allowable capital losses not deducted in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realised in such years, to the extent and under the circumstances described in the Canadian Tax Act.

The amount of any capital loss realised by a Canadian Holder that is a corporation on the disposition of a Crescent Share may be reduced by the amount of any dividends received by such Canadian Holder on the Crescent Share subject to and in accordance with the provisions of the Canadian Tax Act. Similar rules may apply where a Canadian Holder that is a corporation is directly, or through a partnership or trust, a member of a partnership or a beneficiary of a trust that owns shares.

A Canadian Holder that is a "Canadian-controlled private corporation" as defined in the Canadian Tax Act may be liable to pay an additional 6 2/3% refundable tax on certain investment income, including taxable capital gains.

#### 10.2.5 Alternative Minimum Tax

Capital gains realised and dividends received by a Canadian Holder that is an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Canadian Tax Act.

#### 10.2.6 Eligibility for Investment

The Crescent Securities will be qualified investments under the Canadian Tax Act for trusts governed by registered retirement savings plans (**RRSPs**), registered retirement income funds (**RRIFs**), deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free

savings accounts (**TFSAs**) (each a **Plan**) at a particular time provided that, at that time, the Crescent Shares are listed on a "designated stock exchange" as defined in the Canadian Tax Act (which currently includes the ASX and TSX-V Tiers 1 and 2) or Crescent is, or is deemed to be, a "public corporation" and not a "mortgage investment corporation" as defined in the Canadian Tax Act and in the case of the Crescent Options, Crescent deals at arm's length with each person who is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of the Plan, as well as any person who does not deal at arm's length with that person.

Notwithstanding the foregoing, if the Crescent Securities are a "prohibited investment" for the purposes of a TFSA, RRSP or RRIF (a **Registered Plan**), the holder or annuitant of the Registered Plan, as the case may be, will be subject to penalty taxes as set out in the Canadian Tax Act. Provided that for purposes of the Canadian Tax Act the holder or annuitant of the Registered Plan deals at arm's length with Crescent and does not hold a "significant interest" (within the meaning of the Canadian Tax Act) in Crescent or any corporation, partnership or trust with which Crescent does not deal at arm's length, the Crescent Securities will not be a "prohibited investment" for such Registered Plan. Canadian Holders and annuitants of Registered Plans should consult their own tax advisors as to whether Crescent Securities will be a prohibited investment in their particular circumstances.

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## 11. COMPARISON OF RELEVANT AUSTRALIAN AND CANADIAN LAWS

### 11.1 Overview

Coventry is a public company registered in Western Australia under Australian law. It is admitted to the official list of ASX. Crescent exists, and is regulated under Canadian law and its shares are listed on the TSX-V.

If the Schemes are implemented, the rights of Coventry Shareholders will, in respect of the Crescent Shares held by them, be governed principally by applicable Canadian corporate and securities laws, regulations and policies including those of the TSX-V and Crescent's Articles of Association.

In addition, the rights of Coventry Shareholders who receive Crescent CDIs will be governed by the ASX Settlement Operating Rules and the ASX Listing Rules but, other than in certain situations, not by the Corporations Act.

Crescent will apply to be admitted to the Official List of the ASX to enable Crescent CDIs to be quoted on the ASX (as opposed to an exempt foreign listing).

A foreign company with a full listing on the ASX must comply with all the ASX Listing Rules, subject to any specific waivers granted by the ASX.

Crescent has sought specific waivers from the ASX of some the ASX Listing Rules (see section 15.17.2 of the Scheme Booklet for more information).

A comparison of some of the material provisions of Australian corporate and securities law and Canadian corporate and securities law as they relate to Coventry and Crescent respectively is set out below.

Canadian corporate law is essentially embodied in the provisions of the relevant federal or provincial corporate statute pursuant to which a company is incorporated or continued. In the case of Crescent, the relevant statute is the Business Corporations Act.

References to "Australian law" where they appear in this section are references to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and Australian common law, as applicable.

References to "Canadian law" are references to the British Columbia Act, the TSX-V Corporate Finance Manual, Canadian corporate and securities laws and Canadian common law, as applicable.

The comparison below is not an exhaustive statement of all relevant laws, rules, regulations and policies and is intended as a general guide only. Coventry Securityholders should consult with their own legal adviser if they require further information.

### 11.2 Meetings of shareholders

#### 11.2.1 Calling Meetings

##### (a) Coventry

Under Australian law, the annual general meeting of Coventry is required to be held within five months after the end of its financial year.

A general meeting of Coventry Shareholders may be called from time to time by the Coventry Board, individual directors or by Coventry Shareholders in the circumstances set out below.

- (i) When requested to do so by Coventry Shareholders holding at least 5% of the votes that may be cast at the meeting or at least 100 Coventry Shareholders who are entitled to vote at the meeting, directors must call a general meeting within 21 days after the request is given to Coventry, and the meeting must be held not later than two months after the request is given.
- (ii) Alternatively, Coventry Shareholders holding at least 5% of the votes that may be cast at the meeting may themselves call, and arrange to hold, a general meeting.

##### (b) Crescent

Under Canadian law, an annual general meeting of shareholders must be held not more than 15 months after the preceding annual meeting, provided at least one annual general meeting is held each calendar year.

The British Columbia Act provides that the Crescent Board may call a special meeting of shareholders at any time. The British Columbia

Act further provides that the holders of not less than 1/20 of the issued Crescent Shares may requisition a general meeting of shareholders for the purposes stated in the requisition.

### 11.2.2 Notice of meetings

#### (a) Coventry

As Coventry is quoted on the ASX, notice of a general meeting of Coventry must be given at least 28 days before the date of the meeting.

Coventry is required to give written notice individually to each Coventry Shareholder entitled to vote at the meeting and to each Coventry Director. In addition, Coventry's auditor must be given written notice of a meeting.

The quorum for a meeting under the Coventry constitution is two Coventry Shareholders. However, if within 15 minutes after the time appointed for a meeting a quorum is not present, the meeting:

- (i) where called by, or upon the requisition of, shareholders, is dissolved; and
- (ii) in any other case, is adjourned to either the same day in the next week at the same time and place or such other date, time and place the directors specify.

At an adjourned meeting, if no quorum is present within 15 minutes after the time appointed for an adjourned meeting, the meeting is dissolved.

#### (b) Crescent

The British Columbia Act requires that notice of a meeting of shareholders of a public company be given at least 21 days and not more than two months before the meeting. In addition, as a "reporting issuer" under Canadian Securities Law, Crescent must also provide notice of the meeting to all depositaries, applicable securities regulatory authorities and the TSX-V at least 25 days prior to the record date for determining shareholders entitled to receive notice of a meeting of shareholders. Under the British Columbia Act, the record date for the determination of the shareholders that are entitled to receive notice of a meeting of shareholders may not be less than 21 days nor

more than two months prior to the date for the meeting. Under applicable Canadian Securities Law, the record date for determining the shareholders that are entitled to receive notice of the meeting may not be less than 30 days nor more than 60 days prior to the date of the meeting.

Under the British Columbia Act, Crescent is required to give notice to shareholders entitled to vote at the meeting as well as its directors.

The notice of a meeting of which special business is to be transacted must state the general nature of the special business and, if the special business includes considering, approving, ratifying, adopting or authorising any document then the notice of meeting must either attach a copy of the document or state that the document will be available for inspection. Any business transacted at an annual general meeting of shareholders, other than:

- (i) business relating to the conduct of, or voting at, the meeting;
- (ii) consideration of any financial statements of Crescent presented to the meeting;
- (iii) the setting or changing of the number of directors;
- (iv) the election or appointment of directors;
- (v) appointment of an auditor and setting remuneration;
- (vi) consideration of any reports of the auditor or directors;
- (vii) business arising out of a report of the directors not requiring the passing of a special or exceptional resolution; and
- (viii) any other business which, under Crescent's Articles of Association or the BCBCA, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders,

is deemed to be special business.

Management proxy circulars, in the required form, are required to be provided under

applicable Canadian Securities Law (for any solicitation of proxies by management).

Under Crescent's Articles of Association, if a meeting of shareholders is adjourned for less than 30 days, it is not necessary to give notice of the adjourned meeting or of the business to be transacted at an adjourned meeting. If a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as for the original meeting.

Crescent's Articles provide that the presence of at least two shareholders present in person or represented by proxy at any meeting of shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted, will constitute a quorum for the transaction of business at that meeting. A quorum need not be present throughout the meeting provided a quorum is present at the opening of the meeting.

### 11.2.3 Shareholder List

#### (a) Coventry

Under Australian law, Coventry is required to maintain a register of shareholders in accordance with the Corporations Act but is not required to prepare a list of shareholders entitled to receive notice of a general meeting. Any person registered as a shareholder is entitled to vote at a general meeting. Coventry may determine a record date for the meeting (which must not be more than 48 hours before the meeting) in which case only those Coventry Shareholders registered as at the end of the record date may vote.

#### (b) Crescent

Under the British Columbia Act a person may apply to Crescent for a list setting out the names and last known addresses of shareholders and the number of shares held by each shareholder. A person must not use a list so obtained, except in connection with an effort to:

- (i) influence the voting of shareholders at a meeting of shareholders;
- (ii) acquire or sell securities of Crescent;
- (iii) effect an amalgamation or similar process; or
- (iv) call a meeting.

### 11.2.4 Voting requirements

#### (a) Coventry

Unless the Corporations Act or the Coventry constitution requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. Under the Corporations Act, a special resolution may be passed by Coventry if not less than 28 days notice of a general meeting is given, specifying the intention to propose the special resolution and stating the resolution. A special resolution must be passed by at least 75% of the votes cast by shareholders entitled to vote.

The Corporations Act requires certain matters to be resolved by the shareholders by special resolution, including:

- (i) the change of name of Coventry;
- (ii) a selective reduction of capital or selective share buy-back;
- (iii) the giving by Coventry of financial assistance in connection with an acquisition of shares in Coventry;
- (iv) the conversion of Coventry from an unlimited company to a limited company; and
- (v) a decision to wind up Coventry voluntarily.

Under the Corporations Act, a special resolution is also required to modify or repeal the Coventry constitution.

The Coventry constitution also stipulates certain matters to be resolved by special resolution including the variation of class rights attaching to shares and the exercise of certain powers by a liquidator on a winding up.

Each Coventry Share (subject to any specific terms of issue) confers a right to vote at all general meetings. On a show of hands, each Coventry Shareholder present in person, or by proxy, attorney or body corporate representative, has one vote. If a poll is held, Coventry Shareholders present in person or by their proxy, attorney or body corporate representative will have one vote for every Coventry Share held.

The Coventry constitution provides that a poll may be demanded by the chairman of a

general meeting, at least five Coventry Shareholders entitled to vote on the resolution, or Coventry Shareholders holding at least 5% of the votes that may be cast on the relevant resolution on a poll.

A proxy's appointment must be signed and sent to Coventry so as to be received at least 48 hours before a meeting.

Under the recent change to the Corporations Act which came into effect in 2011, if shareholders elect to appoint the chair of the meeting, or another member of key management personnel (which includes those persons having authority and responsibility for planning, directing and controlling the activities of Coventry, directly or indirectly, including any director (whether executive or otherwise) of Coventry) whose remuneration details are included in the remuneration report or any closely related party of that member as your proxy to vote on the Remuneration Report Resolution, *shareholders must direct the proxy how they are to vote*. Where they do not direct the Chair, or another member of key management personnel whose remuneration details are included in the Remuneration Report or closely related party of that member on how to vote on this a resolution related to the remuneration of directors, the proxy is prevented by the Corporations Act from exercising that shareholder's vote and that shareholder's vote will not be counted in relation to that resolution.

(b) **Crescent**

Under the British Columbia Act and Crescent's Articles of Association ordinary resolutions of Crescent's shareholders must be passed by a simple majority of votes cast on the resolution and a special resolution must be passed by a majority of not less than two-thirds of the votes cast on the special resolution. A special resolution may also be passed if it is consented to in writing by all Crescent shareholders entitled to vote.

Subject to Crescent's Articles, the British Columbia Act requires that certain matters be approved by special resolution, including, among other matters:

- (i) amalgamations;
- (ii) a disposal of substantially all of the company's undertaking;

- (iii) a continuance out of the Province of British Columbia;
- (iv) liquidation;
- (v) removal of a director before the expiration of the term; and
- (vi) certain amendments to Crescent's Articles of Association.

The British Columbia Act provides that, unless Crescent's Articles provide otherwise, each Crescent Share entitles the holder to one vote at a meeting of shareholders, in person or by proxy. Furthermore, the British Columbia Act and Crescent's Articles of Association state that voting is to be conducted by show of hands, unless a poll is directed by the chair of the meeting or demanded. On a show of hands, each holder of Crescent Shares present in person or by proxy and entitled to vote has one vote. If a poll is called, each holder of Crescent Shares present in person or by proxy will have one vote for each Crescent Share held. Crescent's Articles of Association provide that a poll may be demanded by any shareholder or proxyholder entitled to vote at the meeting.

Crescent's Articles of Association allow the Crescent Board to specify in a notice calling a meeting of shareholders a time, at least the number of business days specified in the notice of meeting, or if a number of days is not specified, two business days, preceding the meeting or an adjournment of the meeting, before which time proxies to be used at the meeting must be deposited.

**11.2.5 Shareholders' rights to bring resolution before a meeting**

(a) **Coventry**

Coventry Shareholders holding at least 5% of the votes that may be cast on a resolution or at least 100 shareholders who are entitled to vote at a general meeting may, by written notice to Coventry, propose a resolution for consideration at the next general meeting occurring more than two months after the date of the notice.

(b) **Crescent**

The British Columbia Act entitles registered or beneficial holders of shares constituting at least 1/100 of the issued Crescent Shares or having a fair market value in excess of \$2,000 who have been the registered or beneficial

holder of such Crescent Shares for an uninterrupted period of at least two years, to submit to Crescent written notice of a matter that the person wishes to have considered at the next annual general meeting of Crescent (**Proposal**).

If a Proposal has been submitted in accordance with the British Columbia Act, Crescent is required to send the Proposal to all of the persons entitled to receive notice of the annual general meeting. A Proposal must be received at least three months before the anniversary of the preceding annual general meeting and may, be accompanied by a written statement in support of the Proposal, which together with the Proposal does not exceed 1,000 words.

The British Columbia Act provides for exemptions from the requirements to include a Proposal in Crescent's management proxy circular in certain circumstances, including, among other things, where:

- (i) the Proposal is not valid in accordance with the provisions of the British Columbia Act;
- (ii) the directors have called an annual general meeting to be held after the date on which the Proposal is received and have sent notice of that meeting of shareholders;
- (iii) it clearly appears that the primary purpose of the Proposal is to enforce a personal claim or redress a personal grievance against the corporation or its directors, officers or securityholders, or to secure publicity;
- (iv) substantially the same Proposal was delivered to shareholders in respect of a meeting of shareholders held not more than five years before the receipt of the Proposal, and did not receive the prescribed amount of support at the meeting;
- (v) it clearly appears that the Proposal does not relate in a significant way to the business or affairs of Crescent;
- (vi) the Proposal has already been substantially implemented;
- (vii) the Proposal, if implemented, would cause Crescent to commit an offence; or

(viii) the Proposal deals with matters beyond Crescent's power to implement.

### **11.3 Directors**

#### **11.3.1 Directors' management of the business of Coventry**

##### **(a) Coventry**

Under the Coventry constitution, the business of Coventry is to be managed by or under the direction of the Coventry Directors. The directors may exercise all the powers of Coventry except any powers that the Corporations Act, the ASX Listing Rules or the Coventry constitution require Coventry to exercise subject to the approval of shareholders in a general meeting.

##### **(b) Crescent**

Both the British Columbia Act and Crescent's Articles of Association provide that the Crescent Directors shall manage or supervise the management of the business and affairs of the corporation. Subject to Crescent's Articles, the Crescent Directors may appoint officers of the corporation, and specify their duties.

#### **11.3.2 Number and election of directors**

##### **(a) Coventry**

Under the Coventry constitution, Coventry must have at least three and not more than 9 directors. The Corporations Act provides that at least two of the directors of a public company must ordinarily reside in Australia. At each annual general meeting, one-third of directors (rounded down to the nearest whole number) must retire from office. The director or directors to retire are those who have held their office longest since their last appointment and, as between those who have held their office for the same period of time, as determined by lot unless they otherwise agree. A retiring director is eligible for re-election.

A director appointed to the office of managing director may be exempt from retirement by rotation. Casual vacancies may be filled by persons elected by the Coventry Board, who will hold office to the next general meeting, and the Coventry Board has the power to appoint additional directors, but so that the total number of directors does not at any time exceed 9.

(b) **Crescent**

Under the British Columbia Act, Crescent must have a minimum of three directors. The British Columbia Act does not require that any directors be Canadian residents. Crescent's Articles of Association provide that the term of all directors then in office shall cease immediately before each annual general meeting, but that they are eligible for re-election. Any casual vacancy may be filled by the remaining directors. Pursuant to the British Columbia Act and Crescent's Articles of Association, the Crescent Board may appoint one or more additional directors between meetings, provided the number so appointed does not exceed one-third of the number of current directors who were appointed or elected other than pursuant to this provision.

**11.3.3 Removal of directors**

(a) **Coventry**

Coventry Shareholders may (without cause) remove a director before their period of office ends by passing a resolution to do so at a general meeting. The resolution must be passed by a majority of the votes cast by shareholders present and voting.

Coventry Directors cannot themselves remove a director from his or her office or require a director to vacate his or her office.

(b) **Crescent**

The British Columbia Act provides that unless otherwise specified in Crescent's Articles of Association, Crescent Shareholders may, by special resolution, remove any director or directors from office.

The British Columbia Act provides that a director who ceases to be qualified as a director of a company must promptly resign.

**11.4 Amendments to constituent documents**

(a) **Coventry**

Any amendment to the Coventry constitution must be approved by a special resolution passed by Coventry Shareholders present and voting on the resolution.

(b) **Crescent**

Crescent's constituent documents consist of Crescent's Articles of Association. Under the British Columbia Act, Crescent's Notice of Articles sets out details including the corporation's name, the name and address of each director, the location of its registered office and records office, the authorised share structure, and whether there are any special rights or restrictions attached to its shares. Crescent's Articles of Association sets rules for its conduct and sets out every restriction, if any, on the businesses that may be carried on and the powers that Crescent may exercise. In addition, Crescent's Articles of Association provide for matters including the allotment and issuance of shares, the calling of, and voting at, shareholders' and directors' meetings and the quorum requirements for such meetings, elections of the board of directors and appointment of officers, the payment of dividends, borrowing powers and restrictions, notices, duties of officers, the appointment of committees and other routine matters.

Pursuant to the British Columbia Act and Crescent's Articles of Association, Crescent's Articles may only be amended by special resolution.

**11.5 Issue of new shares**

(a) **Coventry**

Subject to specified exceptions the ASX Listing Rules apply to restrict Coventry from issuing, or agreeing to issue, more equity securities. Under ASX Listing Rule 7.1, a listed company is limited to issuing up to 15% of its share capital in any 12 month period, without the approval of its shareholders. Certain issues are exempt from this rule including:

- (i) shares to all shareholders on a pro-rata basis;
- (ii) preference shares, which do not have the right of conversion into another class of equity security;
- (iii) shares under a qualifying employee incentive scheme; and
- (iv) shares under a qualifying dividend or distribution plan.

Additional capacity to issue securities is provided to eligible small to mid cap listed companies (that is an entity which at the date

of its annual general meeting has a market capitalisation of \$300 million or less, and is not included in the SAP/ASX 300 Index). Under ASX Listing Rule 7.1A eligible companies may issue a further 10% of share capital by way of placements over a 12 month period if they have received the approval ordinary shareholders by special resolution (at least 75%) at the annual general meeting of Coventry. This approval will be valid for 12 months from the date of Coventry's annual general meeting.

Subject to certain exceptions, the ASX Listing Rules 10.11 and 10.14 require the approval of Coventry Shareholders by ordinary resolution in order for Coventry to issue shares or options to Coventry Directors.

Under the Coventry Constitution, Coventry Directors may issue shares on terms determined by the directors at such times as they think fit. This power is, however, subject to the Corporations Act, the ASX Listing Rules, and any special rights previously conferred on the holders of any existing class of shares.

**(b) Crescent**

According to Crescent's Notice of Articles, Crescent is authorised to issue an unlimited number of common shares without par value. The issue price of Crescent Shares must be set by a resolution of Crescent's Directors.

Under the British Columbia Act a share may not be issued unless it is fully paid. Upon the issuance of a share (without par value), there is added to the capital of Crescent for that class, an amount not greater than the issue price. A company may also add to its capital an amount specified by a directors' resolution or an ordinary resolution of shareholders.

As a TSX-V listed corporation, the TSX-V imposes certain conditions with respect to acquisitions and dispositions of non-cash assets that include the issuance of securities. The TSX-V characterises such transactions as "reviewable transactions", "exempt transactions" or "expedited acquisitions", depending on the size of the transaction, the terms of the transaction and whether the parties are arm's length.

The TSX-V generally requires shareholder approval of transactions:

- (i) which result in the creation of a new control person (being a person that holds, alone or in combination with

another person, sufficient securities to affect materially the control of Crescent, or that holds more than 20% of the outstanding voting shares, except where there is evidence that holder does not materially affect control);

- (ii) where the number of securities issued or issuable to non-arm's length parties as a group as payment of the purchase price for an acquisition exceeds 10% of the number of outstanding securities of Crescent on a non-diluted basis, prior to the closing of the transaction; or
- (iii) that involves sale of more than 50% of Crescent's assets, business or undertaking.

In addition, the TSX-V may require shareholder approval for a transaction for which the consideration to be paid exceeds the vendor consideration guidelines and where the vendors are non-arm's length parties, their votes must be excluded.

A prospectus offering conducted by Crescent must be prepared in accordance with the requirements of Canadian Securities Laws and must also be approved by the applicable securities commission.

Under the private placement rules of the TSX-V, Crescent will be required to provide the TSX-V prompt written notice before it issues any securities. Under Canadian Securities Laws, securities issued pursuant to a private placement under a prospectus exemption will be subject to a resale restrictions. Shares issued under a private placement may be issued at a discount to the prevailing market price (subject to a minimum price of \$0.05). Specifically, the TSX-V permits a discount of:

- (i) 25% discount if the closing price is less than \$0.50;
- (ii) 20% discount if the closing price is between \$0.51 and \$2.00; and
- (iii) 15% discount if the closing price is above \$2.00, and subject to,

notwithstanding any discount, a minimum price of \$0.05.

In addition, under the private placement rules, the TSX-V will require, shareholder approval if the issuance of shares will result in,

or is part of a transaction that will result in the creation of a new control person (and the new control person's votes will be excluded from the approval).

## 11.6 Variation of class rights

### (a) Coventry

Under the Coventry constitution, rights attaching to a class of shares may only be varied or cancelled by either:

- (i) special resolution passed at a meeting of the shareholders holding shares in the class; or
- (ii) the written consent of Coventry Shareholders with at least 75% of the votes in the class.

### (b) Crescent

The British Columbia Act provides that the rights or restrictions attaching to a class of shares may only be altered by special resolution.

## 11.7 Protection of minority shareholders/oppression remedy

### (a) Coventry

Under the Corporations Act, any Coventry Shareholder can bring an action in cases of alleged conduct which is contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholder(s), whether in their capacity as a shareholder or in any other capacity. Former shareholders can also bring an action if it relates to circumstances before they ceased to be a Coventry Shareholder.

A statutory derivative action may also be instituted on behalf of Coventry by a Coventry Shareholder, former shareholder or person entitled to be registered as a shareholder. In all cases, leave of the court is required. Such leave will be granted if the court is satisfied that:

- (i) it is probable that Coventry will not itself bring the proceedings or properly take responsibility for them or for the steps in them;
- (ii) the applicant is acting in good faith;

- (iii) it is in the best interests of Coventry that the applicant be granted leave;
- (iv) if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and
- (v) either at least 14 days before making the application, the applicant gave written notice to Coventry of the intention to apply for leave and the reasons for applying, or it is otherwise appropriate to grant leave.

### (b) Crescent

Canadian Securities Laws provide certain procedural protections for securityholders, including minority approval rights, valuation requirements and enhanced disclosure requirements, for certain non-arm's-length transactions such as issuer bids, insider bids, related party transactions and business combinations (see also section 11.14).

The British Columbia Act provides that a Crescent Shareholder holding an aggregate of at least 1/5 of the issued Crescent Shares may apply to the Supreme Court of British Columbia (**Supreme Court**) for an order appointing an inspector to conduct an investigation of Crescent. The Supreme Court may only make such an order of investigation if, among other things, there are reasonable grounds for believing that:

- (i) the business of Crescent is being or has been carried on with intent to defraud a person; or
- (ii) the affairs of Crescent are being, or have been, conducted, or the powers of the directors are being or were exercised in a manner that is oppressive or unfairly prejudicial to the interests of one or more shareholders; or
- (iii) Crescent was formed or is being dissolved for a fraudulent or unlawful purpose.

Section 227 of the British Columbia Act provides shareholders with an "oppression remedy". Under section 227, shareholders may apply to the Supreme Court for an order on the ground that:

- (i) the affairs of Crescent are being or have been conducted, or that the powers of the directors are being or

have been exercised, in a manner oppressive to one or more of the shareholders; or

- (ii) some act of Crescent has been done or is threatened, or that some resolution of the shareholders has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders.

On such application, the Supreme Court may make any interim or final order it thinks fit, from an order directing or prohibiting any act to an order liquidating and dissolving the corporation, all with a view to remedying or bringing to an end the matters complained of.

A derivative action is available under the British Columbia Act to “complainants” (defined under the British Columbia Act to include a shareholder, including a beneficial owner and any person the Supreme Court considers to be an appropriate person to make an application, or director of Crescent). A complainant may, with leave of the Supreme Court, prosecute a legal proceeding in the name of and on behalf of Crescent to enforce a right, duty or obligation owed to Crescent that could be enforced by Crescent itself or to obtain damages for any breach of right, duty or obligation. Additionally, with leave of the Supreme Court, a complainant may, in the name and on behalf of Crescent, defend a legal proceeding brought against Crescent.

The Supreme Court may grant leave, on terms it considers appropriate, if:

- (i) the complainant has made reasonable efforts to cause the directors of Crescent to prosecute or defend the legal proceeding;
- (ii) notice of the application for leave has been given to Crescent and to any other person the court may order;
- (iii) the complainant is acting in good faith; and
- (iv) it appears to the court that it is in the best interests of Crescent for the legal proceeding to be prosecuted or defended.

On the final disposition of a legal proceeding prosecuted or defended, the court may make any order it considers appropriate.

The Supreme Court has broad powers to direct the conduct of any such legal proceeding.

In addition to the above, a Crescent Shareholder may be able to bring a claim against Crescent based on the general laws of contract, tort or other laws applicable in Canada.

The British Columbia Act provides that Crescent shareholders entitled to vote on certain matters may exercise dissent rights and demand payment for the fair value of their shares (being the fair value that the shares had immediately before the passing of the resolution) provided that they comply strictly with the requirements in the British Columbia Act. The right of a shareholder to dissent exists only if specifically prescribed in the British Columbia Act. Within the British Columbia Act, dissent rights arise in respect of a resolution to:

- (i) alter the restrictions on the powers of Crescent or the business that Crescent is permitted to carry on;
- (ii) adopt an amalgamation agreement or approve an amalgamation;
- (iii) authorise a continuance into a jurisdiction other than British Columbia; or
- (iv) authorise the sale, lease or other disposition of all or substantially all of Crescent’s undertaking.

## **11.8 Source and payment of dividends**

### **(a) Coventry**

Under the Coventry constitution, Coventry may pay dividends only out of profits. In addition, under the Corporations Act Coventry must not pay a dividend unless Coventry’s assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend, the payment of the dividend is fair and reasonable to the Coventry Shareholders as a whole, and the payment of the dividend does not materially prejudice Coventry’s ability to pay its creditors. Under the Coventry constitution, the directors may determine that a dividend is payable and fix

the amount, the time for determining entitlements to the dividend, the time for payment and the method of payment.

(b) **Crescent**

The British Columbia Act provides that unless Crescent's Articles provide otherwise, Crescent may declare a dividend and pay that dividend, whether out of profits, capital or otherwise by issuing shares or warrants or in money or property. However, Crescent may not declare or pay a dividend if there are reasonable grounds for believing that it is, or would after the payment be, insolvent. Dividends may be subject to withholding taxes.

### 11.9 Remuneration of directors and officers

(a) **Coventry**

Under the ASX Listing Rules and the Coventry constitution, the maximum amount to be paid to Coventry Directors for their services as directors (other than the salary of an executive director) is not to exceed the amount approved by shareholders in general meeting. Coventry Shareholders have not approved any change to approved aggregate remuneration for directors. Accordingly, the approved aggregate remuneration is as set out in the Coventry Constitution at A\$150,000 per year.

The Corporations Act provides that Coventry Shareholders are entitled to participate in a non-binding vote, to be held at the annual general meeting, on the adoption of the remuneration report of Coventry (**Remuneration Report Resolution**). The remuneration report is included in the directors' report and is required to contain a discussion of the Coventry Board's policy in relation to remuneration of key management personnel of Coventry.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on the Remuneration Report Resolution are voted against adoption of the remuneration report at the annual general meeting, and then again at Coventry's next annual general meeting, Coventry will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of Coventry (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, Coventry must convene a shareholders meeting (**Spill Meeting**) within 90 days of Coventry's second annual general meeting. All of the Directors who were in office when the last report was considered, other than the managing director of Coventry, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the directors of Coventry.

The remuneration report sets out Coventry's remuneration arrangements for the directors and senior management of Coventry. The remuneration report is part of the Directors' report contained in the annual financial report of Coventry for each financial year.

(b) **Crescent**

Under Crescent's Articles of Association, the Crescent Directors may fix the remuneration of the directors and officers of Crescent. Under the applicable Canadian Securities Law, a report on executive compensation is required to be included in Crescent's management information circular prepared, in connection with Crescent's annual meeting.

### 11.10 Retirement benefits

(a) **Coventry**

Under the Corporations Act, retirement or termination benefits can be paid to company directors, senior executives and key management personnel without shareholder approval if they are below certain thresholds. The threshold above which shareholder approval is generally required is the equivalent of one year's base salary. The Corporations Act provides a mechanism for calculating that threshold, including by averaging salary over the past three years. These provisions only apply to benefits under contracts of employment that are executed on or after (24 November 2009), or where a contract is varied or extended on or after that date.

In addition, the ASX Listing Rules provide that Coventry must ensure that no officer of Coventry may be entitled to termination benefits (or any increase in them) if a change occurs in the shareholding or control of Coventry. Further Coventry Shareholder

approval is required if the value of the termination benefits that may become payable to all officers together exceeds 5% in aggregate of Coventry's equity interests.

(b) **Crescent**

Crescent is not subject to any restrictions on the quantum of retirement benefits that it may pay to its directors and officers.

**11.11 Fiduciary and other duties of directors and officers**

(a) **Coventry**

Under Australian common law and the Corporations Act, the directors and officers of Coventry are subject to duties to:

- (i) act in good faith in the best interests of Coventry;
- (ii) act for a proper purpose;
- (iii) not fetter their discretion (in the case of directors only);
- (iv) exercise their powers and discharge their duties with care, skill and diligence;
- (v) avoid conflicts of interest;
- (vi) not improperly use their position or information obtained by virtue of that position to gain an advantage for themselves or someone else or cause detriment to Coventry; and
- (vii) not misappropriate company property.

(b) **Crescent**

The British Columbia Act requires that, every director and officer of Crescent, in exercising the powers and performing the functions of a director or officer, must:

- (i) act honestly and in good faith with a view to the best interests of Crescent;
- (ii) exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances;
- (iii) act in accordance with the British Columbia Act and its regulations; and

- (iv) act in accordance with its Notice of Articles and Articles (subject to items (i) to (iii) above).

**11.12 Release from liability and indemnification of directors and officers**

(a) **Coventry**

Coventry cannot:

- (i) exempt an officer or former officer from liability to Coventry incurred as an officer;
- (ii) indemnify an officer or former officer against a liability owed to it or a related body corporate; or
- (iii) indemnify an officer or former officer against the cost of legal proceedings, where such proceedings result in them being found to have a liability to it or a related body corporate or being found guilty in criminal proceedings.

However, Coventry may indemnify an officer against a liability owed to someone other than Coventry or a related body corporate (and also the cost of any related legal proceedings), provided the liability does not arise out of conduct involving a lack of good faith or the liability is not a penalty or compensation order made under the Corporations Act. For the purposes of these provisions, an "officer" includes a director, secretary or senior manager of Coventry.

The Coventry constitution provides that, to the extent permitted by law, Coventry must indemnify each person who is, or has been, a director or secretary against a liability (incurred in that capacity) or legal costs incurred in defending an action against such a liability and provided the liability does not arise in respect of conduct including a lack of good faith on the part of the officer. Further, to the extent permitted by law, Coventry may:

- (i) make a payment (by advance, loan or otherwise) in respect of legal costs; and
- (ii) pay or agree to pay a premium under an insurance contract in respect of such matters.

(b) **Crescent**

Subject to the British Columbia Act, under Crescent's Articles of Association, Crescent must indemnify a director, former director or alternate director of Crescent and his or her heirs and legal personal representatives against all judgments, penalties or fines awarded, or an amount paid in settlement of, a legal proceeding or investigative action (current, threatened, pending or completed) in which the individual is or may be joined or liable for. Crescent must, after the final disposition, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with Crescent on the terms of this indemnity contained in Crescent's Articles.

The British Columbia Act provides that, Crescent may indemnify:

- (i) each director and officer or former director or officer of Crescent;
- (ii) each director or officer of another corporation either at the request of Crescent or at a time when that corporation was an affiliate of Crescent; or
- (iii) each person who, at the request of Crescent, is or was a director or officer (or similar position) of a partnership, trust, joint venture or unincorporated entity, or in one of the of the positions described as items (i) or (ii) above,

(and each such individual's respective heirs or personal or legal representatives), against all costs, charges and expenses (actually and reasonably incurred), judgements, penalties, or fines awarded or imposed or an amount paid in settlement of an "eligible proceeding". An "eligible proceeding" is a proceeding in which the individual is joined as a party or is or may be liable, by reason of such individual being or having held one of the positions described in items (i), (ii) or (iii) above.

Crescent must not indemnify any of the individuals described above if any of the following circumstances apply:

- (i) if the indemnity or payment is made under an earlier agreement or otherwise to indemnify or pay expenses and, at the time that the

agreement to indemnify or pay expenses or payment was made, Crescent was prohibited from doing so by its Articles of Association;

- (ii) if the eligible party did not act honestly and in good faith with a view to the best interests of Crescent or the associated corporation, as the case may be; or
- (iii) in the case of an eligible proceeding other than a civil proceeding, if the eligible party did not have reasonable grounds for believing that the eligible party's conduct in respect of which the proceeding was brought was lawful.

If a proceeding is brought against an eligible party by or on behalf of Crescent or an associated corporation, Crescent must not indemnify the eligible party or pay the expenses of the eligible party in respect of the proceeding. Notwithstanding any other provision of the British Columbia Act, the Supreme Court may, on the application of Crescent or the eligible party, order Crescent to indemnify against any liability or pay some or all expenses incurred by a party in respect of an eligible proceeding, order the enforcement of an agreement of indemnification entered into by Crescent, and make any other order it considers appropriate.

The British Columbia Act and Crescent's Articles of Association also authorise Crescent to purchase and maintain liability insurance for the benefit of any eligible party against any liability incurred by the individual in such capacity.

**11.13 Transactions involving directors, officers or other related parties**

(a) **Coventry**

The Corporations Act prohibits a public company such as Coventry from giving a related party a financial benefit unless it:

- (i) obtains the approval of shareholders and gives the benefit within 15 months after approval; or
- (ii) the financial benefit is exempt.

A related party is defined to include any entity which controls the public company, directors of the public company, directors of

any entity which controls the public company and, in each case, spouses and certain relatives of such persons. Exempt financial benefits include certain indemnities, insurance premiums and payments for legal costs which are not otherwise prohibited by the Corporations Act, reasonable remuneration and benefits given on arm's-length terms.

The ASX Listing Rules prohibit Coventry from acquiring a substantial asset (an asset the value or consideration for which is 5% or more of Coventry's equity interests) from, or disposing of a substantial asset to, certain related parties of Coventry, unless it obtains the approval of shareholders. The related parties for these purposes include a director, a person who has or has had in the prior six month period an interest in 10% or more of the shares in Coventry and, in each case, any of their associates. The provisions apply even where the transaction may be on arm's-length terms.

The ASX Listing Rules also prohibit Coventry from issuing or agreeing to issue equity securities to a director unless it obtains the approval of shareholders or the issue is exempt. Exempt issues include issues made pro-rata to all shareholders, under an underwriting agreement, under a dividend or distribution plan or under an approved employee incentive plan.

(b) **Crescent**

Crescent is subject to TSX-V Policy 5.9 which effectively incorporates by reference Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (**MI 61-101**), which imposes valuation, minority approval and disclosure requirements on issues involving certain related party transactions. A related party transaction is a transaction between an issuer and a person that is a related party to the issuer at the time that the transaction is agreed to, whether or not there are also other parties to the transaction, as a consequence of which, either through the transaction itself or together with a connected transaction, the issuer directly or indirectly, among other things:

- (i) purchases or acquires an asset from the related party for valuable consideration;
- (ii) sells, transfers or disposes of an asset to the related party;

- (iii) leases property to or from the related party;
- (iv) acquires the related party or combines with the related party through an amalgamation, arrangement or otherwise, whether alone or with joint actors;
- (v) issues a security to, or subscribes for a security of, the related party;
- (vi) provides or materially amends the terms of a guarantee or collateral security for a debt or liability of the related party; or
- (vii) borrows money from, lends money to, releases, cancels, forgives or materially amends the terms of an outstanding debt or liability owed by the related party.

Unless a specific exemption is available, MI 61-101 requires a formal valuation of assets or securities involved in a related party transaction. The valuation must be prepared by an appropriately qualified independent valuer.

Unless a specific exemption is available, MI 61-101 also requires that related party transactions receive "majority of the minority" approval. Minority approval for these purposes consists of the approval of the proposed transaction by a majority of the votes cast by holders of each class of affected securities transaction, excluding the votes attached to the securities of the issuer held, controlled or directed, directly or indirectly, by the issuer, any interested party and any related parties or joint actors of such persons.

MI 61-101 also requires an issuer to include certain detailed disclosure regarding related party transactions in a material change report that is required to be filed under MI 61-101 and in the management proxy circular that is sent to securityholders in connection with shareholder approval of the related party transaction.

**11.14 Directors' declarations of interest**

(a) **Coventry**

The Corporations Act generally requires a Coventry Director who has a material personal interest in a matter that relates to the affairs of Coventry to give the other

directors notice of that interest. That director must not be present at a directors' meeting where the matter is being considered or vote on the matter unless the other directors or ASIC approve, or the matter is not one which requires disclosure under the Corporations Act. Under the Corporations Act, failure of a director to disclose a material personal interest, or voting despite a material personal interest, does not affect the validity of any act, transaction or resolution. Coventry Directors, when entering into transactions with Coventry, are subject to the common law and statutory duties to avoid conflicts of interest.

**(b) Crescent**

Under the British Columbia Act, a director or senior officer of Crescent holds a disclosable interest in a contract or transaction if

- (i) the contract or transaction is material to Crescent,
- (ii) Crescent has entered, or proposes to enter, into the contract or transaction, and
- (iii) either of the following applies to the director or senior officer:
  - (A) the director or senior officer has a material interest in the contract or transaction; or
  - (B) the director or senior officer is a director or senior officer of, or has a material interest in, a person who has a material interest in the contract or transaction.

However, a director or senior officer of Crescent does not hold a disclosable interest in a contract or transaction merely because, among other things, the contract or transaction:

- (i) is an arrangement by way of security granted by Crescent for money loaned to, or obligations undertaken by, the director or senior officer, or by a person in whom the director or senior officer has a material interest, for the benefit of Crescent or an affiliate of Crescent;
- (ii) relates to the remuneration as a director or senior officer in that person's capacity as director, officer,

employee or agent of Crescent or an affiliate of Crescent;

- (iii) relates to an indemnity or insurance; or
- (iv) relates to a loan to Crescent, and the director or senior officer, or the person in whom the director or senior officer has a material interest, is or is to be, a guarantor of some or all of the loan;
- (v) has been or will be made, with or for the benefit of an affiliate of Crescent and the director or senior officer is also a director or senior officer of that corporation or an affiliate of that corporation.

A director or senior officer is liable to account to Crescent for any profit that accrues to the director or senior officer as a result of a contract or transaction in which the director or senior officer holds a disclosable interest. However, a director or senior officer of a company is not liable to account for and may retain the profit if, among other things:

- (i) the contract or transaction is approved by the directors in accordance with the British Columbia Act, after the nature and extent of the disclosable interest has been disclosed to the directors;
- (ii) the contract or transaction is approved by a special resolution in accordance with the British Columbia Act, after the nature and extent of the disclosable interest has been disclosed to the shareholders entitled to vote on that resolution;
- (iii) whether or not the contract or transaction is approved in accordance with the British Columbia Act,
  - (A) Coventry entered into the contract or transaction before the director or senior officer became a director or senior officer of Coventry;
  - (B) the disclosable interest is disclosed to the directors or the shareholders, and
  - (C) the director or senior officer does not participate in,

and, in the case of a director, does not vote as a director on, any decision or resolution touching on the contract or transaction.

## **11.15 Takeovers**

### **11.15.1 Takeover Requirements**

#### **(a) Coventry**

Australian law places restrictions on a person acquiring interests in the voting shares of a listed company such as Coventry where, as a result of the acquisition, that person's or someone else's voting power in Coventry increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Generally, such acquisitions cannot be made unless the person does not acquire more than 3% of the voting shares in Coventry in any six month period, the acquisition is made with shareholder approval, or the acquisition is made under a takeover bid (or pursuant to a scheme of arrangement) made in accordance with Australian law. Takeover bids must treat all shareholders alike and must not involve any collateral benefits. Various restrictions about conditional offers exist and there are also substantial restrictions concerning the withdrawal and suspension of offers.

#### **(b) Crescent**

In Canada, takeover bids are regulated primarily by provincial and territorial securities legislation and related rules and, to a limited extent, the corporate statutes under which the target corporation is incorporated. Unless an exemption from the formal takeover bid requirements under securities legislation is available or obtained, persons or companies making an offer to acquire shares, which together with the offeror's existing shareholdings (including any securities held by joint actors), constitute in the aggregate 20% or more of the outstanding shares of the target corporation at the time of the offer, are required to extend the offer to all securityholders of the target corporation. These provisions require, among other things, the production, filing and mailing of a takeover bid circular to shareholders of the target corporation.

Takeover bids must treat all securityholders alike and must not involve any collateral benefits or agreements, with certain exceptions for employment compensation

arrangements. Takeover bids must remain open for a minimum of 35 days from the date of the mailing of the circular, after which time all or none of the securities deposited under the offer may be taken up.

For the protection of target securityholders, the takeover bid rules contain various additional requirements and restrictions, such as restrictions applicable to conditional offers, the withdrawal, amendment or suspension of offers and purchase by the acquirer prior to, during and after the bid. Securities regulators also retain a general "public interest jurisdiction" to regulate takeovers and may intervene to halt or prevent activity that is abusive. Issuer bids are regulated similarly to takeover bids.

There are extensive disclosure requirements associated with takeover bids, beginning with the filing of "early warning" reports upon an acquirer acquiring 10% or more of the outstanding shares of a company. Additional reports are required upon each acquisition of an additional 2% or more of the outstanding shares.

If the acquirer obtains 90% or more of the outstanding securities during a bid, the British Columbia Act provides for the compulsory acquisition of the balance of the shares, without shareholder approval.

Canadian Securities Law provides certain exemptions from the formal bid requirements. For example, private agreements to purchase securities from up to five persons are permitted if the purchase price does not exceed 115% of the market price and under the normal course purchase exemption, the offeror (together with any joint actors) may acquire up to 5% of a class of securities within a 12-month period if there is a published market for the relevant class and the consideration paid does not exceed the market price at the date of acquisition.

### **11.15.2 Takeover defence mechanisms**

#### **(a) Coventry**

Under Australian takeovers legislation and policy, boards of target companies are limited in the defensive mechanisms that they can put in place to discourage or defeat a takeover bid as such mechanisms may not always be in the best interests of the target company. Such tactics may also give rise to a declaration of unacceptable circumstances by the Australian Takeovers Panel.

Coventry's constitution includes provisions requiring that a proportional or partial takeover offer (i.e. an offer for less than 100% of the shares but for the same proportion of each shareholders' shares) be approved by a majority of shareholders before it proceed. These provisions have effect for three years following their adoption, unless renewed by special resolution of Coventry Shareholders.

(b) **Crescent**

The CSA have recognised that takeover bids play an important role in the economy by acting as a discipline on corporate management and as a means of reallocating economic resources to their best uses. In considering the merits of a takeover bid, there is however a possibility that the interests of management of the target corporation will differ from those of its shareholders. The CSA considers the primary objective of the takeover bid provisions of Canadian Securities Laws to be the protection of the bona-fide interests of the shareholders of the target corporation. Because certain defensive measures taken by management of a target corporation may have the effect of frustrating an open takeover bid process, the CSA will examine target corporation defensive tactics in specific cases to determine whether they are abusive of shareholder rights.

Without limiting the foregoing, defensive tactics that may be scrutinised if undertaken during the course of a bid, or immediately before a bid (if the board of directors has reason to believe that a bid might be imminent) include:

- (i) the issuance of, or granting of, an option on securities representing a significant percentage of the outstanding securities of the target corporation;
- (ii) the sale, acquisition, optioning, or agreement to sell or acquire assets of a material amount; and
- (iii) the entering into a contract or taking corporate action other than in the normal course of business.

Shareholder approval may be a factor in determining whether a particular tactic was appropriate.

Notwithstanding the above, defensive tactics may be taken by a board of directors of a

target corporation in a genuine attempt to increase shareholder value.

**11.16 Right to inspect register of shareholders**

(a) **Coventry**

The register of shareholders of an Australian company, such as Coventry, is usually kept at the registered office or principal place of business in Australia or is kept and maintained by a professional share registrar. The register must be available for inspection to shareholders free of charge at all times when the registered office is required to be open to the public. If a person asks Coventry for a copy of the register (or any part of the register) and pays the requested fee (up to a prescribed amount), Coventry must give that person the copy within seven days of the date on which Coventry receives such payment.

Under the Coventry constitution, the directors may authorise a shareholder to inspect the books of Coventry. A Coventry Shareholder, other than a Coventry Director, does not have the right to inspect any other document of Coventry, other than the minute books for the meetings of its shareholders and for resolutions of shareholders passed without meetings, except as provided by law or authorised by the directors.

Under the Corporations Act, a shareholder may seek to obtain a court order to obtain access to the corporate books. The applicant must be acting in good faith and be making the inspection for a proper purpose.

(b) **Crescent**

Under the British Columbia Act, Crescent Directors, and if and to the extent permitted by Crescent's Articles, Crescent Shareholders or any other person may examine the corporate records (including the central securities register, minutes of meetings and resolutions of shareholders) at Crescent's records office.

**11.17 Winding-up**

(a) **Coventry**

Under Australian law, an insolvent company may be wound up by a liquidator appointed by the court, by Coventry in general meeting, or by creditors. Directors cannot use their powers after a liquidator has been

appointed. If there are funds left over after payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will pay these to unsecured creditors as a dividend. The shareholders rank behind the creditors and are, therefore, unlikely to receive any dividend in an insolvent liquidation.

Under Australian law, shareholders of a solvent company may, by special resolution, decide to voluntarily wind up Coventry if the directors are able to form the view that Coventry will be able to pay its debts in full within 12 months after the commencement of the winding-up. A meeting at which a decision is made to wind up a solvent company requires at least 75% of votes cast by the shareholders present and voting.

Coventry's constitution provides if Coventry is wound up, the liquidator may, with the authority of a special resolution, divide among the Coventry Shareholders in kind the whole or any part of the property of Coventry, and may for that purpose set a value as the liquidator considers fair upon any property to be so decided, and may determine how the division is to be carried out as between the Coventry Shareholders or different classes of Shareholders. No member is obliged to accept any Coventry Shares, securities or other assets in respect of which there is any liability.

(b) **Crescent**

Pursuant to the British Columbia Act, Crescent may apply to be dissolved if it is authorized to do so by ordinary resolution, and it has no assets or liabilities (or has made adequate provision for payment of each of its liabilities).

Crescent may liquidate under the British Columbia Act if it has been authorized to do

so by a special resolution, and must (by ordinary resolution) appoint a liquidator and set the remuneration of the liquidator (or authorise the directors to do so). In a voluntary liquidation, Crescent, by an ordinary resolution, may direct the liquidator not to do certain specified things without the approval of a general meeting of Crescent or without the written consent of certain specified shareholders, or of a certain specified number of shareholders. Crescent must promptly (after the foregoing resolutions are passed) file a statement of intent to liquidate with the registrar, and the registrar must furnish to Crescent a certified copy of the statement of intent to liquidate.

On application made by Crescent, a shareholder, a director or any other person (including a creditor) whom the Supreme Court considers to be appropriate, the Supreme Court may order that Crescent be liquidated and dissolved if: (i) an event occurs, on the occurrence of which Crescent's Articles of Association provide that Crescent is to be liquidated and dissolved; or (ii) the Supreme Court otherwise considers it is just and equitable to do so. If the Supreme Court orders that Crescent be liquidated and dissolved, it must appoint one or more liquidators.

Liquidation of Crescent may also be completed pursuant to the Bankruptcy and Insolvency Act (Canada), either by way of assignment into bankruptcy (voluntary) or on petition by a creditor (involuntary) or under the Companies' Creditors Arrangement Act (Canada). Finally, Crescent may be liquidated informally under contractual arrangement, usually by way of the private appointment of a receiver and manager.

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## 12. SCHEME CONSIDERATION

### 12.1 Overview

This section provides additional information regarding the Scheme Consideration, including:

- (a) for Coventry Shareholders, information about the calculation and payment of Share Scheme Consideration (see section 12.2);
- (b) for Coventry Optionholders, information about the calculation and payment of Option Scheme Consideration (see section 12.3);
- (c) for Coventry Shareholders (other than Ineligible Overseas Shareholders), information about Crescent CDIs and Crescent Shares and how you can elect to receive Scheme Consideration in the form of Crescent Shares rather than in the form of Crescent CDIs (see section 12.4); and
- (d) information for Coventry Shareholders outside Australia (including Ineligible Overseas Shareholders) (see sections 12.6 and 12.7).

### 12.2 Share Scheme Consideration

#### 12.2.1 Calculation

The Share Scheme Consideration comprises 0.2513 Crescent Shares (to be represented by Crescent CDIs unless a Coventry Shareholder makes a Shares Election to receive Crescent Shares) for every Coventry Share held at 4.00 pm on the Record Date, with the total Share Scheme Consideration for any Coventry Shareholder rounded down to the nearest whole number (that is, fractional entitlements are eliminated).

#### 12.2.2 Payment

If the Share Scheme becomes Effective and your name appears in the Coventry Share Register at 4.00 pm on the Record Date and you are not an Ineligible Overseas Shareholder:

- (a) If you have not made a valid Share Election to receive Crescent Shares as Scheme Consideration, you will

receive Crescent CDIs as Share Scheme Consideration for the Coventry Shares you are recorded as holding. Upon the issue of those Crescent CDIs:

- (i) your name will be entered into the Crescent CDI Register on the Implementation Date; and
  - (ii) you will receive a holding statement for the Crescent CDIs issued to you (unless you hold your interests under a direct registration system or other electronic book based system) within 10 Business Days after the Implementation Date.
- (b) If you have made a valid Share Election to receive Crescent Shares, you will receive Crescent Shares as Share Scheme Consideration. Upon the issue of those Crescent Shares:
- (i) your name will be entered into the Crescent Share Register on the Implementation Date; and
  - (ii) you will receive a share certificate or direct registration system advice for the Crescent Shares issued to you (unless you hold your interests under a direct registration system or other electronic book based system) within 10 Business Days after the Implementation Date.

Note that Crescent intends to apply to have its Crescent CDIs trade on a deferred settlement basis prior to the Implementation Date. However, as the exact number of Crescent CDIs to be issued to each Scheme Shareholder will not be known until after the Record Date, any trade in Crescent CDIs during the deferred settlement period is at the CDI holder's risk.

### 12.3 Option Scheme Consideration

#### 12.3.1 Calculation

The Option Scheme Consideration comprises Crescent Consideration Options entitling the holder to acquire 0.2513 Crescent Share for each Coventry Share therefore issuable under the Coventry Option as at 4.00 pm on the Record Date, with the total Option Scheme Consideration for any Coventry Optionholder rounded down to the nearest whole number. The Crescent Consideration Options will be

issued on a standalone basis so that the terms of the Crescent Plan will not apply to them.

Booklet and the corresponding Crescent Consideration Options to be issued by Crescent as Option Scheme Consideration.

The following table sets out the Coventry Options on issue as at the date of this Scheme

<u>Coventry Options</u>				<u>Crescent Consideration Options*</u>		
<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Price</u>	<u>CVY:CRC Share Exchange Ratio</u>	<u>Number</u>	<u>Exercise Price <sup>2</sup></u>	<u>Expiry</u>
19,257,982	\$0.20	30-Apr-13	0.2513:1	4,839,530	\$0.80	30-Apr-13
750,000	\$0.20	08-Aug-14	0.2513:1	188,475	\$0.80	08-Aug-14
400,000	\$0.20	23-Aug-14	0.2513:1	100,520	\$0.80	23-Aug-14
6,000,000	\$0.26	01-Dec-16	0.2513:1	1,507,800	\$1.04	01-Dec-16
3,230,770	\$0.26	18-Dec-12	0.2513:1	811,892	\$1.04	18-Dec-12
1,000,000	\$0.28	28-Feb-13	0.2513:1	251,300	\$1.12	28-Feb-13
10,000,000	\$0.30	30-Jan-13	0.2513:1	2,513,000	\$1.20	30-Jan-13
500,000	\$0.30	30-Jul-13	0.2513:1	125,650	\$1.20	30-Jul-13
500,000	\$0.30	25-Mar-15	0.2513:1	125,650	\$1.20	25-Mar-15
4,500,000	\$0.12	17-Aug-17	0.2513:1	1,130,850	\$0.48	17-Aug-2017
500,000	\$0.12	8-Mar- 17	0.2513:1	125,650	\$0.48	8-Mar-2017
500,000	\$0.12	17-Jun- 15	0.2513:1	125,650	\$0.48	17-Jun-2015
<hr/> 47,138,752				<hr/> 11,845,967		

**Notes:**

1. In respect of each tranche of Coventry Options identified above, each Scheme Optionholder shall be entitled to his or her pro-rata proportion of the Crescent Consideration Options (based on his or her holding of the relevant Scheme Options).
2. The exercise price of the Crescent Consideration Options set out above is determined by applying the Exchange Ratio to the exercise price of the relevant Coventry Options. When the Crescent Consideration Options are issued the exercise price will be converted to Canadian dollars at the applicable exchange rate between Australian and Canadian dollars on the day prior to the Implementation Date.

**12.3.2 Payment**

If the Option Scheme becomes Effective and your name appears in the Coventry Option Register at 4.00 pm on the Record Date for the Option Scheme, you will

receive Scheme Consideration in the form of Crescent Consideration Options on the Implementation Date (though, in accordance with clause 4.3 of the Option Scheme, any certificate, holding statement or allotment advice (unless you hold your

interests under a direct registration system or other electronic book based system) will not be sent until up to 10 Business Days after the Implementation Date).

## 12.4 Crescent CDIs and Crescent Shares

If the Share Scheme becomes Effective, by default (that is, unless you make the Share Election), you will be issued Scheme Consideration in the form of Crescent CDIs quoted on the ASX, unless you are an Ineligible Overseas Shareholder (see sections 4.13 and 12.7).

Further information regarding CDIs is set out in Appendix 8.

You can elect to receive Share Scheme Consideration in the form of Crescent Shares listed on the TSX-V instead of Crescent CDIs quoted on the ASX, by making a Share Election. You should consider the information in this section before deciding whether to make a Share Election.

**The decision whether to elect to receive Crescent Shares (rather than Crescent CDIs) will depend on your individual circumstances. You should seek advice from your own financial, legal, or other professional adviser before deciding whether to make this election.**

### (a) Crescent Shares

Crescent Shares are common shares in the share capital of Crescent (common shares are the equivalent of “ordinary shares” in Australian companies). Share certificates are evidence of legal title to Crescent Shares and should be kept in safe custody; loss, defacement, or destruction will necessitate a process of issuing a replacement certificate which may entail cost, time and appropriate indemnification and/or insurance.

Crescent Shares are listed on the TSX-V only. Accordingly, investors who wish to trade Crescent Shares on the open market must do so on the TSX-V (Crescent Shares themselves cannot be traded on the ASX). Such trades must be undertaken through a broker registered to trade on the TSX-V. Not all Australian brokers are registered to trade securities on the TSX-V. Crescent Shares are listed and traded on the TSX-V in Canadian dollars. The Australian dollar value of Crescent Shares will therefore depend on

the prevailing A\$: C\$ exchange rate from time to time.

### (b) Crescent CDIs

A CDI is a financial product quoted on the ASX. CDIs represent an interest in the underlying security of a foreign company. This allows investors to trade interests in foreign securities by trading the relevant CDIs on the ASX.

Each Crescent CDI will represent one Crescent Share and will confer a beneficial interest in that Crescent Share.

Crescent Shares represented by Crescent CDIs will be held by the Depositary, a wholly-owned subsidiary of the ASX, on behalf of the holders of Crescent CDIs.

Upon Crescent being admitted to the official list of the ASX, Crescent CDIs will be quoted and traded on the ASX in Australian dollars.

Crescent CDIs will not be listed, and will not be able to be traded, on the TSX-V.

## 12.4.1 Key features of Crescent CDIs

The key features of Crescent CDIs are summarised below.

### (a) General

Except for certain differences noted below, the rights attaching to Crescent CDIs are economically equivalent to the rights attaching to Crescent Shares, and Crescent will generally be required to treat holders of Crescent CDIs as if they were the holders of the Crescent Shares represented by those Crescent CDIs. This means that economic benefits such as dividends, bonus issues and rights issues will generally flow through to holders of Crescent CDIs as if they were the registered holders of the underlying Crescent Shares.

### (b) Ratio

Each Crescent CDI will represent one Crescent Share held by the Depositary, a wholly-owned subsidiary of the ASX.

### (c) Voting

Holders of Crescent CDIs will be sent notices of general meetings of Crescent

shareholders at the same time as they are sent to Crescent shareholders.

As holders of Crescent CDIs are not the registered holders of the Crescent Shares represented by Crescent CDIs, they will not be automatically entitled to vote in person at a general meeting of Crescent shareholders.

However, the holder of a Crescent CDI can direct the Depositary to cast votes in a particular manner on their behalf or they can require the Depositary to appoint the holder (or a person nominated by the holder) as the holder's proxy to exercise the votes attaching to the Crescent Shares represented by the holder's Crescent CDIs. In such latter case, a holder of a Crescent CDI may, as proxy, attend and vote in person at a general meeting of Crescent Shareholders.

(d) **Takeovers**

The Depositary must not accept a takeover offer in respect of any Crescent Shares represented by Crescent CDIs except to the extent that holders of Crescent CDIs have authorised the Depositary to accept the offer. It is the Depositary's responsibility to ensure that the bidder processes those acceptances.

(e) **Conversion of Crescent CDIs into Crescent Shares**

Holders of Crescent CDIs may at any time convert their Crescent CDIs into Crescent Shares listed on to the TSX-V by contacting:

- (i) the Crescent CDI Subregistry, if their Crescent CDIs are held on the Crescent CDI issuer sponsored subregister; or
- (ii) their controlling participant (usually their broker), if their Crescent CDIs are held on a CHESSE subregister.

Requests for conversion of Crescent CDIs into Crescent Shares (a transfer from the ASX to the TSX-V) will ordinarily be processed on the same business day. The transfer is achieved by transferring the underlying Crescent Shares from the Depositary to the holder of the Crescent CDIs.

No settlement of a trade of the underlying Crescent Shares can take place on the TSX-

V until the transfer process has been completed.

(f) **Communications from Crescent**

Crescent will communicate directly with holders of Crescent CDIs with respect to corporate actions and will send notices and other documents (e.g. notices of meetings) to holders of Crescent CDIs at the same time as they are sent to Crescent Shareholders.

(g) **Trading**

Following the quotation of Crescent CDIs on the ASX, Crescent CDIs will be able to be traded on the ASX. They will not be tradeable on the TSX-V.

If a holder of Crescent CDIs wishes to trade on the TSX-V, they must convert their Crescent CDIs into Crescent Shares (see above).

(h) **Dividends**

Dividend record and payment dates will be the same for Crescent Shares and Crescent CDIs.

Any cash dividends or distributions will be converted by Crescent or its agent from Canadian dollars into Australian dollars in accordance with the applicable exchange rate, from time to time, paid by Crescent to the Crescent CDI Subregistry on trust for the holders of Crescent CDIs (net of any currency conversion costs) and then paid directly to holders of Crescent CDIs by the Crescent CDI Subregistry on the payment date.

Please note that Crescent does not currently intend to pay any dividends.

(i) **Evidence of ownership**

Crescent CDIs may be held on an issuer sponsored subregister or on a CHESSE subregister. If you receive Crescent CDIs under the Share Scheme, you will receive them:

- (i) on the Crescent CDI issuer sponsored subregister, to the extent they are issued for Coventry Shares held on the Coventry issuer sponsored subregister; and
- (ii) on the Crescent CDI CHESSE subregister, to the extent they are

issued for Coventry Shares held on the Coventry CHESS subregister.

#### **12.4.2 The principal differences between holding Crescent CDIs and Crescent Shares**

The principal difference between holding a Crescent CDI and holding a Crescent Share is that the holder of a Crescent CDI has, through the Depository, an indirect, beneficial interest in the Crescent Share underlying their Crescent CDI instead of directly owning that Crescent Share. This means that the holder of the Crescent CDI is not the registered holder of the underlying Crescent Share and therefore cannot directly trade the underlying Crescent Share.

As noted in this section, there are certain differences which you should take into account in determining whether to elect to receive Scheme Consideration in the form of Crescent Shares or Crescent CDIs.

As mentioned above under "Voting", a holder of a Crescent CDI may not be able to attend a Crescent general meeting as a shareholder but can direct Depository how to vote or to appoint the holder as proxy.

##### **(a) Crescent CDIs will be quoted on the ASX and Crescent Shares will be listed on the TSX-V**

Crescent CDIs will be tradeable on the ASX only. This has the advantage that Crescent CDIs can be traded during Australian business hours using Australian brokers in prices quoted in Australian dollars. However, there is a risk of a lack of liquidity in the market for Crescent CDIs and that they may trade at a discount to Crescent Shares on TSX-V.

##### **(b) Exercise of shareholder rights**

As holders of Crescent CDIs are not registered shareholders of Crescent, the rights attaching to Crescent Shares which underlie their Crescent CDIs must be exercised by the Depository. A holder of Crescent CDIs may instruct the Depository to exercise those rights on their behalf.

In contrast, a registered holder of Crescent Shares can directly exercise the rights attaching to their Crescent Shares in such manner as they choose.

#### **12.4.3 Conversion of Crescent Shares into Crescent CDIs**

If you elect to receive Crescent Shares instead of Crescent CDIs, it is possible to later convert them into Crescent CDIs (e.g. because you would like to trade on the ASX). You should contact your sponsoring CHESS participant or the Crescent Share Registry if you wish to convert your Crescent Shares into Crescent CDIs.

#### **12.5 Share Elections**

##### **12.5.1 Election by Scheme Shareholders (other than trustees and nominees)**

To make a Share Election, complete and return the Share Election Form accompanying this Scheme Booklet in accordance with the instructions on that form. The deadline for receipt of Share Election Forms by the Coventry Share Registry is 2.00 pm on the Record Date (currently 18 December 2012). If the Share Scheme becomes Effective, and you do not make a valid Share Election by 2.00 pm on the Record Date, you will receive Crescent CDIs to be quoted on the ASX by default.

Unless you are a trustee or nominee:

- (a) you may only make a Share Election under the Share Scheme in respect of all your Share Scheme Consideration; and
- (b) if you make a Share Election under the Share Scheme, it will be deemed to apply to all your Share Scheme Consideration regardless of whether the number of relevant Coventry Shares you hold at 4.00 pm on the Record Date of the Share Scheme is greater or less than the number you held at the time you made your election.

If you are trustee or nominee refer to section 12.5.2.

##### **12.5.2 Election by Scheme Shareholders who are trustees and nominees**

A nominee or trustee must establish sufficient distinct holdings in the register to cater for their underlying client's scheme election instructions. On each of these separate holdings the nominee must make a distinct election for the issue of CDIs or Crescent Shares and their clients' needs. Each

election and holding will serve as the point for the aggregation of your underlying client instructions. You must arrange your holdings by the scheme record date taking into account the cut off time and date and method of transfer at your disposal. Note individual election calculations, including fractional entitlement calculations, will be made on the whole holding, not individual beneficial shareholder's interests inside the holding on the register.

If you make a Share Election under the Share Scheme, it will be deemed to apply to all your Share Scheme Consideration in the affected HIN or SRN regardless of whether the number of relevant Coventry Shares you hold at 3.00 pm on the Record Date of the Share Scheme is greater or less than the number you held at the time you made your election.

### **12.5.3 Variation or withdrawal of a Share Election**

If you have made a Share Election to receive Crescent Shares listed on the TSX-V and wish to withdraw it (so as to instead receive Crescent CDIs quoted on the ASX), you may do so by writing to the Coventry Share Registry and requesting withdrawal of your Share Election Form. The deadline for receipt by the Coventry Share Registry of instructions to vary or withdraw a Share Election is 2.00 pm on the Record Date. If you misplace or require a further copy of your Share Election Form, further copies may be obtained by contacting the Coventry Share Registry.

## **12.6 Coventry Securityholders outside Australia**

Restrictions in certain jurisdictions outside Australia may make it impractical or unlawful for Crescent Shares or Crescent CDIs to be issued to, or received by, Coventry Shareholders under the Share Scheme.

Any Scheme Shareholder whose address as shown in the Coventry Share Register at 4.00 pm on the Record Date is outside of Australia and its external territories, New Zealand, Canada, Hong Kong, Singapore, and the United States will be regarded as an Ineligible Overseas Shareholder for the purposes of the Share Scheme unless Crescent and Coventry are satisfied, acting reasonably, that the laws of that Coventry Shareholder's country of residence (as

shown in the Coventry Share Register) to permit the issue and allotment of Crescent Shares to that Coventry Shareholder, either unconditionally or after compliance with conditions which Crescent in its sole discretion regards as acceptable.

Ineligible Overseas Shareholders will not receive Crescent CDIs or be entitled to make an election to receive Crescent Shares. Instead the Crescent Shares or Crescent CDIs that would otherwise have been issued to all Ineligible Overseas Shareholders under the Share Scheme will be issued to the Sale Nominee for sale on market following implementation of the Share Scheme (see sections 4.13 and 12.7 for more information about this process).

Scheme Shareholders who reside outside of Australia, but who do not constitute Ineligible Overseas Shareholders should note that this Scheme Booklet has been prepared (in accordance with the Australian legal requirements) for the sole purpose of allowing you to consider the Share Scheme. It must not be distributed, reproduced or disclosed (in whole or part) to other persons or used for any purpose other than a consideration of the Share Scheme. This Scheme Booklet has not been filed with or considered or approved by any regulatory body in any country other than Australia and Coventry Shareholders should consult with their professional advisers as to whether any other formalities or consents are required to permit them to receive Crescent Shares or Crescent CDIs pursuant to the Share Scheme.

### **12.6.1 Notice to Coventry Securityholders in New Zealand**

The Crescent Shares or Crescent CDIs to be issued under the Share Scheme to New Zealand resident Scheme Shareholders will be issued in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (NZ). This booklet is not a New Zealand prospectus or an investment statement and has not been registered with, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (NZ) (or any other relevant New Zealand law). This booklet may not contain all the information that a prospectus or investment statement is required to contain under New Zealand law.

### **12.6.2 Notice of Coventry Securityholders in Canada**

This Scheme Booklet has not been approved or disapproved by any security regulatory authority in Canada, nor has any securities regulatory authority passed upon the fairness or merits of the Schemes or upon the accuracy or adequacy of the information contained in this Scheme Booklet and any representation to the contrary is unlawful.

The Crescent Shares, Crescent CDIs and Crescent Options being issued to Coventry Securityholders in connection with the Schemes will be issued by Crescent in reliance upon exemptions from the prospectus and registration requirements of applicable Canadian Securities Law in each province and territory of Canada. Crescent Shares issued in connection with the Share Scheme may (through a registered dealer unless the dealer registration requirements do not apply) be resold in each province and territory in Canada, including through the TSX-V, subject to the usual conditions that no unusual effort has been made to prepare the market or create a demand for the Crescent Shares and that no extraordinary commission or consideration is paid in respect of any trade and if the selling securityholder is an "insider" of Crescent, he or she has no reasonable grounds to believe that Crescent is in default of Canadian Securities Laws. Resale of the Crescent Shares will however, be subject to additional resale restrictions (including hold periods and advance notice requirements) where the sale is made from the holdings of any person or combination of persons holding a sufficient number of Crescent Shares or Crescent CDIs to affect materially the control of Crescent.

### **12.6.3 Notice to Coventry Securityholders in Hong Kong**

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This document does not constitute a prospectus (as defined in section 2(1) of the Companies Ordinance) or notice, circular, brochure or advertisement offering any securities to the public for subscription or

purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance.

The document is for the exclusive use of Coventry's Securityholders in connection with the Schemes, and no steps have been taken to register or seek authorisation for the issue of this document in Hong Kong.

This document is confidential to the person to whom it is addressed and must not be distributed, published, reproduced or disclosed (in whole or in part) by Coventry's Securityholders to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Schemes by Coventry's Securityholder.

### **12.6.4 Notice to Coventry Securityholders in Singapore**

This document has not been lodged or registered with the Monetary Authority of Singapore (**MAS**). The MAS assumes no responsibility for the contents of this document. The MAS has not in any way considered the merits of the Shares being offered pursuant to the Schemes as described in this document.

This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Crescent Securities may not be circulated or distributed, nor may the Crescent Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with the exemption under the Securities and Futures Act, Cap 289 (**SFA**).

Any offer of the Crescent Securities is not made to you with a view to the Shares being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

### **12.6.5 Notice to Coventry Securityholders in the United States of America**

The Crescent Securities issuable to Coventry Securityholders in exchange for their Coventry Securities pursuant to the Scheme or the Option Scheme, as applicable, have not been and will not be registered under the US Securities Act and such securities will be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof. Section 3(a)(10) of the US Securities Act exempts the issuance of securities issued in exchange for one or more outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by any court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of terms and conditions of the Schemes will be considered. Subject to the approval of the Schemes by Coventry Securityholders, the Second Court Hearing is currently expected to be held on 14 December 2012).

The Crescent Securities issuable to Coventry Securityholders pursuant to the Schemes will be freely transferable by such Coventry Securityholders under the US Securities Act, except by persons who are "affiliates" of Crescent after the completion of the Schemes or were affiliates of Crescent within 90 days prior to the completion of the Schemes. An "affiliate" of an issuer is a person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under

common control with, the issuer, whether through the ownership of voting securities, by contract or otherwise, and generally includes executive officers and directors of the issuer as well as principal shareholders of the issuer.

Any resale of such Crescent Securities by such an affiliate (or former affiliate) may be subject to the registration requirements of the US Securities Act, absent an exemption therefrom. Subject to certain limitations, such affiliates (or former affiliates) may immediately resell such Crescent Securities outside the United States without registration under the US Securities Act pursuant to Regulation S thereunder. In addition, such affiliates (or former affiliates) may resell such Crescent Securities without registration under the 1933 Act in accordance with Rule 144 under the US Securities Act, if available.

The foregoing discussion is only a general overview of certain requirements of the 1933 Act applicable to the resale of Crescent Shares issuable upon completion of the Merger. All holders of such securities are urged to consult with their own counsel to ensure that the resale of their securities complies with applicable securities legislation.

### **12.7 Sale Nominee**

If you are an Ineligible Overseas Shareholder, the Crescent Shares that would otherwise have been issued to you will be issued to the Sale Nominee for sale and you will receive a pro-rata share of the Cash Proceeds from the sale of all Crescent Shares attributable to Ineligible Overseas Shareholders sold by the Sale Nominee. Further details about the process by which the Sale Nominee will sell Crescent Shares and distribute Cash Proceeds are set out in section 4.13.

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## **13. IMPLEMENTATION OF THE SCHEME**

This section provides an overview of the Scheme Conditions, the Scheme Meeting, and other steps required to implement the Merger.

### **13.1 Actions already undertaken by Coventry and Crescent**

On 10 September 2012, Coventry and Crescent entered into the Merger Implementation Deed. A copy of the Merger Implementation Deed is included in this Scheme Booklet at Appendix 1 and a summary of the material terms of the Merger Implementation Deed is contained below in section 14.

Coventry and Crescent have undertaken the following activities to progress the implementation of the Scheme.

#### **13.1.1 Appointment of Independent Expert**

Coventry commissioned the Independent Expert, BDO Corporate Finance, to prepare a report on whether the Scheme is in the best interests of Coventry Shareholders.

The Independent Expert has determined that the Schemes are in the best interests of Coventry Shareholders and Coventry Optionholders. The Independent Expert has determined that the Share Scheme is not fair but reasonable and therefore is in the best interests of Coventry Shareholders; and the Option Scheme is fair and reasonable and therefore in the best interests of the Coventry Optionholders. A full copy of the Independent Expert's Report is set out in Appendix 9.

#### **13.1.2 Execution of Deeds Poll by Crescent**

On 9 November 2012, Crescent executed the Deeds Poll in favour of each Coventry Shareholder and Coventry Optionholder pursuant to which Crescent covenants to perform its obligations under the Merger Implementation Deed and the Schemes. The key obligation of Crescent under the Schemes is to issue the Scheme Consideration to Scheme Shareholders<sup>2</sup> and

Scheme Optionholders, subject to satisfaction of the Scheme Conditions.

The Share Scheme Deed Poll may be relied upon by a Scheme Shareholder, and the Option Scheme Deed Poll may be relied upon by a Scheme Optionholder despite the fact that they are not a party to it, and each Scheme Shareholder and Scheme Optionholder appoints Coventry as its agent to enforce their rights under the relevant Deed Poll against Crescent.

The Deeds Poll are governed by the laws of Western Australia and are set out in full at Appendices 3 and 5 respectively.

#### **13.1.3 Lodgement of draft Scheme Booklet with ASIC**

On 15 October 2012, Coventry lodged a draft of this Scheme Booklet with ASIC pursuant to section 411(2)(b) of the Corporations Act. ASIC has registered the draft Scheme Booklet for the purposes of section 412(6) of the Corporations Act. Coventry has requested that ASIC provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Schemes. If ASIC provides that statement, it will be produced to the Court at the time of the Court hearing to approve the Schemes.

Coventry has also lodged a copy of this Scheme Booklet with the ASX.

Neither ASIC, the ASX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

#### **13.1.4 First Court Hearing**

On 9 November 2012, the Federal Court of Australia ordered that Coventry convene the Scheme Meetings for 10.00 am (WST) and 10.30 am (WST) (respectively) on 13 December 2012 at Holiday Inn, 778-788 Hay Street, Perth, Western Australia for the purpose of allowing Coventry Shareholders and Coventry Optionholders to consider, and if thought fit, approve the Schemes.

Coventry Securityholders should note that the fact that the Court has ordered that meetings be convened and has approved this Scheme Booklet (or Explanatory Memorandum required to accompany the notice of the Scheme Meetings) does not mean that the Court:

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<sup>2</sup> Noting that Scheme Consideration attributable to Ineligible Overseas Shareholders will be issued to the Sale Nominee for sale (with those shareholders entitled to receive the Cash Proceeds) – see sections 4.13 and 12.7 for further detail.

- (a) has formed any view as to the merits of the proposed Schemes or as to how Coventry Securityholders should vote (on this matter Coventry Securityholders must form their own decision); or
- (b) has prepared, or is responsible for, the content of, the Scheme Booklet (including the Explanatory Memorandum).

Implementation Deed, waived, are set out in the table below.<sup>3</sup>

An order under subsection 411(1) is not an endorsement of, or any other expression of opinion on, the Scheme(s). The Court is not in any other way responsible for the contents of this Scheme Booklet.

For a Scheme to proceed, the Requisite Majority must approve that Scheme at the relevant Scheme Meeting. Details of how to vote at the Scheme Meeting relevant to you are set out at the beginning of this Scheme Booklet in the section entitled "Scheme Meeting Details and How to Vote". A copy of the Notice of the Share Scheme Meeting is set out in Appendix 6 and a copy of the Notice of the Option Scheme Meeting is set out in Appendix 7.

## 13.2 Scheme Conditions

Implementation of the Schemes is subject to satisfaction of the Scheme Conditions. The Share Scheme Conditions are set out in clause 2.1 of the Share Scheme (attached to this Scheme Booklet at Appendix 2) and clause 3.1 of the Merger Implementation Deed (attached to this Scheme Booklet at Appendix 1). The Option Scheme Conditions are set out in clause 2.1 of the Option Scheme (attached to this Scheme Booklet as Appendix 4) and clause 3.2 of the Merger Implementation Deed.

Certain Scheme Conditions set out in the Scheme and the Merger Implementation Deed have already been satisfied. Certain Scheme Conditions and the date by which each of those Scheme Conditions must be satisfied or, where permitted by the Merger

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<sup>3</sup> As indicated above, there are additional conditions in clause 2.1 of each of the Share Scheme and Option Scheme (which documents are set out at appendices 3 and 5).

Those conditions include that the Merger Implementation Deed has not been terminated, and that any other conditions required by the Court under section 411(6) of the Corporations Act have been satisfied.

Share Scheme Conditions	Time at which the condition must be satisfied	Extent to which condition can be waived
No Material Adverse Change in respect of Coventry occurring or becoming known to Crescent, and no Material Adverse Matter in respect of Coventry becomes known to Crescent.	As at 8:00am WST on the Second Court Date;	May be waived by Crescent.
No Coventry Regulated Event occurring or becoming known to Crescent.	As at 8:00am WST on the Second Court Date	May be waived by Crescent
No Material Adverse Change in respect of Crescent occurring or becoming known to Coventry, and no Material Adverse Matter in respect of Crescent becomes known to Coventry.	As at 8:00am WST on the Second Court Date	May be waived by Coventry.
No Crescent Regulated Event occurring or becoming known to Coventry.	As at 8:00am WST on the Second Court Date	May be waived by Coventry
The Coventry Warranties are true and correct in all material respects.	As at 8:00am WST on the Second Court Date (unless any warranty relates to an earlier date, in which case as at such date)	May be waived by Crescent.
The Crescent Warranties being true and correct in all material respects.	As at 8:00am WST on the Second Court Date (unless any warranty relates to an earlier date, in which case as at such date)	May be waived by Coventry.
Coventry procuring the Independent Expert's Report and the Independent Expert issuing the Independent Expert's Report which concludes that the Scheme is in the best interests of Coventry Shareholders before the date on which the Explanatory Memorandum is registered by ASIC under the Corporations Act and the Independent Expert does not change that conclusion or withdraw its report.	Prior to 8:00am WST on the Second Court Date	May be waived by both parties.
Crescent completing a private placement financing raising gross proceeds of C\$750,000.	Prior to the Share Scheme becoming Effective.	May be waived by Coventry.
Coventry Shareholders approving the Scheme by the Requisite Majorities required under section 411(4)(a) of the Corporations Act in relation to the Scheme Meeting convened by the Court.	Before the Second Court Date.	May be waived by both parties
The Court approving the Scheme in accordance with section 411(4)(b) of the Corporations Act.	At the Second Court Date	Cannot be waived.
The Treasurer of the Commonwealth of Australia has either provided written notice which is unconditional or subject only to conditions reasonably acceptable to both Crescent and Coventry that there is no objection under the Foreign Acquisitions and Takeovers Act 1975 (Cth) or Australian foreign investment policy to the Share Scheme or become precluded from exercising any power to make an order under the Foreign Acquisitions and Takeovers Act 1975 (Cth) in relation to the Share Scheme.	As at 8:00am WST on the Second Court Date	May be waived by both parties.
ASIC issuing or providing such consents, waivers or approvals or doing such other things as are reasonably necessary to implement the Scheme.	Before 8:00am WST on the Second Court Date,	Cannot be waived.
Crescent Shareholders approving the Crescent Shareholder Resolutions by the Requisite Majorities.	Prior to the Share Scheme becoming Effective.	May be waived by both parties.
Crescent having received all necessary approvals from the TSX-V for the issuance of Crescent Shares to Scheme Shareholders (or, where relevant, the Depositary, with the corresponding issue of Crescent CDIs to Scheme Shareholders) as contemplated by the Scheme, and the conditional listing of such Crescent Shares on the TSX-V.	Before 8:00am WST on the Second Court Date	Cannot be waived.

Share Scheme Conditions	Time at which the condition must be satisfied	Extent to which condition can be waived
The ASX providing such consents and approvals as are reasonably necessary to implement the Scheme including the ASX giving approval for the admission of Crescent to the Official List and for the Official Quotation of Crescent CDIs, subject to any conditions which the ASX may reasonably require, including implementation of the Scheme.	Before 8:00am WST on the Second Court Date	Cannot be waived.
No Regulatory Authority has undertaken a judicial proceeding seeking to enjoin, restrain or otherwise prohibit or impose adverse conditions on the Share Scheme, issued an order, decree or ruling prohibiting or imposing adverse conditions on or otherwise preventing completion of the Share Scheme, or declined to issue an order, decree, ruling, notification or communication that is required for the Share Scheme to be implemented in accordance with the Merger Implementation Deed.	As at 8:00 am on the Second Court Date.	Cannot be waived.
The issuance of the Scheme Consideration issuable upon completion of the Scheme to the Scheme Shareholders pursuant to the Scheme will not require registration under the U.S. Securities Act, pursuant to the exemption from the registration requirements thereof provided by section 3(a)(10) thereof, or under any state securities laws.	Prior to the Share Scheme becoming Effective.	Cannot be waived.

Option Scheme Conditions	Time at which the condition must be satisfied	Extent to which condition can be waived
Share Scheme becomes Effective.	On the Effective Date	May be waived by both parties.
The ASX grants a waiver of any requirement under ASX Listing Rule 6.23 to obtain the approval of Coventry Shareholders for the amendment of the terms of the Coventry Options (so as to permit transfer) pursuant to the Option Scheme.	By the Effective Date	May be waived by both parties
If required to issue the Option Scheme Consideration in accordance with the Merger Implementation Deed, Crescent obtaining all necessary approvals and undertaking all necessary actions to amend the Crescent option plan.	By the Effective Date	May be waived by both parties.
Coventry Optionholders approving the Option Scheme by the majorities required under section 411(4)(a) of the Corporations Act in relation to each Option Scheme Meeting convened by the Court.	Before the Second Court Date.	Cannot be waived.
The Court approving the Option Scheme in accordance with section 411(4)(b) of the Corporations Act.	At the Second Court Date	Cannot be waived.
ASIC issuing or providing such consents, waivers or approvals or doing such other things as are reasonably necessary to implement the Option Scheme	Before 8:00am WST on the Second Court Date	Cannot be waived.
No Regulatory Authority has undertaken a judicial proceeding seeking to enjoin, restrain or otherwise prohibit or impose adverse conditions on the Option Scheme, issued an order, decree or ruling prohibiting or imposing adverse conditions on or otherwise preventing completion of the Option Scheme, or declined to issue an order, decree, ruling, notification or communication that is required for the Option Scheme to be implemented in accordance with the Merger Implementation Deed.	As at 8:00 am on the Second Court Date.	Cannot be waived.
The issuance of the Option Scheme Consideration issuable upon completion of the Option Scheme to		Cannot be waived.

Option Scheme Conditions	Time at which the condition must be satisfied	Extent to which condition can be condition
the Scheme Optionholders pursuant to the Option Scheme will not require registration under the U.S. Securities Act, pursuant to the exemption from the registration requirements thereof provided by section 3(a)(10) thereof, or under any state securities laws.		

For each Scheme to be implemented, each Scheme Condition relevant to that Scheme must be satisfied by the due date (if any) fixed for its satisfaction as set out in the above table.

As at the date of this Scheme Booklet, Coventry is not aware of any circumstances that would cause the Scheme Conditions to not be satisfied. Coventry Shareholders and Coventry Optionholders will receive an update on the status of the Scheme Conditions at the Scheme Meeting(s).

Coventry will also announce to the ASX any relevant matter that affects the likelihood of a Scheme Condition being satisfied or not being satisfied, in accordance with Coventry's continuous disclosure obligations. These details will be published on the ASX's website ([www.asx.com.au](http://www.asx.com.au)) and will also appear on Coventry's website ([www.coventryres.com](http://www.coventryres.com)).

### 13.3 Court approval

To become Effective, a Scheme must be approved by the Court at the Second Court Hearing. If the Share Scheme is approved by the Requisite Majority of Coventry Shareholders, and all other Share Scheme Conditions (other than its approval by the Court) have been satisfied or waived, Coventry will apply to the Court for orders approving the Share Scheme at the Second Court Hearing.

If both Schemes are approved by the Requisite Majorities of Coventry Securityholders, and all other Option Scheme Conditions (other than its approval and the approval of the Share Scheme by the Court) have been satisfied or waived, Coventry will apply to the Court for orders approving the Option Scheme at the Second Court Hearing.

Each Coventry Shareholder has the right to seek leave to appear at the Second Court Hearing and be heard in respect of the Share Scheme and each Coventry

Optionholder has the right to seek leave to appear at the Second Court Hearing and be heard in respect of the Option Scheme. The Court may refuse to approve a Scheme, even if it is approved by the Requisite Majority of Coventry Securityholders.

### 13.4 Scheme Meetings

The Share Scheme Meeting is scheduled to be held at the Holiday Inn, 778-788 Hay Street, Perth, Western Australia at 10.00 am (WST) on 13 December 2012. The Option Scheme Meeting is scheduled to be held at 10.30 am (WST) on 13 December 2012 after the Share Scheme Meeting, if later).

For the Share Scheme to be passed by Coventry Shareholders, votes in favour of the Share Scheme must be cast by:

- (a) a majority in number (more than 50%) of Coventry Shareholders present and voting at the Scheme Meeting (whether in person, by proxy, by attorney or, in the case of corporate Coventry Shareholders, by corporate representative); and
- (b) at least 75% of the total number of votes cast by Coventry Shareholders entitled to vote on that resolution.

For the Option Scheme to be approved by Coventry Optionholders, votes in favour of the Option Scheme must be agreed by:

- (a) a majority in number (more than 50%) of Coventry Optionholders present and voting at the Option Scheme Meeting (whether in person, by proxy, by attorney or, in the case of corporate Coventry Optionholders, by corporate representative); and
- (b) Coventry Optionholders whose Coventry Options amount to at least 75% of the total value of Coventry Options held by the

Coventry Optionholders who vote at the Option Scheme Meeting.

The value of Coventry Options for the purpose of determining whether the Requisite Majority has been satisfied at the Option Scheme Meeting will be calculated using an a Black & Scholes valuation methodology. The Independent Expert has undertaken Black & Scholes valuation on the Coventry Options for the purpose of the Independent Expert's Report. That valuation and the variables behind that valuation are set out in Appendix 3 of the Independent Expert's Report. Coventry will use this valuation for the purpose of determining the value of the votes for the Option Scheme.

### **13.5 Steps after approval of the Schemes by Coventry Securityholders at the Scheme Meeting but before the Second Court Date**

Coventry has agreed that, if the resolutions submitted to the Scheme Meetings in relation to the Share Scheme and Option Scheme respectively are passed by the Requisite Majorities at those meetings, it will apply to the Court for orders approving the Share Scheme and Option Scheme.

### **13.6 Steps after Court approval at the Second Court Hearing**

#### **13.6.1 Share Scheme**

If the Share Scheme is approved by the Court, Coventry will:

- (a) promptly lodge with ASIC an office copy of the orders approving the Share Scheme in accordance with section 411(10) of the Corporations Act;
- (b) close the Coventry Share Register as at 4.00 pm on the Record Date and determine entitlements to the Share Scheme Consideration in accordance with the Share Scheme and provide such information to Crescent (or its share registry) in such form as Crescent may reasonably require to facilitate the payment of the Share Scheme Consideration;
- (c) promptly register all transfers of Scheme Shares to Crescent in accordance with the Share Scheme;

- (d) take all reasonable steps to maintain Coventry's listing on the ASX, notwithstanding any suspension of the quotation of Coventry Shares, up to and including the Implementation Date, including making appropriate applications to the ASX; and
- (e) promptly do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Share Scheme.

#### **13.6.2 Option Scheme**

If the Option Scheme is approved by the Court, Coventry will:

- (a) promptly lodge with ASIC an office copy of the orders approving the Option Scheme in accordance with section 411(10) of the Corporations Act;
- (b) close the Coventry Option Register as at 4.00 pm on the Record Date and determine entitlements to the Option Scheme Consideration in accordance with the Option Scheme and provide such information to Crescent (or its registry) in such form as Crescent may reasonably require to facilitate the payment of the Option Scheme Consideration;
- (c) promptly pass a board resolution amending the terms of the Coventry Options to permit transfer in accordance with the Option Scheme, and promptly register all transfers of Scheme Options to Crescent in accordance with the Option Scheme; and
- (d) promptly do all other things contemplated by or necessary to give effect to the Option Scheme and the orders of the Court approving the Option Scheme.

#### **13.6.3 Record Date**

The Record Date is 4.00 pm on the date which is five Business Days after the Effective Date for the relevant Scheme. Only Coventry Securityholders whose names appear on the Coventry Share Register or the Coventry Option Register (as applicable)

at 4.00 pm on the Record Date will be entitled to receive the Scheme Consideration under that Scheme. For the purposes of determining persons entitled to Share Scheme Consideration, dealings in Coventry Shares will be recognised by Coventry provided that:

- (a) in the case of dealings in Coventry Shares through CHESS, the transferee is registered as the holder of the relevant Coventry Shares by 4.00 pm on the Record Date;
- (b) in the case of Coventry Shares issued upon the exercise of any Coventry Options (where those options are capable of exercise), a valid exercise notice in respect of the Coventry Options and payment of the relevant exercise price in clear funds is received by Coventry at its registered office in Australia before 12.00 noon on the Business Day three Business Days before the Record Date (in which case, Coventry will issue the Coventry Shares to which the exercise notice refers and cause the Coventry Optionholder to be entered in the Coventry Share Register before 4.00 pm on the Record Date for the Share Scheme); and
- (c) in all other dealings in Coventry Shares, registrable transfers or transmission applications in respect of those dealings are received by the Coventry Share Registry on or before 4.00 pm on the Record Date for the Share Scheme (in which case Coventry will cause such transfers to be registered before 4.00 pm on the Record Date for the Share Scheme).

Coventry will not recognise, for the purpose of establishing who is entitled to Share Scheme Consideration, any exercise notice in respect of Coventry Options or any transmission application or transfer in respect of Coventry Shares received after these times.

#### **13.6.4 Effective Date**

If the Share Scheme is approved by the Court, Coventry must lodge a copy of the orders of the Court approving the Scheme(s) with ASIC. The Scheme(s) will become Effective on the date that lodgement

occurs. This date is the Effective Date. Upon and as of the Effective Date, that Scheme will bind Coventry and all Scheme Shareholders (in the case of the Share Scheme) and all Scheme Optionholders (in the case of the Option Scheme), including those who did not attend a relevant Scheme Meeting or who did not vote at the Scheme Meeting or who vote against the Scheme at the Scheme Meeting.

If the Share Scheme has not become Effective or the Scheme Conditions have not been satisfied by 31 December 2012, or such later date as Coventry and Crescent agree in writing, either Coventry or Crescent may terminate the Merger Implementation Deed, and consequently, the Share Scheme and/or the Option Scheme, as the case may be.

#### **13.6.5 Transfer of Coventry Shares and issue of Crescent Shares**

On the Implementation Date, subject to the provision of the Scheme Consideration, all Coventry Shares held by Scheme Shareholders will be transferred to Crescent without any further action required by Scheme Shareholders. Coventry will enter Crescent into the Coventry Share Register in respect of the Coventry Scheme Shares. Coventry will then become a wholly-owned subsidiary of Crescent. Crescent will:

- (a) issue the Crescent CDIs and Crescent Consideration Shares required to be issued by it under the Share Scheme on terms such that each such Crescent Consideration Shares represented by a Crescent CDI and Crescent Consideration Share will rank equally in all respects with each existing Crescent Share;
- (b) ensure that each Crescent Consideration Share issued as Share Scheme Consideration is duly issued and is fully paid, non assessable and free from any mortgage, charge, lien, encumbrance or other security interest; and
- (c) use all reasonable endeavours to ensure that:
  - (i) all Crescent Consideration Shares issued as Share Scheme Consideration are approved for listing and trading on the TSX-V and, to the extent permitted by the TSX-

V, that trading in them commences as soon as practicable after the Effective Date and on a normal settlement basis no later than the first Business Day after the Implementation Date; and

- (ii) the Crescent CDIs are listed for quotation on the official list of the ASX and, to the extent permitted by the ASX, trading in them commences on a deferred settlement basis as soon as practicable following the Effective Date and on a normal settlement basis no later than the first Business Day after the Implementation Date.

As from the time at which the Scheme Consideration is provided, all share certificates and holding statements representing Scheme Shares will cease to have any effect other than as evidence of entitlement to Scheme Consideration.

For further information regarding the Crescent CDIs and/or Crescent Consideration Shares to be issued under the Share Scheme see section 12.4. No Crescent CDIs or Crescent Consideration Shares will be issued on the basis of this Scheme Booklet after the date which is 13 months after the date of this Scheme Booklet.

### **13.6.6 Quotation of Coventry Shares**

It is expected that suspension of trading in Coventry Shares on the ASX will occur from the close of trading on the ASX on the Effective Date.

At a time after the Implementation Date to be determined by Crescent (expected to be 2 January 2012), Coventry will apply to the ASX:

- (a) for termination of Official Quotation of Coventry Shares; and
- (b) to have itself removed from the Official List.

### **13.6.7 Payments to Ineligible Overseas Shareholders**

Crescent Shares to which the Ineligible Overseas Shareholders of Coventry Shares would otherwise be entitled will be sold by the Sale Nominee as soon as practicable (and in any event not more than 15 Business Days after the Implementation Date) and

the Cash Proceeds shall be promptly remitted to the relevant Ineligible Overseas Shareholders.

For more information see sections 4.13 and 12.7.

### **13.6.8 Issue of Crescent Options**

On the Implementation Date, subject to the provision of the Scheme Consideration, all Coventry Options held by Scheme Optionholders will be transferred to Crescent without any further action required by Scheme Optionholders. Crescent will enter Crescent into the Coventry Option Register in respect of the Coventry Options. Crescent will issue the Crescent Consideration Options<sup>4</sup> required to be issued by it under the Option Scheme on terms consistent (to the greatest extent permitted by Canadian Securities Laws) with the terms of the Coventry Options except that each such Crescent Consideration Option will:

- (a) have an exercise price per option (in A\$) set out in section 12.3.1;
- (b) have an exercise period equal to the unexpired exercise period of the Coventry Option it replaces;
- (c) be fully vested and immediately capable of exercise; and
- (d) entitle the holder to purchase Crescent Shares in lieu of Coventry Shares on the basis of 0.2513 of a Crescent Share (post completion of the Consolidation) for each Coventry Share the Coventry Optionholder was therefore entitled to purchase under the Coventry Option it replaces.

As from the time at which the Scheme Consideration is provided, all option certificates representing Scheme Options will cease to have any effect other than as evidence of entitlement to Scheme Consideration.

No Crescent Options will be granted on the basis of this Scheme Booklet after the date

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<sup>4</sup> In accordance with clause 4.3 of the Option Scheme, Crescent Consideration Options will be issued on the Implementation Date, but any requirement to send option certificates, holding statements or allotment advices may be satisfied within 10 Business Days after the Implementation Date.

which is 13 months after the date of this Scheme Booklet. Crescent Consideration Options will be issued on a standalone basis so that the terms of the Crescent Plan will not apply to them, to the extent permitted by applicable Canadian Securities Laws.

### **13.7 Warranties by Scheme Shareholders and Scheme Optionholders under the Schemes**

The effect of each Scheme is that all Scheme Shareholders and Scheme Optionholders, including those who vote against the Scheme(s) and those who do not vote, will be deemed to have warranted to Coventry, both in its own right and for the benefit of Crescent, that their Scheme Shares and Scheme Options are not subject to any of the encumbrances specified in the Scheme(s). The terms of the warranty are set out in clause 7.6(b) of each of the Share Scheme and Option Scheme. The Schemes are attached at Appendix 2 and Appendix 4 respectively.

### **13.8 Crescent Shares, CDIs and Options**

Under the terms of the Schemes:

- (a) in the case of those Scheme Shareholders who made a valid Share Election to receive Crescent Shares:
  - (i) all Scheme Shareholders who receive Crescent Consideration Shares will have their names and addresses entered on the Crescent Share Register on the Implementation Date; and
  - (ii) share certificates (unless you hold your interests under a direct registration system or other electronic book based system) for Scheme Shareholders' entitlements to Crescent Consideration Shares will be despatched to them by no later than 10 Business Days after the Implementation Date. Those share certificates (or, at the option of Coventry Resources Inc., if your interests will be held under a direct registration system, in which case you will receive a direct registration system advice, or other record of your holding under any other electronic book-based system) will be sent to Scheme Shareholders' addresses in the Coventry Register

as at close of business on the Record Date;

- (b) in the case of those Scheme Shareholders (other than Ineligible Overseas Shareholders) who did not make a valid Share Election:
  - (i) Crescent will issue to the Depositary that number of Crescent Shares that will enable the Depositary to issue Crescent CDIs to those Scheme Shareholders (other than Ineligible Overseas Shareholders) who did not make a valid Share Election to receive Crescent Consideration Shares;
  - (ii) the Depositary will have its name and address entered on the Crescent Share Register on the Implementation Date;
  - (iii) they will have their names and addresses entered on Crescent's CDI Subregister on the Implementation Date; and
  - (iv) CDI holding statements for Scheme Shareholders' entitlements to Crescent CDIs will be despatched to them by no later than 10 Business Days after the Implementation Date. Those CDI holding statements will be sent to Scheme Shareholders' addresses in the Coventry Share Register as at close of business on the Record Date; and
- (c) in the case of Scheme Optionholders:
  - (i) their names and addresses will be entered on the Crescent Option Register on the Implementation Date; and
  - (ii) option certificates or other instruments representing Scheme Optionholders' entitlements to Crescent Options will be despatched to them by no later than 10 Business Days after the Implementation Date. Those option certificates or other instruments will be sent to Scheme Optionholders' addresses in the Coventry Option Register as at close of business on the Record Date.

Each holder of Crescent CDIs is responsible for confirming their holding before selling their Crescent Shares on a deferred settlement basis. Any sale of new Crescent CDIs before receipt of a holding statement is at the risk of the holder of those securities. To the extent permitted by law, Coventry, Crescent and Computershare Investor Services Pty Limited disclaim all liability, whether in negligence or otherwise, to persons who sell their Crescent CDIs before receiving their holding statement, whether on the basis of a confirmation of allocation provided by Coventry, Crescent, Computershare Investor Services Pty Limited, a broker or otherwise.

For a discussion of the rights attaching to Crescent Shares see section 11.

### 13.9 Suspension and de-listing

Coventry's Shares will be suspended from trading on the ASX after the close of trading on the Effective Date. If the Share Scheme is implemented, Coventry will be removed from the official list of the ASX in accordance with the ASX Listing Rules.

### 13.10 Additional matters to be considered by Coventry Optionholders

#### 13.10.1 Exercise of Coventry Options

As a Coventry Optionholder, you can participate in the Share Scheme in lieu of participating in the Option Scheme by exercising your Coventry Options (where those Coventry Options are capable of exercise). Alternatively, you may wish to exercise your Coventry Options and then sell the Coventry Shares that will be issued to you on the ASX on or before the Effective Date of the Share Scheme. In deciding what you should do, you should consider the following matters:

- (a) the value of exercising your Coventry Options compared with the value of the Option Scheme Consideration. In determining the value of exercising a Coventry Option, you should compare the exercise price of that Coventry Option with:
  - (i) the prevailing Coventry Share price (if Coventry Shares are trading on the ASX at the relevant time); and
  - (ii) the value of the Share Scheme Consideration;
- (b) the tax consequences of exercising your Coventry Options and having the Coventry Shares that will be issued to you transferred under the Share Scheme or sold on the ASX compared with the tax consequences of receiving the Option Scheme Consideration. As these tax consequences will vary depending on your individual circumstances, you should consider your own tax position and the tax implications of the Option Scheme;
- (c) the risk factors described in this Scheme Booklet (see, in particular, sections 8.1 to 8.2); and
- (d) whether the Schemes have become Effective.

To exercise your Coventry Options in time to participate in the Share Scheme, a valid exercise notice in respect of the Coventry Options you wish to exercise and payment of the relevant exercise price in clear funds must be received by Coventry at its registered office in Australia before 12.00 noon on the Business Day three Business Days before the Record Date for the Share Scheme. You may not exercise any of your Coventry Options after this time (assuming the Option Scheme becomes Effective) and your Coventry Options will be transferred on the Implementation Date for the Option Scheme.

If the Option Scheme does not become Effective, but the Share Scheme becomes Effective, your Coventry Options will not be transferred to Crescent and you will continue to hold them, subject to Crescent's right to compulsorily acquire them (see below). You should consult the rules governing your Coventry Options for information on the procedures for exercising them.

A copy of the applicable rules, and details of which Coventry Options are currently capable of exercise, can be obtained by contacting the Coventry company secretary, Nick Day on +61 8 9324 1266 from outside Australia (normal call charges apply) and 08 9324 1266 from within Australia (normal call charges apply) between 8.30 am and 5.00 pm (WST), Monday to Friday.

Details of the current exercise price for each series of Coventry Options are set out in section 12.3. Following receipt of a valid exercise notice and clear funds, Coventry will:

- (a) issue the relevant number of Coventry Shares to you;
- (b) cause your name and address to be entered in the Coventry Share Register as the holder of those Coventry Shares and
- (c) issue a holding statement or allotment advice to you.

### **13.10.2 Compulsory acquisition**

If the Option Scheme does not become Effective, but the Share Scheme becomes Effective, Crescent may become entitled to compulsorily acquire outstanding Coventry Options under Part 6A.2 of the Corporations Act for a cash amount only. In order to compulsorily acquire Coventry Options,

Crescent must prepare and issue a notice in the form prescribed by the Corporations Act within six months from the Implementation Date of the Share Scheme. That notice must be accompanied by an expert's report on whether the proposed terms of the compulsory acquisition give a fair value for the securities concerned. A Coventry Optionholder may object to compulsory acquisition of their Coventry Options. If Coventry Optionholders who hold at least 10% of outstanding Coventry Options validly object to the compulsory acquisition, Crescent will not be able to compulsorily acquire any of the outstanding Coventry Options unless it applies for and is granted a court approval of the compulsory acquisition, and such approval may only be granted by the court where Crescent establishes that the Coventry Optionholders will receive fair value for their Coventry Options. In accordance with the Corporations Act, Crescent would be required to bear the legal costs of any proper and reasonable objection made by a Coventry Optionholder(s).

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## 14. KEY TERMS OF THE MERGER IMPLEMENTATION DEED

Coventry and Crescent entered into a Merger Implementation Deed on 7 September 2012. A copy of the Merger Implementation Deed is set out at Appendix 1.

The Merger Implementation Deed sets out the obligations of Coventry and Crescent in relation to the Schemes.

This section sets out a summary of the key terms and conditions of the Merger Implementation Deed that are not otherwise addressed in this Scheme Booklet.

Unless the context requires otherwise, capitalised terms used in this section but not otherwise defined have the meaning given in the Merger Implementation Deed.

### 14.1 Scheme Conditions under the Merger Implementation Deed

The Share Scheme is subject to the fulfilment or, in certain cases, waiver of the Share Scheme Conditions. See sections 4.10 and 13.2 for further details.

The Option Scheme is subject to the fulfilment or, in certain cases, waiver of the Option Scheme Conditions. See section 4.10 and 13.2 for further details.

Section 13.2 of this Scheme Booklet sets out details as to which conditions of the Schemes are capable of waiver and which party has the benefit of such conditions.

### 14.2 Exclusivity arrangements

The parties have agreed to certain exclusivity arrangements. For complete details, see clause 12 of the Merger Implementation Deed. Pursuant to these arrangements:

- (a) each party has agreed during the Exclusivity Period not to directly or indirectly solicit or invite any Competing Proposal or expression of interest or offer which may lead to a Competing Proposal or to initiate discussions with any third party which might reasonably be expected to lead to a Competing Proposal;

- (b) each party has agreed during the Exclusivity Period not to:
- (i) participate or continue to engage in any discussions or negotiations in relation to a Competing Proposal or which may reasonably be expected to lead to a Competing Proposal; or
- (ii) provide any information to a third party for the purposes of enabling that person to make an expression of interest, offer or proposal which might reasonably be expected to lead to a Competing Proposal;
- (c) each party has agreed during the Exclusivity Period, the parties must not enter into any deed, arrangement or understanding in relation to a Competing Proposal which requires either of them to abandon the Scheme unless:
- (i) in respect of a Coventry Competing Proposal, the Coventry Board acting in good faith in order to satisfy what it considers to be its fiduciary or statutory duties determines that the Competing Proposal is a Superior Proposal; or
- (ii) in respect of a Crescent Competing Proposal, the Crescent Board acting in good faith in order to satisfy what it considers to be its fiduciary or statutory duties determines that the Competing Proposal is a Superior Proposal; or
- (d) during the Exclusivity Period, each party must notify the other if it receives an approach with respect to a Competing Proposal or a request for access to its records is made.

There is an exception in clause 12.6 of the Merger Implementation to the effect that the non solicitation and no-talk restrictions referred to do not apply where, having received a Competing Proposal, the board of the receiving party determines in good faith and acting reasonably that the Competing Proposal could be considered to be a Superior Proposal and, after receiving legal advice, that failing to respond to the Competing Proposal would constitute a breach of the board's fiduciary or statutory obligations.

### 14.3 Break fee

A mutual break fee of A\$150,000 has been agreed. This will be payable by Coventry to Crescent if:

- (a) Coventry is in material breach of its obligations under the Merger Implementation Deed and the breach is not remedied in accordance with the terms of the Merger Implementation Deed;
- (b) a Coventry Regulated Event (see Part B of Schedule 3 to the Merger Implementation Deed) occurs prior to the Second Court Date and such event is not remedied in accordance with the terms of the Merger Implementation Deed;
- (c) at any time before the end of the Scheme Meeting, any of the Coventry Directors makes a public statement changing or withdrawing their support or recommendation of the Scheme other than where permitted under the Merger Implementation Deed;
- (d) at any time before the end of the Scheme Meeting, a majority of the Coventry Directors recommend a Competing Proposal for Coventry;
- (e) the holders of Coventry Shares fail to pass, by the Requisite Majorities, the resolution to approve the Scheme at the Scheme Meeting;
- (f) the Independent Expert fails to conclude that the Scheme is in the best interests of Coventry Shareholders (or having given a report that, in the opinion of the Independent Expert, the Scheme is in the best interests of Coventry Shareholders, gives a report changing that opinion for any reason to conclude that the Scheme is not in the best interests of Coventry Shareholders); or
- (g) a Coventry Competing Proposal is announced before the Scheme Meeting and for a period of one year after 7 September 2012, any bidder for Coventry acquires more than 50% of the Coventry Shares on issue or acquires the whole or a substantial part or a material part of

the business or property of Coventry or the Coventry Group or acquires control of Coventry within the meaning of section 50AA of the Corporations Act or otherwise acquires or merges with Coventry including by a reverse takeover bid, reverse scheme of arrangement or dual listed company structure.

Crescent will be required to pay the break fee of A\$150,000 to Coventry if:

- (a) Crescent is in material breach of its obligations under the Merger Implementation Deed and the breach is not remedied in accordance with the terms of the Merger Implementation Deed;
- (b) a Crescent Regulated Event (see Part B of Schedule 2 to the Merger Implementation Deed) occurs prior to the Second Court Date and such event is not remedied in accordance with the terms of the Merger Implementation Deed;
- (c) at any time before the vote on the Crescent Shareholder Resolutions, any of the Crescent Directors makes a public statement changing or withdrawing their support or recommendation of the Crescent Shareholder Resolutions other than where permitted under the Merger Implementation Deed;
- (d) a majority of the Crescent Directors recommend a Crescent Competing Proposal which would either be unavailable to Coventry Shareholders or conditional on the Scheme not becoming effective or which requires Crescent to abandon the proposed Merger;
- (e) the holders of Crescent Shares fail to pass, by the requisite majorities, the Crescent Shareholder Resolutions;
- (f) a Crescent Competing Proposal is announced before the Scheme Meeting which as at the time of the Scheme Meeting is recommended by a majority of the Crescent directors and is unavailable to Coventry Shareholders and the Coventry Shareholders fail to pass by the requisite Majorities the

resolution to approve the Scheme at the Scheme Meeting; or

- (g) a Crescent Competing Proposal is announced before the Crescent Shareholder Resolutions are proposed (and the Crescent Shareholder Resolutions are not approved) and for a period of one year after 7 September 2012, any bidder for Crescent acquires more than 50% of the Crescent Shares on issue or acquires the whole or a substantial part or a material part of the business or property of Crescent or the Crescent Group or acquires control of Crescent within the meaning of section 50AA of the Corporations Act or otherwise acquires or merges with Crescent including by reverse takeover bid, reverse scheme of arrangement or dual listed company structure.

#### **14.4 Termination**

Each party has the right to terminate the Merger Implementation Deed at any time before 8.00 am on the Second Court Date by notice to the other:

- (a) in accordance with clause 3.7 of the Merger Implementation Deed, where any of the Scheme Conditions are not satisfied or waived before 31 December 2012 (or such other date as otherwise agreed between the parties or where any of the Scheme Conditions have become incapable of satisfaction); or
- (b) at any time before 8.00 am on the Second Court Date:
- (i) if there is a material breach by the other party of any of the warranties given by it pursuant to the Merger Implementation Deed or if a Crescent Regulated Event or a Coventry Regulated Event (as the case may be) occurs or a Material Adverse Change occurs in relation to a party;
- (ii) if a majority of the board of the other party publicly changes their recommendation, in the case of Coventry, in relation to the Scheme and in the case of Crescent, in relation to the Crescent

Shareholder Resolutions or publicly recommend a Superior Proposal;

- (iii) if that party's board publicly changes or withdraws their recommendation or publicly recommends to its shareholders any Superior Proposal;
- (iv) if Coventry is in material breach of any of clauses 3, 4.1, 5.2, 6.1(a), 6.3(a) or 12 or Crescent is in material breach of clauses 3, 4.2, 5.1, 6.1(b), 6.3(b) or 12 of the Merger Implementation Deed before the Second Court date and the breach continues following five Business Days' notice by the other party; or
- (v) Coventry is in material breach of clauses 10.1 or 10.2 or if Crescent is in material breach of clause 11.1 of the Merger Implementation Deed.

#### **14.5 Amendments to the Scheme**

Coventry must not consent to any modification of, or amendment to, or the making or imposition by the Court of any Scheme Condition in respect of the Scheme without the prior consent of Crescent.

#### **14.6 Representations and warranties**

Each of Coventry and Crescent has given representations, warranties and covenants to the other that are considered to be standard warranties for an agreement of this kind. The representations, warranties and covenants given by each of Coventry and Crescent are set out in full in schedule 2 and schedule 4 of the Merger Implementation Deed.

#### **14.7 End Date**

Each Scheme will lapse if it does not become Effective before the End Date (currently 31 December 2012, but which can be extended by the consent of Coventry and Crescent).

Subject to the approval of Coventry Securityholders and the Court, it is currently anticipated that the Schemes will become Effective on 14 December 2012.

Pursuant to clause 3.7 of the Merger Implementation Deed, if a Scheme Condition becomes incapable of

satisfaction, or has not been satisfied or waived by the End Date, then either party may request the other to consult in good faith as to whether the Merger can proceed by an alternative means. If the parties cannot reach agreement within five Business Days, one or both parties may be entitled to terminate the Merger Implementation Deed.

## 15. ADDITIONAL INFORMATION

### 15.1 Introduction

This section 15 sets out additional information required to be disclosed to Coventry Securityholders pursuant to the Corporations Act and the Corporations Regulations, together with other information that may be of interest to Coventry Shareholders in relation to the Schemes or the Merger.

### 15.2 Intentions of Coventry Directors

If the Merger becomes Effective, it is a matter for the reconstituted Crescent (or Coventry Resources Inc.) Board to determine its intentions as to:

- (a) the continuation of the business of Coventry;
- (b) any major changes to the business of Coventry; and
- (c) the future employment of the present employees of Coventry.

The current intentions of Coventry and Crescent in relation to these matters are set out in section 7.5. If the Merger does not become Effective, the current Coventry Board intends to continue the business of Coventry in accordance with its stated strategy. In this event, the Coventry Board does not presently intend to make any major changes to the business of Coventry, whether in respect of redeployment of its assets or the future employment of the present employees of Coventry or otherwise.

### 15.3 Rights attaching to new Crescent Shares and Crescent CDIs

The Crescent Shares issued as Share Scheme Consideration or represented by Crescent CDIs issued as Share Scheme Consideration will be fully paid and, from the date of their issue, will rank equally with existing Crescent Shares.

See sections 11 and 12.4 for further discussion of the rights attaching to Crescent Shares and Crescent CDIs.

### 15.4 Interests of the Coventry Directors in Coventry Securities

The following table shows the Relevant Interest of each Coventry Director in Coventry Shares and Coventry Options as at the date of this Scheme Booklet.

Director	Coventry Shares	Coventry Options
Mr Michael Haynes (Non Exec. Chairman)	4,291,086	3,758,695 <sup>1</sup>
Mr Michael Naylor (Managing Director, CEO)	1,006,147	4,500,000 <sup>2</sup>
Mr Anthony Goddard (Director)	5,007,446	3,869,565 <sup>3</sup>
Mr Rhoderick Grivas (Non Exec. Director)	35,000	1,000,000 <sup>4</sup>
Mr Faldi Ismail (Non Exec. Director)	300,000	<b>652,516<sup>5</sup></b>

**Notes:**

1. Mr Haynes holds 1,258,695 Coventry Options exercisable at \$0.20 on or before 30 April 2013 held by the Mr MJA & Mrs MM Haynes <M & M Haynes Super Fund A/C> and 2,500,000 Coventry Options exercisable at \$0.26 on or before 1 December 2016 held by Michael John Haynes.
2. Mr Naylor holder 4,500,000 Coventry Options exercisable at \$0.12 on or before 17 August 2017.3. Mr Goddard holds 1,369,565 Coventry Options exercisable at \$0.20 exercisable on or before 30 April

2013 held by Karen Jennifer Pittard and 2,500,000 Coventry Options exercisable at \$0.26 on or before 1 December 2016 held by Mount Remarkable Holdings Pty Ltd <Goddard Family Trust>.

4. Mr Grivas holds 500,000 Coventry Options exercisable at \$0.30 on or before 30 July 2013 and 500,000 Coventry Options exercisable at \$0.26 on or before 1 December 2016.
5. Mr Ismail holds 500,000 Coventry Options exercisable at \$0.30 on or before 30 July 2013 and 500,000 Coventry Options exercisable at \$0.26 on or before 1 December 2016 held by the Romfal Sifat Pty Ltd <The Fizmail Family A/C>.

If the Schemes become Effective, these interests will be dealt with under the Schemes in the same manner as will apply to all other Coventry Securityholders.

There has been no dealing in and no agreement to deal has been entered into in respect of any marketable securities of Coventry by any Coventry Director in the four months preceding the date of this Scheme Booklet.

### **15.5 Interests of Coventry and the Coventry Directors in Crescent Securities**

As at the date of this Scheme Booklet:

- (a) Coventry does not have a Relevant Interest in any Crescent Shares or any other marketable securities of Crescent; and
- (b) no Coventry Directors hold Relevant Interests in any Crescent Shares or any other marketable securities of Crescent.

There has been no dealing in and no agreement to deal has been entered into in respect of any marketable securities of Crescent by any Coventry Director in the four months preceding the date of this Scheme Booklet.

Coventry Directors who are Scheme Shareholders or Scheme Optionholders will be entitled to receive Crescent Securities in accordance with the terms of the Schemes.

### **15.6 Interests of Crescent and Crescent's associates in Coventry Securities**

As at the date of lodgement of this Scheme Booklet with ASIC:

- (a) neither Crescent nor its associates have a Relevant Interest in any Coventry Shares or any other marketable securities of Coventry; and
- (b) no Crescent Directors hold Relevant Interests in any Coventry Shares or any other marketable securities of Coventry.

Except as disclosed in this Scheme Booklet, during the four months before the date of this Scheme Booklet neither Crescent nor any associate of Crescent has:

- (c) provided, or agreed to provide, consideration for any Coventry Shares or Coventry Options; or
- (d) given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an associate, to vote in favour of the Schemes or dispose of Coventry Shares which benefit is not offered to all Coventry Shareholders under the Share Scheme or dispose of Coventry Options other than in accordance with the Option Scheme.

### **15.7 Interests of Crescent Directors in Crescent Securities**

The following table sets out the number of Crescent Shares, Crescent Options, common share purchase warrants of Crescent and Subscription Receipts held by the Crescent Directors:

Shareholder Name	Number of Crescent Shares – pre-Consolidation	Number of Crescent Options – pre-Consolidation	Number of Common Share Purchase Warrants – pre-Consolidation	Number of Subscription Receipts
Don Halliday	5,481,378 <sup>1</sup>	343,750	923,571 <sup>2</sup>	2,440,000 <sup>3</sup>
Michael Hopley	477,125	193,750	0	0
Ian MacLean	0	87,500	0	400,000
Eric Edwards	0	112,500	0	500,000
<b>Total</b>	<b>5,958,503</b>	<b>737,500</b>	<b>923,571</b>	<b>3,340,000</b>

**Notes:**

- 2,149,392 of these Crescent Shares are held by Mr. Halliday's wife, Amanda Halliday, and 159,486 of these Crescent Shares are held by 524124 BC Ltd., a private company wholly-owned and controlled by Mr. Halliday.
- 424,071 of these common share purchase warrants of Crescent are held by Mr. Halliday's wife, Amanda Halliday.
- These Subscription Receipts are held by Mr. Halliday's wife, Amanda Halliday.

## 15.8 Benefits to Coventry officers in connection with retirement from office

Mr Rhoderick Grivas and Mr Faldi Ismail will be retiring effective from the Effective Date.

There is no current proposal for a payment or other benefit to be made to Mr Grivas or Mr Ismail as compensation for the loss of, or as consideration for or in connection with his or her retirement from office in Coventry or any Related Body Corporate of Coventry as a result of the Scheme(s).

## 15.9 Agreements or arrangements connected with or conditional on the Scheme(s)

- Crescent agreed in the Merger Implementation Deed to indemnify Coventry, its Related Bodies Corporate and their respective directors, officers, employees, agents and representatives against any loss suffered or incurred by reason of any breach of any of the Crescent Warranties. Crescent also released its respective rights against, and agreed that it would not claim against, each past or present director, officer or employee of Coventry in relation to information provided to Crescent in relation to the transactions contemplated by the Merger Implementation Deed or any breach of any representations, covenants and warranties of Coventry in the Merger Implementation Deed to the extent that such director, officer or employee has acted in good faith and has not engaged in wilful misconduct. Coventry has provided a reciprocal indemnity and release. See clauses 14 and 15 of the Merger Implementation Deed.
- In accordance with the terms of the Merger Implementation Deed, if the Merger is implemented, each of the current Coventry Directors, excluding Mr Grivas and Mr Ismail, will be invited to join the Merged Entity Board. In addition (and also as contemplated by the Merger Implementation Deed), if the Merger is implemented, Steven Chadwick, will be invited to take up the position as a non-executive director of the Merged Entity. It is anticipated that any Coventry Director who is appointed as a non-executive director of the Merged Entity would be entitled to receive an annual retainer, meeting attendance fees, reimbursement of actual expenses from Crescent and be eligible for participation in Crescent Plan based compensation programs. The only current non-executive Crescent Director who is paid for his services as a director is the Chairman of the Audit Committee, being Mr. Eric Edwards. The remuneration paid to Mr. Edwards is C\$6,000 per year, which amount was approved by the Crescent Board. All of the non-executive Crescent Directors are eligible to receive grants of Crescent Options.

- (c) The only current executive Crescent Director, being Mr. Don Halliday, is paid an annual fee of C\$120,000 for his services as the President and Chief Executive Officer of Crescent. Crescent Options were granted to non-executive and executive Crescent directors in Crescent's financial year ended 31 December 2011. At the date of this Scheme Booklet, no specific arrangements have been agreed between Crescent and any Coventry Director who will be joining the Merged Entity Board.

If the services of Mr. Halliday are terminated by the Merged Entity within one year of the completion of the Merger, Mr. Halliday will be entitled to a payment of C\$240,000, together with an amount equal to 12 months of benefits plan costs. Except as disclosed above or elsewhere in this Scheme Booklet, there are no agreements or arrangements made between any Coventry Director and another person in connection with, or conditional on, the outcome of the Schemes other than in their capacity as a Coventry Securityholder.

#### **15.10 Coventry Directors' interests in Crescent contracts**

Except as disclosed elsewhere in this Scheme Booklet, no Coventry Director has any interest in any contract entered into with Crescent, or any interest as a creditor of Crescent.

#### **15.11 Disclosure of payments and benefits to Coventry Directors, secretaries and executive officers**

Except as disclosed elsewhere in this Scheme Booklet, no Coventry Director, secretary or executive officer of Coventry (or any of its Related Bodies Corporate) has agreed to receive, or is entitled to receive, any payment or benefit from Crescent which is conditional on, or is related to, the Schemes.

#### **15.12 Disclosure of interests**

Except as disclosed below or elsewhere in this Scheme Booklet, no:

- (a) Coventry Director;
- (b) Crescent Director;
- (c) person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet; or
- (d) promoter of the Merged Entity,

(together **Interested Persons**) holds, or held at any time during the two years before the date of this Scheme Booklet any interests in:

- (a) the formation or promotion of the Merged Entity;
- (b) property acquired or proposed to be acquired by Crescent in connection with the formation or promotion of the Merged Entity; or
- (c) the offer of Crescent Shares or Crescent Options under the Schemes.

Crescent has been advised by Haywood, a financial advisor to Crescent with respect to the Merger, that, as of the date hereof, neither Haywood nor any partner, employee or consultant of Haywood who participated in and was in a position to directly influence Haywood's role as financial advisor to Crescent, holds any common shares or any direct or indirect interest in Coventry.

Haywood may in the ordinary course of its business, provide financial advisory or investment banking services to Crescent or Coventry from time to time. In addition, in the ordinary course of its business, Haywood, the associates and affiliates thereof and the officers, directors and employees of any of them at any time may hold long or short positions, may trade or otherwise effect transactions, for their own account, for managed accounts or for the accounts of customers, in debt or equity securities of Crescent or Coventry or related assets or derivative securities.

### **15.13 Disclosure of fees and other benefits**

Except as disclosed elsewhere in this Scheme Booklet, neither Crescent nor Coventry has paid or agreed to pay any fees, or provided or agreed to provide any benefit to:

- (a) a proposed director of Crescent to induce them to become or qualify as a director of Merged Entity;
- (b) any Interested Person for services provided by that person in connection with the formation or promotion of the Merged Entity; or
- (c) the offer of Crescent Shares or Crescent Options under the Schemes.

### **15.14 Creditors of Coventry**

The Schemes, if implemented, are not expected to materially prejudice Coventry's ability to pay its creditors (as they involve an acquisition of Coventry Shares and Coventry Options by a third party, rather than the acquisition of Coventry's underlying assets. No material new liability (other than transaction costs) is expected to be incurred by Coventry as a consequence of the implementation of the Schemes.

Coventry has paid and is paying all its creditors within normal terms of trade. It is solvent and is trading in an ordinary commercial manner.

### **15.15 Coventry trading policy**

Coventry has a policy relating to the trading of Coventry Securities (separate from and additional to the legal constraints imposed by the common law, the Corporations Act and the ASX Listing Rules). This policy applies to all directors and employees of Coventry and their associates (including spouses, children, family trusts and family companies) as well as contractors, consultants, advisers and auditors. Under that policy, these individuals are prohibited from trading in Coventry Securities while in possession of unpublished price sensitive information concerning Coventry or any ASX listed company outside designated periods.

### **15.16 Right to inspect and obtain copies of the Coventry Share Register and the Coventry Option Register**

A Coventry Securityholder has the right to inspect the Coventry Share Register and the Coventry Option Register, which contain the name and address of each Coventry Securityholder and certain other prescribed details relating to Coventry Securities, without charge.

A Coventry Securityholder also has the right to request a copy of the register, upon payment of a fee (if any) up to a prescribed amount.

### **15.17 Regulatory conditions and relief**

#### **15.17.1 Coventry ASIC relief**

Paragraphs 8201(a), (b), (d) and (e) and 8203(a) and (b) of Part 2 of Schedule 8 of the Corporations Regulations set out various content requirements in connection with the

Option Scheme, including the names of all Coventry Optionholders. ASIC has granted relief to Coventry from compliance with these requirements.

#### **15.17.2 Crescent ASX and ASIC relief**

Crescent has, or is in the process of, filing applications for relief from both the ASX and ASIC from certain obligations under both the Listing Rules and the Corporations Act so as to ensure that, upon completion of the Merger, Crescent will be admitted to trading on the ASX and all of the Crescent CDIs will be immediately capable of being traded on the ASX.

As at the date of this Scheme Booklet, Crescent has not yet received confirmation from either of the ASX or ASIC as to the grant or otherwise of the waivers or relief sought by Crescent.

It is a condition of the Merger that all required regulatory approvals are obtained, and if the requisite approvals are not obtained prior to 8:00 am on the Second Court Date, the Merger will not proceed.

#### **15.18 No administrator**

It is not proposed that any person be appointed to manage or administer either the Share Scheme or the Option Scheme.

#### **15.19 No relevant restrictions in the Coventry constitution**

There are no restrictions on the right to transfer Coventry Shares in the Coventry constitution.

Coventry Options are (by their terms) generally unable to be transferred.

#### **15.20 No unacceptable circumstances**

The Coventry Directors are not aware of any declaration or allegation of "unacceptable circumstances" in relation to the Scheme for the purposes of section 657A of the Corporations Act.

#### **15.21 Coventry Shareholders in jurisdictions outside Australia**

This Scheme Booklet and the Schemes are subject to Australian disclosure requirements that may be different to those applicable in other jurisdictions. This Scheme Booklet and the Schemes do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer. Any Coventry Shareholder (excluding Ineligible Overseas Shareholders) whose address as shown in Coventry Share Register at 4.00 pm on the Record Date as outside of Australia should refer to sections 4.13 and 12.7 for further information.

Any Coventry Shareholder whose address as shown in the Coventry Share Register at 4.00 pm on the Record Date as a place outside Australia and its external territories, New Zealand, Canada, Hong Kong, Singapore and the United States of America (unless Crescent and Coventry are satisfied, acting reasonably, that the laws of that Coventry Shareholder's country of residence (as shown in the Coventry Register) permit the issue and allotment of new Crescent Shares, either unconditionally or after compliance with conditions which Crescent in its sole discretion regards as acceptable) will be an Ineligible Overseas Shareholder for the purposes of the Share Scheme.

Crescent will not issue Crescent Shares (or Crescent CDIs) to an Ineligible Overseas Shareholder. If you are an Ineligible Overseas Shareholder, you should refer to sections 4.13 and 12.7 for further information.

## **15.22 Lodgement of Scheme Booklet**

This Scheme Booklet was lodged with the ASIC on 15 October 2012 pursuant to section 411(2)(b) of the Corporations Act.

## **15.23 Litigation**

To the best of the Coventry Directors' knowledge, there is no material current, threatened or impending litigation against Coventry.

Except as otherwise set out below, to the best of the Crescent Directors' knowledge, there is no current, threatened or impending litigation against Crescent.

Crescent entered into an option agreement with Coronel Oviedo Mining Company SA dated April 16, 2007, whereby Crescent had an option to earn up to a 70% interest in the Oviedo uranium property located in Paraguay (the **Oviedo Property**). A Paraguayan company, Semin SA (**Semin**), was retained to manage the exploration program on the Oviedo Property. On June 15, 2007, Semin entered into a drill contract (the **Oviedo Drill Contract**) with a drilling company, Copami SA (**Copami**), with respect to exploration drilling to be conducted by Copami on the Oviedo Property. Crescent guaranteed the obligations of Semin under the Oviedo Drill Contract. Copami's performance under the Oviedo Drill Contract was not acceptable and, after notice to Copami that Copami was not properly performing its obligations under the Oviedo Drill Contract, Semin terminated the Oviedo Drill Contract. Crescent had heard nothing on this matter since late 2008; however, in May 2011, it was requested to attend a mediation meeting in Paraguay to discuss Copami's claim for payment under the Oviedo Drill Contract. The mediation meeting did not proceed. Crescent heard nothing further on this matter until October 4, 2012, when it was informed that Copami has initiated arbitration proceedings at the Paraguay Center for Arbitration and Mediation, in which both Crescent and Semin have been named as defendant parties in a breach of contract claim for US\$1,505,782. Crescent considers the claim to be completely without merit and intends to vigorously defend its position.

## **15.24 Privacy and personal information**

Coventry and Crescent, and their respective share registries may collect personal information about you in the process of implementing the Schemes. The personal information may include the names, contact details and details of the shareholdings of Coventry Securityholders, and the names of individuals appointed by Coventry Securityholders as proxies, corporate representatives or attorneys at the Scheme Meetings. This personal information is collected for the primary purpose of implementing the Schemes. The personal information may be disclosed to Coventry's and Crescent's share registries, to securities brokers, and to print and mail service providers.

Coventry Securityholders who are individuals and the other individuals in respect of whom personal information is collected (as outlined above) have certain rights to access the personal information collected in relation to them. Such individuals should contact Computershare Investor Services Pty Limited on + 1300 850 505 in the first instance if they wish to request access to that personal information.

Coventry Securityholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meetings should inform that individual of the matters outlined above.

## **15.25 Consents**

### **15.25.1 Consents to be named**

- (a) Crescent has consented to the inclusion of the Crescent Information in the form and context in which the statements appear and has not withdrawn its consent

before the date of this Scheme Booklet and has not authorised or caused the issue of this Scheme Booklet.

- (b) BDO Corporate Finance (WA) Pty Ltd has given its consent to:
  - (i) the inclusion of its Independent Expert's Report on the Scheme in this Scheme Booklet in the form and context in which it appears in Appendix 9;
  - (ii) the references to its Independent Expert's Report in this Scheme Booklet being made in the form and context in which each such reference is made; and
  - (iii) be named in this Scheme Booklet as the Independent Expert,
- (c) has not withdrawn that consent before the date of this Scheme Booklet. BDO Corporate Finance, has not authorised or caused the issue of this Scheme Booklet. The interests of BDO Corporate Finance are disclosed in the Independent Expert's Report.
- (d) Deloitte Tax Services Pty Ltd has given its consent to be named as the Australian tax adviser to Coventry in the form and context in which it is named. Deloitte Tax Services Pty Ltd has not authorised or caused the issue of this Scheme Booklet and takes no responsibility for its content.
- (e) Steinepreis Paganin has given its consent to be named as the Australian legal adviser to Coventry in the form and context in which it is named. Steinepreis Paganin has not authorised or caused the issue of this Scheme Booklet and takes no responsibility for its content.
- (f) Cassels Brock & Blackwell LLP has given its consent to be named as the Canadian legal adviser and Canadian tax advisor to Coventry in the form and context in which it is named. Cassels Brock & Blackwell LLP has not authorised or caused the issue of this Scheme Booklet and takes no responsibility for its content.
- (g) Hunt & Humphry has given its consent to be named as the Australian legal adviser to Crescent in the form and context in which it is named. Hunt & Humphry has not authorised or caused the issue of this Scheme Booklet and takes no responsibility for its content.
- (h) Axiom Law Corporation has given its consent to be named as the Canadian legal adviser to Crescent in the form and context in which it is named. Axiom has not authorised or caused the issue of this Scheme Booklet and takes no responsibility for its content.
- (i) Haywood has given its consent to be named as an advisor to Crescent in the form and context in which it is named. Haywood has not authorised or caused the issue of this Scheme Booklet and takes no responsibility for its content.

#### **15.25.2 Consents to the inclusion of statements**

This Scheme Booklet contains statements made by, or statements said to be based on statements made by:

- (a) Crescent, in respect of the Crescent Information;
- (b) BDO Corporate Finance, in respect of the inclusion of its Independent Expert's Report in this Scheme Booklet and references to that report in this Scheme Booklet;

- (c) SRK Consulting, in respect of the Independent Technical Experts Report and references to that report in this Scheme Booklet;
- (d) Deloitte Tax Services Pty Ltd, in respect of the information on Australian taxation implications of the Schemes in sections 1.9, 3.5.5, 3.5.10, 4.12 and 9; and
- (e) Cassels Brock & Blackwell LLP, in respect of the information on Canadian taxation implications of the Schemes in sections 1.9, 2.3(d) and 10.

Each of the persons named above has consented to the inclusion of each such statement it has made in the form and context in which the statements appear in this Scheme Booklet, and has not withdrawn that consent before the time of registration of this Scheme Booklet with ASIC.

See section 15.26 for additional consents regarding ore reserve and mineral resource information.

### **15.25.3 Disclaimers of responsibility**

Each person named in this section 15.25:

- (a) has not authorised or caused the issue of this Scheme Booklet;
- (b) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based (other than as specified in this section); and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Scheme Booklet, other than a reference to its name and any statements (if any) included in this Scheme Booklet with the consent of that person as specified in this section.

### **15.25.4 Fees**

Each person named in this section 15.25 as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging or as set out below.

The fee for professional services paid or payable to the Independent Expert (in respect of the Independent Expert's Report) is A\$30,000 (plus GST) plus reimbursement of expenses for the preparation of the report.

The fee for professional services paid or payable to the Independent Technical Expert (for the Independent Valuation Report) is approximately A\$41,000 (plus GST).

The fee for professional services paid or payable to Deloitte Tax Services Pty Ltd is approximately A\$10,000 (plus GST).

The fee for professional services paid or payable to Steinepreis Paganin to the date of this Scheme Booklet (including for due diligence and court related aspects of the Schemes) is approximately A\$100,000 (plus GST).

The fee for professional services paid or payable to Cassels Brock & Blackwell LLP to the date of this Scheme Booklet (including for due diligence and court related aspects of the Schemes) is approximately C\$130,000 (plus GST).

The fee for professional services, including finder's fees, paid or payable to Haywood to the date of this Scheme Booklet includes up to 550,000 Crescent Shares on a post-Consolidation basis.

## **15.26 Information relating to ore reserves and mineral resources of Coventry**

The information in this Scheme Booklet that relates to Mineral Resources of Coventry is based on information compiled by Mr Peter Ball who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Peter Ball is the Manager of Data Geo. Mr Peter Ball has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Peter Ball consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.

## **15.27 Effects of rounding**

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet (including but not limited to those in respect of the Scheme Consideration), are subject to the effect of rounding. Accordingly, the actual calculations of these figures may differ from the figures set out in this Scheme Booklet.

## **15.28 No other material information**

Other than as set out in this Scheme Booklet, there is no information material to the making of a decision in relation to the Schemes or a decision by a Coventry Securityholder whether or not to vote in favour of the Schemes, being information that is within the knowledge of any Coventry Directors or of a Related Body Corporate of Coventry and which has not previously been disclosed to Coventry Securityholders.

## **15.29 Supplementary information**

If, between the date of dispatch of this Scheme Booklet and the date of the Scheme Meeting, Coventry becomes aware of:

- (a) a misleading or deceptive statement in this Scheme Booklet;
- (b) an omission from this Scheme Booklet of information which is required by the Corporations Act or the Corporations Regulations; or
- (c) a new circumstance that:
  - (i) has arisen since the Scheme Booklet was dispatched to Scheme Shareholders and Scheme Optionholders; and
  - (ii) would have been required to be included in this Scheme Booklet had it arisen before the Scheme Booklet was lodged,

that is materially adverse from the point of view of a Scheme Share holder or Scheme Optionholder, Coventry will prepare a supplementary document to this Scheme Booklet that remedies this defect or provides information about the new circumstance.

The form which the supplementary document may take will depend on the nature and timing of the defect or the new circumstance. Subject to obtaining relevant approvals from the Court and ASIC, Coventry may circulate and publish any supplementary document by making an announcement to the ASX.

The Coventry Directors recommendation to Coventry Shareholders to vote in favour of the Scheme and their intention to vote in favour of the Scheme is subject to the occurrence of any new circumstances. As a result of the Coventry Directors' duty to act in the best interests of Coventry Shareholders, should a material new circumstance occur, which alters the basis or relative value of the proposed Merger, each of the Coventry Directors reserves their right to vary their recommendation.

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**16. DIRECTORS' AUTHORISATION**

This Scheme Booklet is issued by the Coventry and its issue has been authorised by a resolution of the Directors.

**BY ORDER OF THE BOARD OF  
COVENTRY RESOURCES LIMITED**



**Mr Michael Haynes  
Non Executive Chairman  
COVENTRY RESOURCES LIMITED**

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## 17. GLOSSARY

### 17.1 Definitions

In this Scheme Booklet (other than the Appendices), unless the context requires otherwise:

**\$ or A\$** means the lawful currency of Australia.

**2235411 Inc** means 2235411 Ontario Inc.

**AAS** means Australian Accounting Standards.

**allowable capital loss** has the meaning given to that term in section 10.2.4 of the Scheme Booklet.

**Announcement Date** means 10 September 2012, being the date of the announcement of the proposed Merger between Coventry and Crescent.

**Appendix** means an appendix to this Scheme Booklet.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** means, in relation to a party, its:

- (a) Subsidiaries;
- (b) officers, directors and employees of it or its Subsidiaries; and
- (c) investment bankers or corporate or financial advisors, lawyers and other financial advisors of it or its Subsidiaries.

**ATO** means the Australian Taxation Office.

**ASX Listing Rules** means the official listing rules of ASX.

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

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHES.

**BCBCA or the British Columbia Act** means *the Business Corporations Act* (British Columbia).

**Break Fee** means a cash payment of A\$150,000 (payable in Australian dollars).

**Business Day** is any day that is both a Business Day within the meaning given in the ASX Listing Rules and a day that banks in Perth, Western Australia and Vancouver, Canada are open for business.

**C\$** means Canadian dollars, the lawful currency of Canada.

**Cameron Gold Project** means Coventry's key project being the Cameron Gold Project located in the southern part of western Ontario, Canada.

**Canadian Holders** has the meaning given to that term in section 10 of the Scheme Booklet.

**Canadian Securities Laws** means all applicable Canadian securities laws and the rules and regulations thereunder, together with all applicable published instruments, notices and orders of the securities regulatory authorities thereof and all applicable rules and policies of the TSX-V.

**Canadian Tax Act** means the *Income Tax Act* (Canada).

**Cash Proceeds** means the sale proceeds of the Crescent Shares sold by the Sale Nominee in respect of Ineligible Overseas Shareholders, converted into Australian dollars and less any applicable brokerage, stamp duty and other selling costs, taxes and charges.

**CDI** means a CHES depositary interest, being a unit of beneficial ownership in a Crescent Share registered in the name of the Depositary.

**CDI Subregister** means the register of holders of Crescent CDIs to be maintained by Crescent or its agent and CDI Subregistry has a corresponding meaning.

**CGT** means Australian capital gains tax.

**CHES** means Clearing House Electronic Subregister System operated by ASX Settlement and Transfer Corporation Pty Ltd (ACN 008 504 532).

**CIM Standards** means CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council.

**CIM** means the Canadian Institute of Mining, Metallurgy and Petroleum.

**Circular** means the management information circular to be prepared by Crescent in

respect of the Crescent Shareholder Resolutions in accordance with the terms of the Merger Implementation Deed and applicable Canadian Securities Laws, and includes the notice of meeting, proxy form and voting instruction form to be delivered to Crescent Shareholders together with such management information circular.

**Competing Proposal** means a Crescent Competing Proposal or a Coventry Competing Proposal, as the case may be.

**Condition** means a condition to the Share Scheme set out in clause 3.1 of the Merger Implementation Deed, and/or condition to the Option Scheme set out in clause 3.2 of the Merger Implementation Deed, as the case may be.

**Consolidation** means Crescent's proposed 1 for 5 consolidation of capital (being one new post-Consolidation Crescent Share for each five old pre-Consolidation Crescent Shares) which is subject to the Share Scheme being implemented.

**Constitution** means the constitution of Coventry.

**Copami** has the meaning given to that term in section 15.23 of the Scheme Booklet.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Corporations Regulations** means Corporations Regulations 2001 (Cth).

**Court** means the Federal Court of Australia or such other court of competent jurisdiction as Coventry and Crescent agree in writing.

**Coventry Board** means the board of directors of Coventry.

**Coventry** means Coventry Resources Limited (ACN 082 901 362) a public company incorporated in the state of Western Australia and admitted to the Official List of the ASX as CVY.

**Coventry Capital Raising** means the issue of 23,600,000 Coventry Shares at \$0.055 per Coventry Share which raised \$1.3million and were issued after 30 June 2012 to sophisticated and institutional investors.

**Coventry Competing Proposal** has the meaning given to that term in clause 1.1 of the Merger Implementation Deed.

**Coventry Director** means a director of Coventry.

**Coventry Employee Incentive Plan** has the meaning given to that term in section 5.4 of the Scheme Booklet.

**Coventry Employee Option Plan** has the meaning given to that term in section 5.4 of the Scheme Booklet.

**Coventry Employee Share Plan** has the meaning given to that term in section 5.4 of the Scheme Booklet.

**Coventry Group** means Coventry and each of its Subsidiaries.

**Coventry Information** means the information contained in this Scheme Booklet other than:

- (a) the Crescent Information;
- (b) the Independent Expert's Report (including the Independent Valuation Report); and
- (c) the information regarding the taxation implications of the Schemes set out in section 9 of this Scheme Booklet.

**Coventry Option** means an option to subscribe for a Coventry Share as described in Schedule 6 of the Merger Implementation Deed.

**Coventry Optionholder** means each person who is registered in the Coventry Options Register from time to time as a holder of a Coventry Option.

**Coventry Option Register** means the register of holders of Coventry Options maintained by or on behalf of Coventry in accordance with section 168(1) of the Corporations Act.

**Coventry Regulated Event** has the meaning given to that term in clause 1.1 of the Merger Implementation Deed.

**Coventry Security** means a Coventry Share or a Coventry Option.

**Coventry Securityholder** means a Coventry Shareholder or a Coventry Optionholder.

**Coventry Share** means a fully paid ordinary share in the capital of Coventry.

**Coventry Shareholder** means each person who is registered in the Coventry Share Register from time to time as a holder of a Coventry Share.

**Coventry Share Register** means the register of members of Coventry maintained by or on behalf of Coventry in accordance with section 168(1) of the Corporations Act.

**Coventry Share Registry** means Computershare Investor Services Pty Limited (ACN 005 485 825).

**Crescent** means Crescent Resources Corp. a company existing under the laws of the Province of British Columbia.

**Crescent Board** means the board of directors of Crescent.

**Crescent Capital Raising** means the concurrent non-brokered private placement offering of C\$750,000 of subscription receipts at C\$0.05 each, the proceeds of which are being held in escrow pending completion of the Merger.

**Crescent CDI** means a CDI in respect of a Crescent Share.

**Crescent Competing Proposal** has the meaning given to that term in clause 1.1 of the Merger Implementation Deed.

**Crescent Consideration Options** means the Crescent Options described in Schedule 6 of the Merger Implementation Deed under the heading "Crescent Consideration Options", to be issued on terms consistent (to the greatest extent permitted by applicable Canadian Securities Laws) with the terms of the Coventry Options except that:

- (a) each Crescent Consideration Option will be fully vested and will be immediately capable of exercise;
- (b) each Crescent Consideration Option will have an exercise period equal to the unexpired exercise period of the Coventry Option it replaces;
- (c) each holder of a Crescent Consideration Option will be entitled to purchase Crescent Shares in lieu of Coventry Shares on the basis of 0.2513 Crescent Shares (post completion of the Consolidation) for each Coventry Share the Coventry Optionholder was theretofore

entitled to purchase with a corresponding adjustment to the option exercise price for each Crescent Consideration Option;

- (d) each Crescent Consideration Option will be exercisable into Crescent Shares (unless the Optionholder elects, at or before the time of exercise, to receive Crescent CDIs); and
- (e) to the extent, if any, described in Schedule 6 of the Merger Implementation Deed.

**Crescent Consideration Shares** means the fully paid and non-assessable common Shares in the capital of the Merged Entity which will be issued in exchange for the fully paid share capital of Coventry acquired by Crescent by means of a court sanctioned scheme of arrangement under Part 5.1 of the Corporations Act.

**Crescent Director** means a director of Crescent.

**Crescent Group** means Crescent and each of its Subsidiaries.

**Crescent Information** means the following information contained in the Scheme Booklet:

- (a) in the important notices section on the inside cover, the information contained in the sections headed "Forward looking statements", "Estimates, targets and forecasts", "Mineral Reserves and Mineral Resources", and "Privacy and personal information" (to the extent those sections relate to Crescent, and do not rely upon information provided by Coventry);
- (b) in the "Important dates and timetable for the Schemes" section, information relating to the likely dates of trading of Crescent Consideration Shares and Crescent CDIs;
- (c) in section 1, sub-sections 1.2 and 1.6 (to the extent those sub-sections relate to Crescent, and do not rely upon information provided by Coventry);

- (d) in section 2, sub-sections 2.1(a), (e), (f) and (g) (to the extent those sub-sections relate to Crescent, and do not rely upon information provided by Coventry);
- (e) in section 3, the questions “What is a CDI?”, “When will I receive my Scheme Consideration?” and “When can I start trading my Crescent CDIs on the ASX?” (to the extent those sections and subsections relate to Crescent, and do not rely upon information provided by Coventry);
- (f) in section 4, sub-section 4.10 (to the extent that sub-section relates to Crescent, and does not rely upon information provided by Coventry);
- (g) all of section 6;
- (h) in section 7, sub-sections 7.1, 7.5.1, 7.5.3 to 7.5.8 (inclusive) and 7.6 to 7.12 (inclusive) (to the extent those sections and subsections relate to Crescent, and do not rely upon information provided by Coventry);
- (i) in section 8, sub-sections 8.1.1 and 8.1.3 (to the extent those sub-sections relate to Crescent, and do not rely upon information provided by Coventry);
- (j) in section 12, sub-sections 12.2.2, 12.3.2, 12.4 and 12.6 (to the extent those sections and subsections relate to Crescent, and do not rely upon information provided by Coventry);
- (k) in section 13, sub-sections 13.1.2, 13.6.5, 13.6.8, and 13.8 (to the extent those sub-sections relate to Crescent, and do not rely upon information provided by Coventry); and
- (l) in section 15, sub-sections 15.3, 15.6, 15.7, 15.12, 15.17.2, 15.23, 15.24, 15.25.1(a) and 15.25.2(a) (to the extent those sub-sections relate to Crescent, and do not rely upon information provided by Coventry).

**Crescent Option** means an option to subscribe for one Crescent Share.

**Crescent Option Register** means the register of holders of Crescent Options maintained by or on behalf of Crescent.

**Crescent Plan** has the meaning given to that term in section 6.7.

**Crescent Regulated Event** has the meaning given to that term in clause 1.1 of the Merger Implementation Deed.

**Crescent’s Articles of Association** means the articles and notice of articles of Crescent.

**Crescent Securities** means a Crescent Share or a Crescent Option, or a common share purchase warrant issued by Crescent.

**Crescent Share** means a fully paid and non-assessable common share in the capital of Crescent.

**Crescent Shareholder** means each person who is registered in the Crescent Share Register as a holder of a Crescent Share.

**Crescent Shareholder Resolutions** means such ordinary resolutions (unless specified to the contrary) of Crescent Shareholders as may be necessary to:

- (a) approve the issuance and reservation of Crescent Shares pursuant to the Share Scheme and the Option Scheme for the purposes of, and in accordance with, the rules of the TSX-V;
- (b) approve the Consolidation of the Crescent Shares;
- (c) approve changing the name “Crescent Resources Corp.” to a name to be agreed by the parties prior to the receipt of all applicable shareholder and regulatory approvals; and
- (d) approve such other matters as may be necessary or desirable in connection with the Share Scheme, the Option Scheme or the admission of Crescent to the Official List, including but not limited to any changes to the Crescent Articles of Association required to comply with the requirements of the ASX.

**Crescent Share Register** means the register of holders of Crescent Shares maintained by or on behalf of Crescent.

**Crescent Share Registry** means Computershare Investor Services Inc. (Vancouver, Canada).

**Crescent Warranties** has the meaning given to that term in clause 1.1 of the Merger Implementation Deed.

**CSA** means the Canadian Securities Administrators.

**CUFs** means Chess Units of Foreign Security.

**Deed Poll** means the Share Scheme Deed Poll or the Option Scheme Deed Poll, as the context requires.

**Depositary** means Chess Depositary Nominees Pty Ltd (ACN 071 346 506).

**DFS** has the meaning given to that term in section 5.2(b) of the Scheme Booklet.

**Effective Date** means the date on which the Share Scheme (or the Option Scheme, as the context requires) becomes Effective.

**Effective** when used in relation to a Scheme, means the coming into effect, pursuant to sub-section 411(10) of the Corporations Act, of the order of the Court made under sub-section 411(4)(b) of the Corporations Act, in relation to the Share Scheme or the Option Scheme (as appropriate).

**Employment Option** has the meaning given to that term in section 10 of the Scheme Booklet.

**End Date** means 31 December 2012 or such later date agreed by Coventry and Crescent in writing.

**Exchange Ratio** or **0.2513 Exchange Ratio** means 0.2513 Crescent Securities for each Coventry Security held under the Share Scheme or the Option Scheme (as applicable).

**Excluded Shares** means any Coventry Shares held by, or by any person on behalf of or for the benefit of, Crescent or its Related Bodies Corporate.

**Exclusivity Period** means the period commencing on the date of the Merger Implementation Deed and ending on the earlier of:

- (a) the date the Merger Implementation Deed is lawfully terminated in accordance with its terms;
- (b) the Implementation Date; and
- (c) the End Date.

**Explanatory Memorandum** means the explanatory memorandum to be prepared by Coventry as set out in this Scheme Booklet and includes the Appendices in respect of the Share Scheme and the Option Scheme in accordance with the terms of the Merger Implementation Deed and to be despatched to Coventry Shareholders and Coventry Optionholders.

**FTS** has the meaning given to that term in section 1.5 of the Scheme Booklet.

**Group** means, in respect of a party, that party and its Subsidiaries.

**Haywood** means Haywood Securities Inc.

**Holder** means a Coventry Securityholder whose securities are subject to the *Income Tax Act* (Canada).

**Houston Lake Letter of Intent** has the meaning given to that term in section 5.3.4 of the Scheme Booklet.

**Houston** means Houston Lake Mining Inc. (TSX-V:HLM).

**IAS** means International Accounting Standard.

**IFRS** means the International Financial Reporting Standards.

**Implementation Date** means the date which is 5 Business Days after the Record Date or such other date as Coventry and Crescent agree in writing.

**Independent Expert** or **BDO Corporate Finance** means BDO Corporate Finance (WA) Pty Ltd (ABN 27 124 031 045).

**Independent Expert's Report** means the report from the Independent Expert set out in Appendix 9 to this Scheme Booklet, and any update to such report that the Independent Expert issues.

**Independent Technical Expert** or **SRK Consulting** means SRK Consulting (Australasia) Pty Ltd (ACN 074 271 720).

**Independent Valuation Report** means the report of the Independent Technical Expert annexed to the Independent Expert's Report (set out at Appendix 9).

**Indicated Resource** has the meaning given to Indicated Mineral Resource in the JORC Code.

**Ineligible Overseas Shareholder** means a Coventry Shareholder whose address as shown in the Coventry Share Register at 4.00 pm on the Record Date is a place outside Australia and its external territories, New Zealand, Canada, the United States, Hong Kong and Singapore unless Crescent and Coventry are satisfied, acting reasonably, that the laws of that Coventry Shareholder's country of residence (as shown in the Coventry Share Register) permit the issue and allotment of Crescent Shares to that Coventry Shareholder, either unconditionally or after compliance with conditions which Crescent in its sole discretion regards as acceptable.

**Inferred Resource** has the meaning given to Inferred Mineral Resource in the JORC Code.

**JORC Code** means the 2004 Edition of the *Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*, which is available at [www.jorc.org](http://www.jorc.org).

**km<sup>2</sup>** means square kilometres.

**MAS** has the meaning given to that term in section 12.6.4 of this Scheme Booklet.

**Material Adverse Change** means, in respect of Crescent or Coventry, any one or more events, occurrences or matters which individually or when aggregated with all such events, occurrences or matters of a like kind or category, has (or would be likely to have) a material adverse effect on:

(a) the business, properties, financial condition, results, operations or prospects of that party's Group, taken as a whole; or

(b) that party's consolidated net assets,

other than:

(c) an event, occurrence or matter required to be undertaken or procured pursuant to the Merger Implementation Deed, the Share Scheme or the Option Scheme;

(d) to the extent that an event, occurrence or matter was announced to the ASX or TSX-V, as applicable, or otherwise fairly disclosed in the Disclosure Materials (as defined in the Merger Implementation Deed);

(e) as a result of the release of the Announcement (as defined in the Merger Implementation Deed);

(f) any change (excluding changes to taxation laws or policies) in accounting standards, law, regulation or policy;

(g) a change in the price of gold, or any other event, occurrence or matter affecting the gold mining industry generally;

(h) general economic, financial, currency exchange, securities or commodity market conditions;

(i) any outbreak or escalation of hostilities or armed conflict;

(j) any change in the market price of Coventry Shares or Crescent Shares (provided that the causes underlying such change may be taken into account when determining whether a material adverse effect has occurred); or

(k) an event that affects the other party in a substantially consistent and proportionate manner.

**Material Adverse Matter** means, in respect of Coventry or Crescent, any one or more events, occurrences or matters which individually or when aggregated with all such events, occurrences or matters of a like kind or category which has occurred but is not in the public domain at the date of the Merger Implementation Deed or has not been disclosed to the other of Coventry or Crescent before the date of the Merger Implementation Deed and which had it occurred after the date of the Merger Implementation Deed would have been a Material Adverse Change.

**Measured Resource** has the meaning given to Measured Mineral Resource in the JORC Code.

**Merged Entity** means Crescent, after implementation of the Merger to be renamed "Coventry Resources Inc." or such other name as Crescent and Coventry agree.

**Merged Group** means the corporate group comprising Crescent and Coventry and each of their respective Subsidiaries, following implementation of the Merger.

**Merged Entity Board** means the board of directors of Crescent, after the implementation of the Schemes.

**Merger Implementation Deed** means the implementation deed dated 7 September 2012 between Coventry and Crescent, a copy of which is included in Appendix 1.

**Merger** means the proposed merger between Coventry and Crescent to be implemented through the Share Scheme (and if the Option Scheme is approved, the Option Scheme).

**Millrock** has the meaning given to that term in section 6.1 of the Scheme Booklet.

**Millrock Companies** has the meaning given to that term in section 6.1 of the Scheme Booklet.

**MI 61-101** has the meaning given to that term in section 11.13(b) of the Scheme Booklet.

**Mineral Resource** has the meaning given to Mineral Resource in the JORC Code.

**Moz** means million ounces.

**Mt** means million tonnes.

**NI 43-101** means Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

**Non-Canadian Holder** has the meaning given to that term in section 10.1 of the Scheme Booklet.

**Notice** means the notices convening the Scheme Meetings.

**Nuinsco** means Nuinsco Resources Limited.

**Official List** means the official list of securities that the ASX has admitted but not removed.

**Official Quotation** means official quotation by the ASX in accordance with the ASX Listing Rules.

**Option Scheme** means the creditors' scheme of arrangement under Part 5.1 of the Corporations Act between Coventry and the Scheme Optionholders, as set out in Appendix 4 or in such other form as Coventry and Crescent agree in writing, pursuant to which all Scheme Options will be transferred to Crescent on the Implementation Date in exchange for the Option Scheme Consideration.

**Option Scheme Conditions** means the conditions to the Option Scheme set out in clause 2.1 of the Option Scheme (attached to this Scheme Booklet as Appendix 4) and clause 3.2 of the Merger Implementation Deed.

**Option Scheme Consideration** means subsection to clause 4.6(b) of the Merger Implementation Deed, the consideration to be provided to Coventry Optionholders under the terms of the Option Scheme, being Crescent Consideration Options.

**Option Scheme Deed Poll** means a deed poll dated 9 November 2012 executed by Crescent in favour of the Scheme Optionholders, as set out in Appendix 5 or in such other form as Coventry and Crescent agree in writing.

**Option Scheme Meeting** means the meeting of Scheme Optionholders ordered by the Court to be convened and held at 10.30 am (WST) on 13 December 2012 at Holiday Inn, 778-788 Hay Street, Perth, Western Australia to consider and, if thought fit, to approve the Option Scheme.

**Ore Reserve** has the meaning given to Ore Reserve in the JORC Code.

**Oviedo Drill Contract** has the meaning given to that term in section 15.23 of the Scheme Booklet.

**Oviedo Property** has the meaning given to that term in section 15.23 of the Scheme Booklet.

**PEA** has the meaning given to that term in section 5.2(b) of the Scheme Booklet.

**Pele** has the meaning given to that term in section 5.3.3 of the Scheme Booklet.

**Plan** has the meaning given to that term in section 10.2.6 of the Scheme Booklet.

**Probable Ore Reserve** has the meaning given to that term in the JORC Code.

**Property Option Agreements** means the various option agreements entered into by Coventry (or any of its Subsidiaries) with various landholders in Canada entitling Coventry (or its respective Subsidiary), upon the issue of Coventry Shares or the provision of a cash payment, to acquire title to the mineral rights attaching to the property outlined in each agreement.

**Proposal** has the meaning given to that term in section 11.2.5(b) of the Scheme Booklet.

**Proposed Amendments** has the meaning given to that term in section 10 of the Scheme Booklet.

**Proven Ore Reserve** has the meaning given to that term in the JORC Code.

**Rainy River Project** means Coventry's project located in northwestern Ontario, Canada.

**Record Date** means 4.00pm on the fifth Business Day following the Effective Date.

**Registered Plan** has the meaning given to that term in section 10.2.6 of the Scheme Booklet.

**Regulations** has the meaning given to that term in section 10 of the Scheme Booklet.

**Regulatory Authority** has the meaning given to that term in clause 1.1 of the Merger Implementation Deed.

**Related Body Corporate** has the meaning given to it in section 9 of the Corporations Act.

**Relevant Interest** has the meaning given to it in section 9 of the Corporations Act.

**Remuneration Report Resolution** means the adoption of the remuneration report of Coventry pursuant to the annual general meeting.

**Requisite Majority** means, in respect of the Share Scheme, approval by:

- (a) a majority in number (more than 50%) of Coventry Shareholders present and voting at the Share Scheme Meeting (in person, by proxy, by attorney or, in the case of

a corporate Coventry Shareholder, or by corporate representative); and

- (b) at least 75% of the total number of votes cast by Coventry Shareholders entitled to vote on that resolution at the Share Scheme Meeting,

and, in respect of the Option Scheme, approval by:

- (c) a majority in number (more than 50%) of Coventry Optionholders present and voting at the Option Scheme Meeting (in person, by proxy or by attorney or a corporate representative); and

- (d) Coventry Optionholders whose Coventry Options amount in aggregate to at least 75% of the total value of Coventry Options held by the Coventry Optionholders who vote at the Option Scheme Meeting (the "value" of an option will be determined using an Black & Scholes valuation methodology as described in section 13.4).

**Reserve** or **Ore Reserve** has the meaning given to **Ore Reserve** in the JORC Code.

**Resource** or **Mineral Resource** has the meaning given to **Mineral Resource** in the JORC Code.

**RRIFs** has the meaning given to that term in section 10.2.6 of the Scheme Booklet.

**RRSPs** has the meaning given to that term in section 10.2.6 of the Scheme Booklet.

**Sale Nominee** means the person nominated by Crescent and approved by Coventry to sell the Crescent Shares that are attributable to Ineligible Overseas Shareholders under the terms of the Share Scheme.

**Scheme** means the Share Scheme or the Option Scheme, as the context requires.

**Scheme Booklet** means this scheme booklet that comprises the explanatory statement in respect of the Schemes to be approved by the Court and despatched to Coventry Shareholders and Coventry Optionholders, and includes the Appendices to this booklet.

**Scheme Conditions** means the Share Scheme Conditions and/or the Option Scheme Conditions, as the context requires.

**Scheme Consideration** means Share Scheme Consideration or Option Scheme Consideration, as the context requires.

**Scheme Meeting** means the Share Scheme Meeting or the Option Scheme Meeting, as the context requires.

**Scheme Option** means each Coventry Option on issue at 4.00 pm on the Record Date.

**Scheme Optionholder** means each person who is registered in the Coventry Option Register as a holder of a Scheme Option.

**Scheme Share** means each Coventry Share on issue at 4.00 pm on the Record Date other than the Excluded Shares.

**Scheme Shareholder** means each person who is registered in the Coventry Share Register as a holder of a Scheme Share.

**Second Court Date** means the first day of the Second Court Hearing.

**Second Court Hearing** means the hearing at which the Court is convened to hear the application for an order under section 411(4)(b) of the Corporations Act approving the Scheme.

**SEDAR** means the System for Electronic Document Analysis and Retrieval described in National Instrument 13-101 - *System for Electronic Document Analysis and Retrieval (SEDAR)* of the CSA available to the public for viewing at [www.sedar.com](http://www.sedar.com).

**Semin** has the meaning given to that term in section 15.23 of the Scheme Booklet.

**SFA** has the meaning given to that term in section 12.6.4 of this Scheme Booklet.

**Share Election** means an election by a Coventry Shareholder (other than an Ineligible Overseas Shareholder) to receive Crescent Consideration Shares rather than Crescent Consideration CDIs, which election is made by following the procedure in section 12.5.

**Share Election Form** means the form pursuant to which Scheme Shareholders may elect to receive their Share Scheme Consideration in the form of Crescent Consideration Shares, rather than Crescent CDIs, a copy of which accompanies this Scheme Booklet.

**Share Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between Coventry and the Scheme Shareholders, as set out in Appendix 2, pursuant to which all Scheme Shares will be transferred to Crescent on the Implementation Date.

**Share Scheme Conditions** means the conditions to the Share Scheme set out in clause 2.1 of the Share Scheme (attached to this Scheme Booklet at Appendix 2) and clause 3.1 of the Merger Implementation Deed (attached to this Scheme Booklet at Appendix 1).

**Share Scheme Consideration** means the consideration to be provided to Scheme Shareholders under the terms of the Share Scheme for the transfer to Crescent of their Scheme Shares, being 0.2513 fully paid Crescent Shares (post completion of the Consolidation of the Crescent Shares)(subject to clauses 4.3(c), 4.4 and 4.7 of the Merger Implementation Deed) for every one Scheme Share, ascertained in accordance with clause 5 of the Share Scheme.

**Share Scheme Deed Poll** means a deed poll dated 9 November 2012 executed by Crescent in favour of Scheme Shareholders, as set out in Appendix 3 or in such other form as Coventry and Crescent agree in writing.

**Share Scheme Meeting** means the meeting of Scheme Shareholders ordered by the Court to be convened and held at 12.30am (WST) on 13 December 2012 at 778-788 Hay Street, Perth, Western Australia to consider and, if thought fit, to approve the Share Scheme.

**Spill Meeting** means the meeting held if more than 50% of Shareholders vote in favour of the Spill Resolution.

**Spill Resolution** is the term used in referring to recent changes to the Corporations Act which came into effect on 1 July 2011, stating that if at least 25% of the votes cast on the Remuneration Report Resolution are voted against adoption of the remuneration report at the annual general Meeting, and then again at Coventry's next annual general meeting, Coventry will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of Coventry.

**Stock Exchange** means the ASX and/or TSX-V, as the context requires.

**Subscription Receipts** has the meaning given to that term in section 6.5.3 of the Scheme Booklet.

**Subsidiary** means a subsidiary within the meaning given to that term in section 9 of the Corporations Act.

**Superior Proposal** has the meaning given to that term in clause 1.1 of the Merger Implementation Deed.

**Supreme Court** means the Supreme Court of British Columbia.

**taxable capital gain** has the meaning given to that term in section 10.2.4 of the Scheme Booklet.

**TFSAs** has the meaning given to that term in section 10.2.6 of the Scheme Booklet.

**TSX-V** means the TSX-Venture Exchange.

**Uncle Sam Option** has the meaning given to that term in section 6.1 of the Scheme Booklet.

**Uncle Sam Property** has the meaning given to that term in section 6.1 of the Scheme Booklet.

**US\$** means the lawful currency of the United States of America.

**US Securities Act** means the United States Securities Act of 1933, as amended.

**West Cedartree Gold Project** means the project to be acquired by Coventry in accordance with the Houston Lake Letter of Intent located in the southern part of western Ontario, Canada.

**WST** means Western Standard Time, as observed in Perth, Western Australia.

## 17.2 Interpretation

In this Scheme Booklet (other than the Appendices):

(a) a word importing the singular includes the plural and vice versa, and a word indicating a gender includes every other gender;

(b) the word **including** or any other form of that word is not a word of limitation;

(c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

(d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;

(e) a reference to a **party** includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;

(f) a reference to a document (including this Scheme Booklet) is to that document as varied, novated, ratified or replaced from time to time;

(g) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this deed, and a reference to this deed includes all schedules, exhibits, attachments and annexures to it;

(h) a reference to a statute includes any regulations or other instruments made under it and a reference to a statute or any regulation or other instrument made under it or a provision of any such statute, regulation or instrument includes consolidations, amendments, re-enactments and replacements;

(i) if a time period is specified and dates from a given date or the day of an act or event, it is to be calculated exclusive of that day;

(j) a reference to any time is a reference to that time in Perth, Australia;

(k) a reference to **A\$** or **dollar** is to Australian currency;

(l) a reference to **C\$** is to Canadian currency;

(m) a reference to **US\$** is to the currency of the United States of America; and

(n) a reference to a section is to a section in this Scheme Booklet unless stated otherwise.

**MERGER IMPLEMENTATION DEED**

**COVENTRY RESOURCES LIMITED**  
**ACN 082 901 362**  
**(Coventry)**

**and**

**CRESCENT RESOURCES CORP.**  
**(Crescent)**

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**MERGER IMPLEMENTATION DEED**

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**THIS DEED** is made the 7<sup>th</sup> day of September 2012

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## **BETWEEN**

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**COVENTRY RESOURCES LIMITED** (ACN 082 901 362) of Suite 9, 5 Centro Avenue, Subiaco, Western Australia (**Coventry**);

AND

**CRESCENT RESOURCES CORP.** a company existing under the laws of the Province of British Columbia with a head office at 1490 – 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9 (**Crescent**).

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## **RECITALS**

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- A.** Crescent has agreed to acquire Coventry by means of a scheme of arrangement under Part 5.1 of the Corporations Act.
- B.** Crescent and Coventry have agreed in good faith to work to implement the scheme of arrangement upon and subject to the terms and conditions of this deed.

**IT IS AGREED** as follows:

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### **1. DEFINITIONS AND INTERPRETATIONS**

#### **1.1 Definitions**

In this deed:

**Announcement** means an announcement of the transactions contemplated by this deed in the form agreed by the parties.

**ASIC** means the Australian Securities and Investments Commission.

**Articles of Association** means the articles and notice of articles of Crescent.

**Associate** means, in relation to a party, its:

- (a) Subsidiaries;
- (b) officers, directors and employees of it or its Subsidiaries; and
- (c) investment bankers or corporate or financial advisors, lawyers and other financial advisors of it or its Subsidiaries.

**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.

**Break Fee** means a cash payment of A\$150,000 (payable in Australian dollars) equivalent to approximately 1% of the equity value of Coventry.

**Business Day** is any day that is both a Business Day within the meaning given in the ASX Listing Rules and a day that banks in Perth, Western Australia and Vancouver, Canada are open for business.

**Canadian Securities Laws** means all applicable Canadian securities laws and the rules and regulations thereunder, together with all applicable published instruments, notices and orders of the securities regulatory authorities thereof and all applicable rules and policies of the TSX-V.

**CHESS** means Clearing House Electronic Subregister System operated by ASX Settlement and Transfer Corporation Pty Ltd (ACN 008 504 532).

**Circular** means the management information circular to be prepared by Crescent in respect of the Crescent Shareholder Resolutions in accordance with the terms of this deed and applicable Canadian Securities Laws, and includes the notice of meeting, proxy form and voting instruction form to be delivered to Crescent Shareholders together with such management information circular.

**Competing Proposal** means a Crescent Competing Proposal or a Coventry Competing Proposal, as the case may be.

**Condition** means a condition to the Scheme set out in clause 3.1, and/or condition to the Option Scheme set out in clause 3.2, as the case may be.

**Confidential Information** has the meaning ascribed to it in the Confidentiality Agreement.

**Confidentiality Agreement** means the confidentiality agreement made between Coventry and Crescent dated 1 August 2012.

**Consideration** means Scheme Consideration and/or Option Scheme Consideration, as appropriate.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Federal Court of Australia or such other court of competent jurisdiction as Coventry and Crescent agree in writing.

**Coventry Board** means the board of directors of Coventry.

**Coventry Circular Information** means all information regarding Coventry and its Related Bodies Corporate that is required by all applicable Canadian Securities Laws to be included or incorporated by reference in the Circular, including all required financial statements prepared in accordance therewith.

**Coventry Competing Proposal** means a transaction or arrangement pursuant to which (other than as contemplated pursuant to this deed) a Third Party will, if the proposed transaction or arrangement is entered into or completed substantially in accordance with its terms:

- (a) directly or indirectly acquire, have a right to acquire or otherwise acquire an economic interest in, all or a majority of the business of the Coventry Group;
- (b) acquire a Relevant Interest in any Coventry Shares, as a result of which the Third Party will have a Relevant Interest in 50% or more of the Coventry Shares;
- (c) otherwise acquire control of Coventry or the Coventry Group within the meaning of section 50AA of the Corporations Act; or

- (d) otherwise directly or indirectly acquire, merge with, or acquire a significant shareholding or economic interest in Coventry or its businesses, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding company for the Coventry Group or other synthetic merger or any other transaction or arrangement.

**Coventry Director** means a director of Coventry.

**Coventry EM Information** means all information included in the Explanatory Memorandum, other than the Crescent EM Information and the Independent Expert's Report.

**Coventry Group** means Coventry and each of its Subsidiaries.

**Coventry Option Register** means the register of holders of Coventry Options maintained by or on behalf of Coventry in accordance with section 168(1) of the Corporations Act.

**Coventry Optionholder** means each person who is registered in the Coventry Options Register as a holder of a Coventry Option at the date of this deed.

**Coventry Options** means an option to subscribe for Coventry Shares described in Schedule 6 under the heading "Coventry Options".

**Coventry Regulated Event** means the occurrence of any of the events set out in Schedule 5, and provided that a Coventry Regulated Event will not include a matter:

- (a) required to be done or procured by Coventry pursuant to this deed or the Scheme;
- (b) which a party is permitted to do, or not to do, under clause 12.5 whilst the Exclusivity Period continues; or
- (c) disclosed in the Coventry Disclosure Materials or which has been announced by Coventry on ASX prior to the date of this deed.

**Coventry Share** means a fully paid ordinary share in the capital of Coventry.

**Coventry Shareholder** means each person who is registered as a holder of a Coventry Share.

**Coventry Share Register** means the register of members of Coventry maintained by or on behalf of Coventry in accordance with section 168(1) of the Corporations Act.

**Coventry Warranties** means the representations and warranties made by Coventry in clause 15.3.

**Crescent Board** means the board of directors of Crescent.

**Crescent CDI** means a CHESS Depository Interest, being a unit of beneficial ownership in a Crescent Share and registered in the name of the Depository.

**Crescent Circular Information** means all information included in the Circular,

other than the Coventry Circular Information.

**Crescent Competing Proposal** means a transaction or arrangement pursuant to which (other than as contemplated pursuant to this deed) a Third Party will, if the proposed transaction or arrangement is entered into or completed substantially in accordance with its terms:

- (a) directly or indirectly acquire, have a right to acquire or otherwise acquire an economic interest in, all or a majority of the business of the Crescent Group;
- (b) acquire a Relevant Interest in any Crescent Shares, as a result of which the Third Party will have a Relevant Interest in 50% or more of the Crescent Shares;
- (c) otherwise acquire control of Crescent or the Crescent Group within the meaning of section 50AA of the Corporations Act; or
- (d) otherwise directly or indirectly acquire, merge with, or acquire a significant shareholding or economic interest in Crescent or its businesses, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding company for the Crescent Group or other synthetic merger or any other transaction or arrangement.

**Crescent Consideration Options** means the Crescent Options described in Schedule 6 under the heading "Crescent Consideration Options", to be issued on terms consistent (to the greatest extent permitted by applicable Canadian Securities Laws) with the terms of the Coventry Options except that:

- (a) each Crescent Consideration Option will be fully vested and will be immediately capable of exercise;
- (b) each Crescent Consideration Option will have an exercise period equal to the unexpired exercise period of the Coventry Option it replaces;
- (c) each holder of a Crescent Consideration Option will be entitled to purchase Crescent Shares in lieu of Coventry Shares on the basis of 0.2513 Crescent Shares (post completion of the consolidation of the Crescent Shares on a 5:1 basis) for each Coventry Share the Coventry Optionholder was theretofore entitled to purchase with a corresponding adjustment to the option exercise price for each Crescent Consideration Option;
- (d) each Crescent Consideration Option will be exercisable into Crescent Shares (unless the option holder elects, at or before the time of exercise, to receive Crescent CDIs); and
- (e) to the extent, if any, described in Schedule 6.

**Crescent Director** means a director of Crescent.

**Crescent EM Information** means all information regarding Crescent and its Related Bodies Corporate (including information required to prepare the requisite pro forma financial statements and any other information reasonably requested by Coventry to prepare disclosure regarding the Merged Group) and

the Scheme Consideration and the Option Scheme Consideration that is required by all applicable Australian laws, the ASX Listing Rules and the Policy Statements to be included in the Explanatory Memorandum (and any other information regarding Crescent, Crescent Shares, Crescent Options or Crescent CDIs that Coventry or any of its Representatives reasonably requests) including all the information that would be required:

- (a) under section 636(1)(c), (g), (h), (i), (k)(ii), (l) and (m) of the Corporations Act to be included in Crescent's bidder's statement if Crescent were offering the Consideration as consideration under a takeover bid; and
- (b) to ensure the Explanatory Memorandum complies with the requirements of section 411(3) of the Corporations Act.

**Crescent Group** means Crescent and each of its Subsidiaries.

**Crescent Option** means an option to subscribe for one Crescent Share.

**Crescent Regulated Event** means the occurrence of any of the events set out in Schedule 3, provided that a Crescent Regulated Event will not include a matter:

- (a) required to be done or procured by Crescent pursuant to this deed or the Scheme;
- (b) which a party is permitted to do, or not to do, under clause 12.5 whilst the Exclusivity Period continues; or
- (c) fairly disclosed in the Crescent Disclosure Materials or which has been announced by Crescent prior to the date of this deed.

**Crescent Share** means a fully paid and non-assessable common share in the capital of Crescent.

**Crescent Share Register** means the register of holders of Crescent Shares maintained by or on behalf of Crescent.

**Crescent Shareholder** means each person who is registered in the Crescent Share Register as a holder of a Crescent Share.

**Crescent Shareholder Resolutions** means such ordinary resolutions (unless specified to the contrary) of Crescent Shareholders as may be necessary to:

- (a) approve the issuance and reservation of Crescent Shares pursuant to the Scheme and the Option Scheme for the purposes of, and in accordance with, the rules of the TSX-V;
- (b) approve the consolidation of the Crescent Shares on a 5:1 basis;
- (c) approve changing the name "Crescent Resources Corp." to a name to be agreed by the parties prior to the receipt of all applicable shareholder and regulatory approvals; and
- (d) approve such other matters as may be necessary or desirable in connection with the Scheme, the Option Scheme or the admission of Crescent to the Official List, including but not limited to any changes to its Articles of Association required to comply with ASX.

**Crescent Warranties** means the representations and warranties made by Crescent in clause 15.1.

**Deed Poll** means a deed poll to be executed by Crescent in favour of Scheme Shareholders, substantially in the form set out in Annexure B or in such other form as Coventry and Crescent agree in writing.

**Depository** means CHES Depository Nominees Pty Limited ACN 071 346 506, the entity that will provide depository services in respect of the Crescent CDIs.

**Disclosure Letter** means the letter executed by Coventry and given to Crescent (or by Crescent and given to Coventry, as the case may be) immediately before execution of this deed containing disclosures relating to the Coventry Warranties (or Crescent Warranties, as the case may be).

**Disclosure Materials** means:

- (a) in respect of Crescent, all material filed by Crescent on SEDAR under Crescent's profile or information otherwise fairly disclosed by Crescent in writing to Coventry (including by way of a Disclosure Letter); and
- (b) in respect of Coventry, material released by Coventry to ASX on the Company Announcements Platform or information otherwise fairly disclosed by Coventry in writing to Crescent (including by way of a Disclosure Letter),

in all cases prior to the date of this deed.

**Effective** means, when used in relation to the Scheme or the Option Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme or the Option Scheme (as appropriate).

**Effective Date** means the date on which the Scheme (or the Option Scheme, as the context requires) becomes Effective.

**Eligible Scheme Shareholder** means a Scheme Shareholder that is not an Ineligible Overseas Shareholder.

**End Date** means December 31, 2012 or such later date agreed by the parties in writing.

**Excluded Shares** means any Coventry Shares held by, or by any person on behalf of or for the benefit of, Crescent or its Related Bodies Corporate.

**Exclusivity Period** means the period commencing on the date of this deed and ending on the earlier of:

- (a) the date this deed is lawfully terminated in accordance with its terms;
- (b) the Implementation Date; and
- (c) the End Date.

**Explanatory Memorandum** means the explanatory memorandum to be prepared by Coventry in respect of the Scheme and the Option Scheme in accordance with the terms of this deed and to be despatched to Coventry Shareholders and Coventry Optionholders.

**First Court Date** means the first day of hearing of an application made to the Court for orders pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting and the Option Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**Group** means, in respect of a party, that party and its Subsidiaries.

**Houston** means Houston Lake Mining Inc. (TSX-V:HLM).

**Houston Lake Agreement** means the agreement dated on or about 25 June 2012 whereby Coventry through its wholly-owned subsidiary, Cameron Gold Operations Limited, agreed to acquire, and Houston agreed to sell, 100% of the West Cedartree Gold Project.

**Implementation Date** means the date which is 5 Business Days after the Record Date or such other date as Coventry and Crescent agree in writing.

**Independent Expert** means the independent expert to be engaged by Coventry to express an opinion on whether the Scheme is in the best interests of Coventry Shareholders.

**Independent Expert's Report** means the report from the Independent Expert for inclusion in the Explanatory Memorandum, and any updates to such report that the Independent Expert issues.

**Ineligible Overseas Shareholder** means a Coventry Shareholder whose address as shown in the Coventry Share Register at 5.00 pm on the Record Date is a place outside Australia and its external territories, New Zealand, Canada, the United States, Hong Kong and Singapore unless Crescent and Coventry are satisfied, acting reasonably, that the laws of that Coventry Shareholder's country of residence (as shown in the Coventry Share Register) permit the issue and allotment of Crescent Shares to that Coventry Shareholder, either unconditionally or after compliance with conditions which Crescent in its sole discretion regards as acceptable.

**Material Adverse Change** means, in respect of a party, any one or more events, occurrences or matters which individually or when aggregated with all such events, occurrences or matters of a like kind or category, has (or would be likely to have) a material adverse effect on:

- (a) the business, properties, financial condition, results, operations or prospects of that party's Group, taken as a whole; or
- (b) that party's consolidated net assets,

other than:

- (c) an event, occurrence or matter required to be undertaken or procured pursuant to this deed, the Scheme or the Option Scheme;
- (d) to the extent that an event, occurrence or matter was announced to the Stock Exchange or otherwise fairly disclosed in the Disclosure Materials;
- (e) as a result of the release of the Announcement;

- (f) any change (excluding changes to taxation laws or policies) in accounting standards, law, regulation or policy;
- (g) a change in the price of gold, or any other event, occurrence or matter affecting the gold mining industry generally;
- (h) general economic, financial, currency exchange, securities or commodity market conditions;
- (i) any outbreak or escalation of hostilities or armed conflict;
- (j) any change in the market price of Coventry Shares or Crescent Shares (provided that the causes underlying such change may be taken into account when determining whether a material adverse effect has occurred); or
- (k) an event that affects the other party in a substantially consistent and proportionate manner.

**Material Adverse Matter** means, in respect of a party, any one or more events, occurrences or matters which individually or when aggregated with all such events, occurrences or matters of a like kind or category which has occurred but is not in the public domain at the date of this deed or has not been disclosed to the other party before the date of this deed and which had it occurred after the date of this deed would have been a Material Adverse Change.

**Merged Group** means the corporate group comprising Crescent and Coventry and each of their respective Subsidiaries following the implementation of the merger contemplated by this deed.

**Misrepresentation** has the meaning ascribed to that term in Canadian Securities Laws.

**Official List** means the official list of securities that ASX has admitted but not removed.

**Official Quotation** means official quotation by ASX in accordance with the ASX Listing Rules.

**Option Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between Coventry and the Scheme Optionholders, substantially in the form set out in Annexure C or in such other form as Coventry and Crescent agree in writing, pursuant to which all Scheme Options will be transferred to Crescent on the Implementation Date in exchange for the Option Scheme Consideration.

**Option Scheme Consideration** means, subject to clause 4.6(b), the consideration to be provided to Scheme Optionholders under the terms of the Option Scheme, being Crescent Consideration Options.

**Option Scheme Deed Poll** means a deed poll to be executed by Crescent in favour of Scheme Optionholders, substantially in the form set out in Annexure D or in such other form as Coventry and Crescent agree in writing.

**Option Scheme Meeting** means the meeting or meetings to be convened by the Court in relation to the Option Scheme pursuant to section 411(1) of the Corporations Act.

**Policy** means the directors and officers insurance policy obtained by Coventry at the date of this deed and which presently expires on 31 October 2012.

**Policy Statements** means all regulatory guides published by ASIC and in force at the date of this deed.

**Proposing Party** has the meaning give to that term in clause 12.6.

**Property Option Agreements** means the various option agreements entered into by Coventry (or any of its Subsidiaries) with various landholders in Canada entitling Coventry (or its respective Subsidiary), upon the issue of Coventry Shares or the provision of a cash payment, to acquire title to the mineral rights attaching to the property outlined in each agreement.

**Potential Bidder** has the meaning give to that term in clause 12.6.

**Receiving Party** means, in respect of any Confidential Information, the recipient of that Confidential Information.

**Record Date** means the date which is 5 Business Days after the Effective Date.

**Regulatory Authority** means:

- (a) any government, semi-government or local authority and any department, minister or agency of any government; and
- (b) any other authority, agency, commission, administrative, fiscal or judicial body (including the Court), tribunal or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange, including without limitation the ASX and TSX-V.

**Regulatory Conditions** means:

- (a) in relation to the Share Scheme, the Conditions set out in clauses 3.1(i), 3.1(j), 3.1(k), 3.1(l), 3.1(m), 3.1(n), 3.1(o), and 3.1(p); and
- (b) in relation to the Option Scheme, the Conditions set out in clauses 3.2(b), 3.2(c), 3.2(d), 3.2(e), 3.2(f) and 3.2(g).

**Related Body Corporate** has the meaning given in section 9 of the Corporations Act.

**Relevant Interest** has the meaning given in section 9 of the Corporations Act.

**Representative** means, in respect of a party, it's Related Bodies Corporate and each director, officer, employee, advisor, agent or representative of that party and its Related Bodies Corporate.

**Sale Nominee** has the meaning given in clause 4.4(a).

**Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between Coventry and the Scheme Shareholders, substantially in the form set out in Annexure A or in such other form as Coventry and Crescent agree in writing, pursuant to which all Scheme Shares will be transferred to Crescent on the Implementation Date.

**Scheme Consideration** means the consideration to be provided to Scheme Shareholders under the terms of the Scheme, being 0.2513 fully paid Crescent Shares (post completion of the consolidation of the Crescent Shares on a 5:1 basis)(subject to clauses 4.3(c), 4.4 and 4.7) for every one Scheme Share.

**Scheme Meeting** means the meeting to be convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act.

**Scheme Option** means each Coventry Option on issue at 5.00 pm on the Record Date.

**Scheme Optionholder** means each person who is registered in the Coventry Option Register as a holder of a Scheme Option.

**Scheme Share** means each Coventry Share on issue at 5.00 pm on the Record Date other than the Excluded Shares.

**Scheme Shareholder** means each person who is registered in the Coventry Share Register as a holder of a Scheme Share.

**Second Court Date** means the first day of hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme and/or the Option Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**SEDAR** means the System for Electronic Document Analysis and Retrieval described in National Instrument 13-101 - *System for Electronic Document Analysis and Retrieval (SEDAR)* of the Canadian Securities Administrators available to the public for viewing at [www.sedar.com](http://www.sedar.com).

**Stock Exchange** means the ASX and/or TSX-V, as the context requires.

**Subsidiary** means a subsidiary within the meaning given to that term in section 9 of the Corporations Act.

**Superior Proposal** means:

- (a) in respect of Coventry, a Competing Proposal which:
  - (i) in the determination of the Coventry Board acting in good faith, is reasonably capable of being completed without undue delay, taking into account both the nature of the Coventry Competing Proposal and the person or persons making it; and
  - (ii) in the determination of the Coventry Board acting in good faith, after receiving the advice of its external legal and financial advisers, would, if completed substantially in accordance with its terms, result in a transaction more favourable to the Coventry Shareholders than the transactions contemplated by this deed; and
- (b) in respect of Crescent, a Competing Proposal which:
  - (i) in the determination of the Crescent Board acting in good faith, is reasonably capable of being completed without undue delay, taking into account both the nature of the Crescent Competing Proposal and the person or persons making it; and

- (ii) in the determination of the Crescent Board acting in good faith, after receiving the advice of its external legal and financial advisers, would, if completed substantially in accordance with its terms, result in a transaction more favourable to the Crescent Shareholders than the transactions contemplated by this deed.

**Technical Expert** means the expert to be engaged by Coventry to prepare the Technical Report.

**Technical Report** means the report(s) addressed to Coventry and Crescent and prepared for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators which are required for filing on SEDAR in connection with the filing of the Circular, and any updates to such report that the Technical Expert issues.

**Third Party** means a person who is neither a party to this deed, nor any Related Body Corporate of a party to this deed, including without limitation any individual, corporation, partnership, party, trust, fund, association and or other organised group of persons or combination of persons acting in concert by virtue of an agreement, arrangement, commitment or understanding which is not a party to this deed.

**Timetable** means the indicative timetable in relation to the Scheme and the Crescent Shareholder Resolutions set out in Schedule 1, or such other indicative timetable as may be agreed in writing by the parties.

**TSX-V** means the TSX Venture Exchange.

**Unavailable to Coventry Shareholders** means, in relation to a Competing Proposal for Crescent, that the Competing Proposal for Crescent is not (at the relevant time) open to acceptance or participation by the holders of the Crescent Shares that would be issued as Consideration if the Scheme was to become Effective.

**U.S. Securities Act** means the United States Securities Act of 1933, as amended.

## 1.2 Interpretation

In this deed headings and words in bold are for convenience only and do not affect the interpretation of this deed and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word indicating a gender includes every other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (e) a reference to a **party** includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of

novation and, in the case of a trustee, includes any substituted or additional trustee;

- (f) a reference to a document (including this deed) is to that document as varied, novated, ratified or replaced from time to time;
- (g) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this deed, and a reference to this deed includes all schedules, exhibits, attachments and annexures to it;
- (h) a reference to a statute includes any regulations or other instruments made under it and a reference to a statute or any regulation or other instrument made under it or a provision of any such statute, regulation or instrument includes consolidations, amendments, re-enactments and replacements;
- (i) a reference to a **liability** incurred by any person includes any liability of that person arising from or in connection with any obligation (including indemnities and all other obligations owed as principal or guarantor) whether liquidated or not, whether present, prospective or contingent and whether owed, incurred or imposed by or to or on account of or for the account of that person alone, severally or jointly or jointly and severally with any other person;
- (j) a reference to a **loss** incurred by any person includes any loss, liability, damage, cost, charge, expense which the person pays, incurs or is liable for and any other diminution of value of any description which the person suffers, including all liabilities on account of taxes or duties, all interest, penalties, fines and other amounts payable to third parties and all legal expenses (on a full indemnity basis without necessity of taxation) and other expenses in connection with investigating or defending any claim, action, demand or proceeding, whether or not resulting in any liability, and all amounts paid in settlement of any such claims;
- (k) if a time period is specified and dates from a given date or the day of an act or event, it is to be calculated exclusive of that day;
- (l) a reference to any time is a reference to that time in Perth, Australia;
- (m) a reference to **A\$** or **dollar** is to Australian currency;
- (n) a reference to **C\$** is to Canadian currency;
- (o) a reference to **U.S\$** is to the currency of the United States of America; and
- (p) this deed must not be construed adversely to a party just because that party prepared it or caused it to be prepared.

### 1.3 Best and reasonable endeavours

Any provision of this deed which requires a party to use best endeavours or reasonable endeavours, or to take all steps reasonably necessary, to procure that something is performed or occurs does not include any obligation:

- (a) to pay any money or to provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person; or
- (b) to commence any legal action or proceeding against any person, to procure that that thing is done or happens, except for payment of any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority or any other amount required to be paid to a Regulatory Authority in order to complete the transactions contemplated in this deed,

except where that provision expressly specifies otherwise.

#### **1.4 Business Day**

Except where otherwise expressly provided, where under this deed the day on which any act, matter or thing is to be done is a day other than a Business Day, such act matter or thing shall be done on the immediately following Business Day.

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## **2. OBLIGATIONS IN RELATION TO SCHEME AND OPTION SCHEME**

### **2.1 Coventry to propose Scheme and Option Scheme**

Coventry agrees to propose and (subject to it becoming Effective) implement the Scheme and the Option Scheme on and subject to the terms and conditions of this deed.

### **2.2 Consideration**

Crescent covenants in favour of Coventry that:

- (a) in consideration for the transfer to Crescent of Scheme Shares held by Scheme Shareholders under the terms of the Scheme, Crescent will, subject to the Scheme becoming Effective and clauses 4.4 and 4.6, provide or cause to be provided the Scheme Consideration to Scheme Shareholders (for each Scheme Share held on the Record Date) in accordance with the terms of the Scheme, the Deed Poll and this deed; and
- (b) in consideration for the transfer to Crescent of Scheme Options held by Scheme Optionholders under the terms of the Option Scheme, Crescent will, subject to the Option Scheme becoming Effective, provide the Option Scheme Consideration to Scheme Optionholders (for each Scheme Option held on the Record Date) in accordance with the terms of the Option Scheme, the Option Scheme Deed Poll and this deed.

### **2.3 Timetable**

Each party agrees to use its best endeavours to complete its obligations under this deed substantially in accordance with the Timetable.

### **2.4 United States Matters**

Each party agrees that the Scheme and the Option Scheme will each be structured and carried out with the intention that all Scheme Consideration and Option Scheme Consideration issuable upon completion of the Scheme or Option Scheme, as applicable, to the Scheme Shareholders or Scheme

Optionholders, as applicable, may be issued by Crescent in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and in reliance upon exemptions from the registration or qualification requirements of all applicable United States state securities laws.

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### **3. CONDITIONS TO SCHEME**

#### **3.1 Conditions**

The Scheme will not become Effective until each of the following conditions has been fulfilled or waived in accordance with clause 3.6:

- (a) no Material Adverse Change in respect of Coventry occurring or becoming known to Crescent, and no Material Adverse Matter in respect of Coventry becomes known to Crescent, after the date of this deed and before 8:00am WST on the Second Court Date;
- (b) no Coventry Regulated Event occurring or becoming known to Crescent after the date of this deed and before 8:00am WST on the Second Court Date;
- (c) no Material Adverse Change in respect of Crescent occurring or becoming known to Coventry, and no Material Adverse Matter in respect of Crescent becomes known to Coventry, after the date of this deed and before 8:00am WST on the Second Court Date;
- (d) no Crescent Regulated Event occurring or becoming known to Coventry after the date of this deed and before 8:00am WST on the Second Court Date;
- (e) the Coventry Warranties are true and correct in all material respects on the date of this deed and as at 8:00am WST on the Second Court Date (unless any warranty relates to an earlier date, in which case as at such date);
- (f) the Crescent Warranties being true and correct in all material respects on the date of this deed and as at 8:00am WST on the Second Court Date (unless any warranty relates to an earlier date, in which case as at such date);
- (g) Coventry procuring the Independent Expert's Report and the Independent Expert issuing the Independent Expert's Report which concludes that the Scheme is in the best interests of Coventry Shareholders before the date on which the Explanatory Memorandum is registered by ASIC under the Corporations Act and the Independent Expert does not change that conclusion or withdraw its report prior to 8:00am WST on the Second Court Date;
- (h) Crescent completing a private placement financing raising gross proceeds of C\$750,000 prior to 8:00am WST on the Second Court Date;
- (i) Coventry Shareholders approving the Scheme by the majorities required under section 411(4)(a) of the Corporations Act in relation to the Scheme Meeting convened by the Court;
- (j) the Court approving the Scheme in accordance with section 411(4)(b) of the Corporations Act;

- (k) the Treasurer of the Commonwealth of Australia either:
  - (i) providing written notice which is unconditional or subject only to conditions reasonably acceptable to both Crescent and Coventry that there is no objection under the Foreign Acquisitions and Takeovers Act 1975 (Cth) or Australian foreign investment policy to the Scheme; or
  - (ii) becoming precluded from exercising any power to make an order under the Foreign Acquisitions and Takeovers Act 1975 (Cth) in relation to the Scheme;
- (l) before 8:00am WST on the Second Court Date, ASIC issuing or providing such consents, waivers or approvals or doing such other things as are reasonably necessary to implement the Scheme;
- (m) Crescent Shareholders approving the Crescent Shareholder Resolutions by the requisite majorities;
- (n) Crescent having received all necessary approvals from the TSX-V for the issuance of Crescent Shares to Scheme Shareholders (or, where relevant, the Depositary, with the corresponding issue of Crescent CDIs to Scheme Shareholders) as contemplated by the Scheme, and the conditional listing of such Crescent Shares on the TSX-V;
- (o) before 8:00am WST on the Second Court Date, ASX providing such consents and approvals as are reasonably necessary to implement the Scheme including ASX giving approval for the admission of Crescent to the Official List and for the Official Quotation of Crescent CDIs, subject to any conditions which ASX may reasonably require, including implementation of the Scheme;
- (p) no Regulatory Authority having:
  - (i) undertaken a judicial proceeding seeking to enjoin, restrain or otherwise prohibit or impose adverse conditions on the Scheme which remain in effect as at 8:00am WST on the Second Court Date;
  - (ii) issued an order, decree or ruling prohibiting or imposing adverse conditions on or otherwise preventing completion of the Scheme which remains in effect as at 8:00am WST on the Second Court Date; or
  - (iii) declined to issue an order, decree, ruling, notification or communication by 8:00am WST on the Second Court Date that is required for the Scheme to be implemented in accordance with this deed; and
- (q) the issuance of the Scheme Consideration issuable upon completion of the Scheme to the Scheme Shareholders pursuant to the Scheme will not require registration under the U.S. Securities Act, pursuant to the exemption from the registration requirements thereof provided by Section 3(a)(10) thereof, or under any state securities laws.

### 3.2 Option Scheme Conditions

The Option Scheme will not become Effective until each of the following conditions has been fulfilled or waived in accordance with clause 3.6:

- (a) the Share Scheme becomes Effective;
- (b) ASX grants a waiver of any requirement under ASX Listing Rule 6.23 to obtain the approval of Coventry Shareholders for the amendment of the terms of the Coventry Options (so as to permit transfer) pursuant to the Option Scheme;
- (c) if required to issue the Option Scheme Consideration in accordance with this Agreement, Crescent obtaining all necessary approvals and undertaking all necessary actions to amend the Crescent option plan;
- (d) Coventry Optionholders approving the Option Scheme by the majorities required under section 411(4)(a) of the Corporations Act in relation to each Option Scheme Meeting convened by the Court;
- (e) the Court approving the Option Scheme in accordance with section 411(4)(b) of the Corporations Act;
- (f) before 8:00am WST on the Second Court Date, ASIC issuing or providing such consents, waivers or approvals or doing such other things as are reasonably necessary to implement the Option Scheme;
- (g) no Regulatory Authority having:
  - (i) undertaken a judicial proceeding seeking to enjoin, restrain or otherwise prohibit or impose adverse conditions on the Option Scheme which remain in effect as at 8:00am WST on the Second Court Date;
  - (ii) issued an order, decree or ruling prohibiting or imposing adverse conditions on the Option Scheme which remains in effect as at 8:00 am on the Second Court Date; or
  - (iii) declined to issue an order, decree, ruling, notification or communication by 8:00 am WST on the Second Court Date that is required for the Option Scheme to be implemented in accordance with this deed; and
- (h) the issuance of the Option Scheme Consideration issuable upon completion of the Option Scheme to the Scheme Optionholders pursuant to the Option Scheme will not require registration under the U.S. Securities Act, pursuant to the exemption from the registration requirements thereof provided by Section 3(a)(10) thereof, or under any state securities laws.

### 3.3 General obligations in relation to Conditions

Without prejudice to any other obligations of the parties under this deed:

- (a) Coventry must use its best endeavours to ensure that the Conditions set out in clauses 3.1(a) and 3.1(b) continue to be satisfied at all times until 8:00am WST on the Second Court Date and that the Condition set out in clause 3.1(e) is satisfied as at the times set out in that clause;

- (b) Crescent must use its best endeavours to ensure that the Conditions set out in clauses 3.1(c) and 3.1(d) continue to be satisfied at all times until 8:00am WST on the Second Court Date and that the Condition set out in clause 3.1(f) is satisfied as at the times set out in that clause;
- (c) both parties must use their best endeavours to ensure (including by way of the timely provision of information) that the Independent Expert's Report is completed before the date on which the Explanatory Memorandum is registered by ASIC under the Corporations Act; and
- (d) neither party shall take any action that will or is likely to hinder or prevent the satisfaction of any Condition except to the extent that such action is required to be done or procured pursuant to, or is otherwise permitted by, this deed or is required by law.

### **3.4 Obligations in relation to Regulatory Conditions**

Each party must use its best endeavours to ensure that the Regulatory Conditions are satisfied as soon as practicable after the date of this deed and in particular Coventry and Crescent must each, as soon as practicable after the date of this deed, file or cause to be filed with each relevant Regulatory Authority any notifications required with regard to the transactions contemplated by the Scheme.

### **3.5 Notice in relation to satisfaction of Conditions**

Each party must:

- (a) keep the other informed of the steps it has taken and of its material progress towards satisfaction of the Conditions; and
- (b) in relation to any Condition notify the other party in writing upon becoming aware of:
  - (i) the satisfaction of that Condition, in which case the notifying party must also provide reasonable evidence the Condition has been satisfied; and
  - (ii) any fact or circumstance which results in that Condition becoming incapable of satisfaction or may result in that Condition not being satisfied in accordance with its terms.

### **3.6 Benefit and waiver of Conditions**

- (a) The Conditions to the Scheme in clauses 3.1(c), 3.1(d), 3.1(f) and 3.1(h) are for the sole benefit of Coventry and any breach or non-fulfilment of those conditions may only be waived by Coventry by notice in writing to Crescent.
- (b) The Conditions to the Scheme in clauses 3.1(a), 3.1(b) and 3.1(e) are for the sole benefit of Crescent and any breach or non-fulfilment of those Conditions may only be waived by Crescent by notice in writing to Coventry.

- (c) The Conditions:
- (i) to the Scheme in clauses 3.1(g), 3.1(i), 3.1(j), 3.1(k), 3.1(l), 3.1(n), 3.1(o) and 3.1(p), and 3.1(q) and, subject to clause 3.6(i), clause 3.1(m); and
  - (ii) to the Option Scheme in clauses 3.2(a), 3.2(b), 3.2(c), 3.2(d) 3.2(e), 3.2(f), 3.2(g) and 3.2(h).
- are for the benefit of both parties and may not be waived except by both parties in writing.
- (d) A party entitled to waive a Condition under this clause 3.6 may do so in its absolute discretion.
  - (e) If a waiver by a party of a Condition is itself expressed to be conditional and the other party does not accept the conditions thereto, the relevant Condition has not been waived.
  - (f) If a party waives the breach or non-fulfilment of any of the Conditions, that waiver will preclude it from suing the other party for any breach of this deed that resulted from the breach or non-fulfilment of the Condition that was waived or arising from the same event which gave rise to the breach or non-fulfilment of the condition.
  - (g) Unless expressed as such in the waiver, waiver of a breach or non-fulfilment in respect of one Condition does not constitute:
    - (i) a waiver of breach or non-fulfilment of any other Condition resulting from the same event; or
    - (ii) a waiver of breach or non-fulfilment of that Condition resulting from any other event.
  - (h) Any waiver must be in writing.
  - (i) Both parties must waive (and will be deemed to have waived without any action on their part), any failure of the Condition to the Scheme in clause 3.1(m) to the extent that such failure related solely to Crescent Shareholders failing to approve the change to the name of Crescent by the requisite majority.

### **3.7 Failure of Conditions**

- (a) If any Condition that is stated in clause 3.6 to be for the benefit of a party (in this clause 3.7, first party) (whether or not the Condition is also stated to be for the benefit of the other party):
  - (i) becomes incapable of satisfaction; or
  - (ii) has not been satisfied or waived in accordance with clause 3.6 before the End Date,

the first party may serve notice on the other party requiring it to consult in good faith with a view to extending the date for satisfaction of the relevant Condition, or adjourning or changing the date of the application to the Court for an order pursuant to section 411(4)(b) of the Corporations Act or determining whether the Scheme or a transaction

which results in the merger of Crescent and Coventry may proceed by way of an alternative approach and if so, to agree on the terms of such alternative approach.

- (b) If the parties are unable to reach agreement under clause 3.7(a) within 5 Business Days after the delivery of the notice under that clause, or no such notice is given within 5 Business Days of such notice first being capable of being delivered, the first party may:
- (i) if the relevant Condition is a Condition to the Scheme, terminate this deed by notice in writing to the other party; or
  - (ii) if the relevant Condition is a Condition to the Option Scheme, terminate this deed by notice in writing to the other party but only to the extent that this deed relates to the Option Scheme,

provided that the first party shall not be permitted to terminate this deed in respect of the relevant Condition becoming incapable of satisfaction, or not being satisfied before the End Date, if a failure by such party to comply with its obligations under this deed directly and materially contributed to the relevant Condition becoming incapable of satisfaction, or not being satisfied before the End Date.

### **3.8 Certificate**

Coventry (and, if necessary for the Scheme or Option Scheme to proceed, Crescent) must provide to the Court at the Second Court Hearing a certificate confirming that all Conditions (other than the Conditions referred to in clauses 3.1(j) and 3.2(e)) have been satisfied or waived in accordance with the terms of this deed.

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## **4. IMPLEMENTATION OF SCHEME AND OPTION SCHEME**

### **4.1 Coventry's obligations in respect of the Scheme and the Option Scheme**

Coventry must take all steps reasonably necessary to propose and implement the Scheme and the Option Scheme as soon as is reasonably practicable after the date of this deed and so as to complete the transaction substantially in accordance with the Timetable (unless otherwise agreed by the parties acting reasonably and in good faith), and in particular Coventry must:

- (a) promptly appoint the Technical Expert and provide all assistance and information reasonably requested by the Technical Expert in connection with the preparation of the Technical Report for filing by Crescent on SEDAR concurrently with the filing of the Circular and disclosure in the Circular (and Coventry shall be responsible for all costs and expenses of, and relating to, the appointment of the Technical Expert and the preparation of the Technical Report) and provide a copy of the Technical Report to Crescent for its review and the review and approval of the TSX-V prior to filing on SEDAR;
- (b) prepare the Explanatory Memorandum in accordance with the requirements of all applicable laws, the ASX Listing Rules and the Policy Statements, provide a draft to Crescent and provide Crescent with a reasonable opportunity to provide suggested amendments to that draft prior to the provision of a draft to ASIC under clause 4.1(d)(i) and if such suggested amendments relate to the Crescent EM Information, Coventry must consider in good faith such suggested amendments

unless such suggested amendments, in the reasonable opinion of Coventry, would render the Explanatory Memorandum misleading or deceptive;

- (c) promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Explanatory Memorandum;
- (d) as soon as reasonably practicable but no later than 14 days before the First Court Date provide an advanced draft of the Explanatory Memorandum:
  - (i) to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and
  - (ii) to Crescent;
- (e) apply to ASIC for the production of statements in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme or the Option Scheme;
- (f) apply to ASX for a waiver of ASX Listing Rule 6.23 for the purposes of the Condition in clause 3.2(b);
- (g) provided that the confirmation referred to in clause 4.2(d)(i) has been received, lodge all documents with the Court and take all other reasonable steps to ensure that an application is heard by the Court for an order under section 411(1) of the Corporations Act directing Coventry to convene the Scheme Meeting and the Option Scheme Meeting;
- (h) if required, request ASIC to register the explanatory statement included in the Explanatory Memorandum in relation to the Scheme and the Option Scheme in accordance with section 412(6) of the Corporations Act;
- (i) take all steps necessary to comply with the orders of the Court including, as required, dispatching the Explanatory Memorandum to the Coventry Shareholders and the Coventry Optionholders and convening and holding the Scheme Meeting and the Option Scheme Meeting;
- (j) if the resolutions submitted to the Scheme Meeting and the Option Scheme Meeting in relation to the Scheme and the Option Scheme respectively are passed by the majorities required under section 411(4)(a) of the Corporations Act, apply to the Court for orders approving the Scheme and the Option Scheme;
- (k) if the Scheme is approved by the Court:
  - (i) promptly lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act;
  - (ii) close the Coventry Share Register as at 5.00pm on the Record Date and determine entitlements to the Scheme Consideration in accordance with the Scheme and provide such information to Crescent (or its share registry) in such form as Crescent may

- reasonably require to facilitate the payment of the Scheme Consideration;
- (iii) promptly register all transfers of Scheme Shares to Crescent in accordance with the Scheme;
  - (iv) take all reasonable steps to maintain Coventry's listing on ASX, notwithstanding any suspension of the quotation of Coventry Shares, up to and including the Implementation Date, including making appropriate applications to ASX; and
  - (v) promptly do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme;
- (l) if the Option Scheme is approved by the Court:
- (i) promptly lodge with ASIC an office copy of the orders approving the Option Scheme in accordance with section 411(10) of the Corporations Act;
  - (ii) close the Coventry Option Register as at 5.00pm WST on the Record Date and determine entitlements to the Option Scheme Consideration in accordance with the Option Scheme and provide such information to Crescent (or its registry) in such form as Crescent may reasonably require to facilitate the payment of the Option Scheme Consideration;
  - (iii) promptly pass a board resolution amending the terms of the Coventry Options to permit transfer in accordance with the Option Scheme, and promptly register all transfers of Scheme Options to Crescent in accordance with the Option Scheme; and
  - (iv) promptly do all other things contemplated by or necessary to give effect to the Option Scheme and the orders of the Court approving the Option Scheme;
- (m) from the First Court Date until the Implementation Date, promptly inform Crescent if it becomes aware that the Explanatory Memorandum contains a statement which is misleading or deceptive in a material respect or contains a material omission; and
- (n) make all necessary filings under corporate and securities laws required to be made by Coventry in connection with the implementation of the Scheme and the Option Scheme.

#### **4.2 Crescent's obligations in respect of the Scheme and the Option Scheme**

Crescent must take all steps reasonably necessary to assist Coventry to implement the Scheme and the Option Scheme as soon as is reasonably practicable after the date of this deed and so as to complete the transaction substantially in accordance with the Timetable (unless otherwise agreed by the parties acting reasonably and in good faith) and in particular Crescent must:

- (a) provide to Coventry the Crescent EM Information requested by Coventry in a form specified by Coventry as appropriate for inclusion in the Explanatory Memorandum (including, subject to clauses 4.1(a) and

- 4.2(c), consenting to the form and context in which the Crescent EM Information appears in the Explanatory Memorandum in reasonable time to allow Coventry to prepare the final form of the Explanatory Memorandum in accordance with this deed);
- (b) promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report;
  - (c) as soon as reasonably practicable after receipt from Coventry of a draft of the Explanatory Memorandum in accordance with clause 4.1(a), provide any suggested changes to the Crescent EM Information in that draft;
  - (d) as soon as reasonably practicable after receipt from Coventry of the draft of the Explanatory Memorandum provided in accordance with clause 4.1(d)(ii), either:
    - (i) confirm in writing to Coventry that the Crescent EM Information in the form and context in which it appears in the Explanatory Memorandum is not misleading or deceptive in any material respect and does not contain any material omission; or
    - (ii) provide to Coventry the changes required to ensure that the Crescent EM Information in the form and context in which it appears in the Explanatory Memorandum is not misleading or deceptive and does not contain any material omission;
  - (e) provide to Coventry all such further or new information of which Crescent becomes aware after the First Court Date until the Implementation Date that is required to ensure that the Crescent EM Information in the form and context in which it appears in the Explanatory Memorandum is not misleading or deceptive in any material respect and does not contain any material omission;
  - (f) prior to the First Court Date, enter into the Deed Poll and the Option Scheme Deed Poll and deliver executed versions to Coventry;
  - (g) if the Scheme becomes Effective,
    - (i) accept a transfer of all Scheme Shares in accordance with the Scheme;
    - (ii) provide or cause to be provided the Scheme Consideration on the Implementation Date in accordance with the Scheme; and
    - (iii) procure (or ensure that it has previously procured) that a share sale facility is established (and a Sale Nominee appointed) to deal with Crescent Shares that would otherwise be issued to Ineligible Overseas Shareholders in the manner contemplated by clause 4.4;
  - (h) if the Option Scheme becomes Effective, provide the Option Scheme Consideration on the Implementation Date or as soon as reasonably practicable thereafter in accordance with the Option Scheme;

- (i) make all necessary filings under corporate and securities laws required to be made by Crescent in connection with the implementation of the Scheme and the Option Scheme; and
- (j) for each tax year that Crescent qualifies as a "passive foreign investment company" ("**PFIC**") under United States tax law, upon written request from a former Coventry shareholder, will: (a) use commercially reasonable efforts to make available to such shareholder, a "PFIC Annual Information Statement" as described in U.S. Treasury Regulation Section 1.1295-1(g) (or any successor Treasury Regulation) and (b) use commercially reasonable efforts to provide all additional information that such shareholder is required to obtain in connection with maintaining a "QEF election" with regard to Crescent.

#### **4.3 Consideration**

- (a) Crescent agrees (and covenants in favour of Coventry) that, subject to the Scheme becoming Effective and subject to clause 4.3(c), in consideration of the transfer to Crescent of each Scheme Share, Crescent will provide or cause to be provided the Consideration to each Scheme Shareholder (for each Scheme Share held by it) on the Implementation Date.
- (b) Crescent agrees (and covenants in favour of Coventry) that, subject to the Option Scheme becoming Effective, in consideration for the transfer to Crescent of each Scheme Option, Crescent will provide the Option Scheme Consideration to each Scheme Optionholder (for each Coventry Option held by it) on the Implementation Date.
- (c) A Scheme Shareholder (other than an Ineligible Overseas Shareholder) will be entitled to elect to receive, as consideration for the transfer of its Scheme Shares to Crescent, Crescent CDIs or Crescent Shares. In the absence of such an election, each Scheme Shareholder (other than an Ineligible Overseas Shareholder) will receive Crescent CDIs.

#### **4.4 Ineligible Overseas Shareholders**

- (a) Crescent will be under no obligation under the Scheme to issue, and will not issue, any Crescent Shares (or Crescent CDIs) to any Ineligible Overseas Shareholder, and instead Crescent will issue the Crescent Shares to which the Ineligible Overseas Shareholder would otherwise have been entitled (if they were an Eligible Scheme Shareholder) to a nominee appointed by Crescent (**Sale Nominee**).
- (b) Crescent will procure that, as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date, the Sale Nominee:
  - (i) sells on a financial market on which Crescent is listed all of the Crescent Shares issued to the Sale Nominee pursuant to clause 4.4(a) in such manner, at such price and on such other terms as the Sale Nominee determines in good faith; and
  - (ii) remits to Crescent the proceeds of sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges).

- (c) Promptly after the last sale of Crescent Shares in accordance with clause 4.4(b), Crescent will pay to each Ineligible Overseas Shareholder the proportion of the net proceeds of sale received by Crescent pursuant to clause 4.4(b)(ii), to which that Ineligible Overseas Shareholder is entitled (calculated on an averaged basis so that all Ineligible Overseas Shareholders receive the same price per Scheme Share, subject to rounding), subject to any applicable withholding taxes.

#### 4.5 Allotment and issue of Crescent Shares

Subject to the Scheme becoming Effective, Crescent must:

- (a) allot and issue the Crescent Shares (including any to be issued to the Depositary) on terms such that each Crescent Share will rank equally in all respects with existing Crescent Shares;
- (b) to the extent permitted by the TSX-V and ASX, do everything reasonably necessary to ensure that trading in the Crescent Shares and Crescent CDIs commences on a deferred settlement basis as soon as practicable after the Effective Date and on a normal settlement basis no later than the first Business Day after the Implementation Date; and
- (c) ensure that on issue, each Crescent Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

#### 4.6 Crescent Option Consideration

- (a) Subject to the Option Scheme becoming Effective, Crescent must:
  - (i) issue the Crescent Consideration Options; and
  - (ii) ensure that on issue, each Crescent Consideration Option (and any Crescent Share issued on exercise of a Crescent Consideration Option) will be and is free from any Crescent-imposed mortgage, charge, lien, encumbrance or other security interest.
- (b) Where the Option Scheme does not or cannot become Effective, Crescent must:
  - (i) in relation to any unexercised Coventry Options which are deemed to be "in the money" based upon the closing price of the Coventry Shares on the ASX on that date immediately preceding the date of the Announcement (**Calculation Date**), acquire those Coventry Options for cash, reflecting the difference between such closing price on the Calculation Date and the option exercise price; and
  - (ii) in relation to any unexercised Coventry Options which are not deemed to be "in the money" as at the Calculation Date, pay (subject to compliance with the requirements of the ASX and the Corporations Act) nominal consideration (in cash) to the Coventry Optionholders of such Coventry Options, which Coventry Options will be cancelled.

#### **4.7 Rounding entitlements**

If the number of Scheme Shares held by a Scheme Shareholder as at 5.00pm on the Record Date is such that the aggregate entitlement of the Scheme Shareholder to Consideration is a fractional entitlement to a Crescent Share then the entitlement of that Scheme Shareholder must be rounded down to the nearest whole number of Crescent Shares.

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### **5. OBLIGATIONS IN RELATION TO CRESCENT SHAREHOLDER RESOLUTIONS**

#### **5.1 Crescent's obligations in respect of Crescent Shareholder Resolutions**

Crescent must take all steps reasonably necessary to obtain the approval of the Crescent Shareholder Resolutions by the requisite majorities as soon as is reasonably practicable after the date of this deed and, in any event, so as to complete the transaction substantially in accordance with the Timetable (unless otherwise agreed by the parties acting reasonably and in good faith), and in particular Crescent must:

- (a) prepare the Circular in accordance with the requirements of all applicable corporate and Canadian Securities Laws and the applicable rules and policies of TSX-V, provide a draft to Coventry and provide Coventry and its advisers with a reasonable opportunity to provide suggested amendments to that draft prior to the issue of the Circular. If any such suggested amendments relate to the Coventry Circular Information, Crescent must consider in good faith such suggested amendments unless such suggested amendments, in the reasonable opinion of Crescent, would result in a Misrepresentation being included in the Circular;
- (b) promptly provide all assistance and information reasonably requested by the Technical Expert to enable it to prepare the Technical Report for filing by Crescent on SEDAR concurrently with the filing of the Circular and disclosure in the Circular;
- (c) apply to the TSX-V for approval for the issuance of Crescent Shares to holders of Coventry Shares (or, in the case of Crescent CDIs, to the Depositary) and for the issuance of Crescent Shares to holders of the Crescent Consideration Options upon the exercise of those Crescent Consideration Options, the listing of such Crescent Shares on the TSX-V following the Implementation Date or the exercise of the Crescent Consideration Options (as the case may be), and all other matters related to the transactions contemplated hereunder for which TSX-V approval is required;
- (d) dispatch the Circular to the Crescent Shareholders and convene and hold the meeting at which the Crescent Shareholder Resolutions are proposed in accordance with the Timetable;
- (e) if the Crescent Shareholder Resolutions are passed by the requisite majorities, do all such things as are required to give full effect to those resolutions; and
- (f) until the Implementation Date, promptly inform Coventry if it becomes aware that the Circular contains a Misrepresentation.

## 5.2 Coventry's obligations in respect of the Crescent Shareholder Resolutions

Coventry must take all steps reasonably necessary to assist Crescent to obtain the approval of the Crescent Shareholder Resolutions by the requisite majorities as soon as is reasonably practicable after the date of this deed and, in any event, so as to complete the transaction substantially in accordance with the Timetable (unless otherwise agreed by the parties acting reasonably), and in particular Coventry must:

- (a) provide to Crescent the Coventry Circular Information requested by Crescent in a form reasonably specified by Crescent as appropriate for inclusion in the Circular;
- (b) as soon as reasonably practicable after receipt from Crescent of a draft of the Circular provided in accordance with clause 5.1(a), either:
  - (i) confirm in writing to Crescent that the Coventry Circular Information in the form and context in which it appears in the Circular does not contain a Misrepresentation; or
  - (ii) provide to Crescent the changes required to ensure that the Coventry Circular Information in the form and context in which it appears in the Circular does not contain a Misrepresentation; and
- (c) provide to Crescent all such further or new information of which Coventry becomes aware until the Implementation Date that is required to ensure that the Coventry Circular Information in the form and context in which it appears in the Circular does not contain a Misrepresentation.

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## 6. CONDUCT OF BUSINESS AND ACCESS

### 6.1 Conduct of business

- (a) From the date of this deed to the Implementation Date, Coventry must:
  - (i) not do anything that would constitute a Coventry Regulated Event; and
  - (ii) use its best endeavours to procure that the Coventry Group conducts its businesses in the ordinary course except in relation to any matter required to be done or procured by Coventry pursuant to, or which is otherwise permitted by, this deed or the Scheme or the undertaking of which Crescent has approved in writing, such approval not to be unreasonably withheld or delayed.
- (b) From the date of this deed to the Implementation Date, Crescent must:
  - (i) not do anything that would constitute a Crescent Regulated Event; and
  - (ii) use its best endeavours to procure that the Crescent Group conducts its businesses in the ordinary course except in relation to any matter required to be done or procured by Crescent pursuant to, or which is otherwise permitted by, this deed or the Scheme or the undertaking of which Coventry has approved in

writing, such approval not to be unreasonably withheld or delayed.

## **6.2 Funding arrangements**

The parties acknowledge and agree that Coventry may require funds prior to the Implementation Date, and may either undertake a placement up to A\$1,300,000 (with each share having a purchase price of at least A\$0.055) or enter into a loan facility with Crescent on terms to be agreed and otherwise on terms to be commercially acceptable to the parties.

## **6.3 Requests for access**

- (a) From the date of this deed to the Implementation Date, Coventry will in good faith, on request from Crescent, provide to Crescent reasonable access at reasonable times to:
- (i) members of the Coventry Board or senior management and to such other personnel as are requested by Crescent (acting reasonably);
  - (ii) records and premises of the Coventry Group, unless the provision of any such access is prohibited by law; and
  - (iii) other Coventry business sites and locations, unless the provision of such access is prohibited by law.
- (b) From the date of this deed to the Implementation Date, Crescent will in good faith, on request from Coventry, provide to Coventry reasonable access at reasonable times, to:
- (i) members of the Crescent Board or senior management and to such other personnel as are requested by Coventry (acting reasonably);
  - (ii) records and premises of the Crescent Group, unless the provision of any such access is prohibited by law; and
  - (iii) other Crescent business sites and locations, unless the provision of such access is prohibited by law.

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## **7. MANAGEMENT OF EMPLOYEES FOLLOWING MERGER**

### **7.1 Best endeavours to provide continued employment**

The parties acknowledge that, where practicable, following the Effective Date, the Merged Group shall, on a best endeavours basis, seek to provide continued employment for all existing Crescent and Coventry employees and engaged consultants within the Merged Group.

### **7.2 Limitations**

For the avoidance of doubt, nothing in clause 7.1:

- (a) creates an obligation on the Merged Group to make offers to any existing Crescent or Coventry employee where the Crescent Board, following the Effective Date, determines in good faith that it is not

practicable, based on the requirements of the Merged Group, to offer that employee a continued role within the Merged Group; or

- (b) prevents either Crescent or Coventry from terminating the employment of any existing employee prior to the Effective Date.

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## **8. CRESCENT CORPORATE MATTERS**

### **8.1 Crescent Board composition**

Subject to receipt of applicable regulatory and shareholder approvals, Crescent will do all things necessary to procure that, on and from the Effective Date:

- (a) the Crescent Board is composed as follows:
  - (i) two (2) nominees of Crescent; and
  - (ii) four (4) nominees of Coventry,acceptable to the other party, acting reasonably, and to the TSX-V and ASX; and
- (b) the non-executive Chairman of the Crescent Board will be one of the directors nominated by Crescent.

### **8.2 Management**

- (a) As of the Effective Date, management of Crescent will include:
  - (i) Mike Naylor as Chief Executive Officer;
  - (ii) Don Halliday as VP Investor Relations;
  - (iii) Tony Goddard as Chief Technical Officer;
  - (iv) Nick Walker as Manager of Exploration; and
  - (v) Nick Day as Corporate Secretary,

on such terms as shall be negotiated in good faith and agreed to by Crescent and Coventry and each executive, and approved by the Crescent Board, prior to the despatch of the Explanatory Memorandum but with effect as of the Effective Date.

- (b) The parties agree that the Crescent Board appointed on and from the Effective Date will appoint a Chief Financial Officer.

### **8.3 Offices**

On and from the Effective Date, Crescent will maintain offices in Perth, Western Australia, Vancouver, Canada and Toronto, Canada and the head office will be located in Toronto, Canada.

### **8.4 Change of name**

Subject to receipt of applicable regulatory and shareholder approvals, Crescent will do all things necessary to procure that, on and from the Effective Date, the

name of Crescent is changed to Coventry Resources Inc. or such other name agreed by the parties in writing.

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## **9. ANNOUNCEMENTS**

### **9.1 Announcement**

Immediately after the execution of this deed, Coventry must issue the Announcement to the ASX, and Crescent must issue a news release (in each case in a form agreed between the parties) (the "Crescent Announcement") and file a material change report in compliance with applicable Canadian Securities Laws.

### **9.2 Other public announcements**

- (a) Subject to clause 9.2(b), each party must consult with the other prior to making any other public announcement in connection with the Scheme or the Option Scheme.
- (b) Where a party is required by law, the ASX Listing Rules or the rules and policies of the TSX-V to make any announcement or make any disclosure relating to a matter the subject of the Scheme, it must, to the extent practicable, consult with the other party as to the content of that announcement or disclosure, unless acting reasonably a party considers that an immediate announcement is required to be made.

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## **10. RECOMMENDATION AND INTENTIONS IN RELATION TO THE SCHEME**

### **10.1 Coventry Board recommendation**

The Coventry Board must, in the Announcement and in the Explanatory Memorandum, unanimously recommend that Coventry Shareholders vote in favour of the Scheme, and Coventry Optionholders vote in favour of the Option Scheme, in both cases in the absence of a Superior Proposal for Coventry, subject only to the Independent Expert concluding that the Scheme is in the best interests of Coventry Shareholders.

### **10.2 Coventry Director intentions**

Coventry must procure that each Coventry Director declares in the Announcement and in the Explanatory Memorandum his or her intention, in the absence of a Superior Proposal for Coventry and subject to the Independent Expert concluding that the Scheme is in the best interests of Coventry Shareholders, to vote in favour of the Scheme any Coventry Shares (and to vote in favour of the Option Scheme any Coventry Options) in which they have a Relevant Interest and in respect of which they have power to vote.

### **10.3 Change of recommendation or intentions**

The Coventry Board may change or withdraw its recommendation and any Coventry Director may announce his or her intention to vote against the Scheme or the Option Scheme or to abstain from voting on the Scheme or Option Scheme any Coventry Shares (or Coventry Options) in which they have a Relevant Interest and in respect of which they have power to vote, if:

- (a) the Independent Expert fails to conclude that the Scheme is in the best interests of Coventry Shareholders (or having given a report that, in the opinion of the Independent Expert, the Scheme is in the best interests of

Coventry Shareholders, gives a report changing that opinion for any reason to conclude that the Scheme is not in the best interests of Coventry Shareholders); or

- (b) the Coventry Board determines, in the manner set out in clause 12.5(a), that a Coventry Competing Proposal constitutes a Superior Proposal for Coventry than the Scheme.

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## **11. RECOMMENDATION AND INTENTIONS IN RELATION TO THE CRESCENT SHAREHOLDER RESOLUTIONS**

### **11.1 Crescent Board recommendation**

The Crescent Announcement and the Circular must indicate that the Crescent Board has unanimously recommended that Crescent Shareholders vote in favour of the Crescent Shareholder Resolutions in the absence of a Superior Proposal for Crescent and that all Crescent Directors intend to vote any Crescent Shares in respect of which they have the power to direct a vote in favour of the Crescent Shareholder Resolutions.

### **11.2 Change of recommendation or intentions**

The Crescent Board may change or withdraw its recommendation, and any Crescent Director may announce his intention to vote against the Crescent Shareholder Resolutions or to abstain from voting on the Crescent Shareholder Resolutions any Crescent Shares in respect of which they have the power to direct a vote, if the Crescent Board determines, in the manner set out in clause 12.5(b), that a Crescent Competing Proposal constitutes a Superior Proposal for Crescent to the Scheme.

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## **12. EXCLUSIVITY ARRANGEMENTS**

### **12.1 No solicitation**

During the Exclusivity Period, each party must not, and must ensure that its respective Representatives do not, except with the prior written consent of the other party, directly or indirectly solicit or invite any Competing Proposal or expression of interest or offer which may lead to a Competing Proposal, or initiate discussions with any Third Party which may reasonably be expected to lead to a Competing Proposal.

### **12.2 No talk and no due diligence**

During the Exclusivity Period, each party must not, and must ensure that its respective Representatives do not, except with the prior written consent of the other party:

- (a) participate or continue to engage in any discussions or negotiations in relation to a Competing Proposal or which may reasonably be expected to lead to a Competing Proposal; or
- (b) provide any information to a Third Party for the purposes of enabling that person to make an expression of interest, offer or proposal which may reasonably be expected to lead to a Competing Proposal.

### **12.3 No commitments in respect of Competing Proposals**

During the Exclusivity Period, the parties must not, and must ensure that their respective Representatives do not, except with the prior written consent of the other party, enter into any deed, arrangement or understanding in relation to a Competing Proposal requiring Coventry or Crescent (as the case may be) to abandon, or otherwise fail to proceed with, the transactions the subject of this deed unless:

- (a) in respect of a Coventry Competing Proposal, the Coventry Board, acting in good faith and in order to satisfy what the Coventry Board considers to be its fiduciary or statutory duties, having received expert advice as appropriate, determines that the Coventry Competing Proposal is a Superior Proposal; or
- (b) in respect of a Crescent Competing Proposal, the Crescent Board, acting in good faith and in order to satisfy what the Crescent Board considers to be its fiduciary or statutory duties, having received expert advice as appropriate, determines that the Crescent Competing Proposal is a Superior Proposal.

### **12.4 Competing Proposals**

- (a) During the Exclusivity Period, each party must promptly notify the other party:
  - (i) of any approach or attempt to initiate, resume or continue discussions or negotiations with it or any of its Representatives with respect to a Competing Proposal; and
  - (ii) of any request for information relating to it or to its Group or any of their businesses or operations or any request for access to the books or records of it or its Group, other than requests occurring in the ordinary course of business.
- (b) A notification given under clause 12.4(a) must be accompanied by all relevant details of the relevant event, including the identity of the relevant person or persons and the key terms and conditions of any Competing Proposal or proposed Competing Proposal (to the extent known) and must be provided no later than two Business Days from receipt of the approach, request, Competing Proposal or proposed Competing Proposal.

### **12.5 Exceptions**

The restrictions in clauses 12.1, 12.2 12.3 and the obligations in clause 12.4 do not apply to the extent that they restrict a party from taking or refusing to take any action with respect to a bona fide Competing Proposal (which was not encouraged, solicited or invited, facilitated or initiated by that party or its Representatives in contravention of clause 12.1) to the extent that:

- (a) in respect of a Coventry Competing Proposal, the Coventry Board has determined, in good faith and acting reasonably, that:
  - (i) such bona fide Coventry Competing Proposal could reasonably be considered to be a Superior Proposal; and

- (ii) after receiving legal advice, failing to respond to such bona fide Coventry Competing Proposal would constitute a breach of the Coventry Board's fiduciary or statutory obligations;
- (b) in respect of a Crescent Competing Proposal, the Crescent Board has determined, in good faith and acting reasonably, that:
  - (i) such bona fide Crescent Competing Proposal could reasonably be considered to be a Superior Proposal; and
  - (ii) after receiving legal advice, failing to respond to such bona fide Crescent Competing Proposal would constitute a breach of the Crescent Board's fiduciary or statutory obligations.

## 12.6 Provision of information to a Potential Bidder

If, in reliance on clause 12.5, a party (**Proposing Party**) proposes to make available any material, non-public information to a Third Party for the purposes of, or in connection with, the making of an expression of interest, offer or proposal by a Third Party (**Potential Bidder**) which may reasonably be expected to lead to a Competing Proposal for the Proposing Party, the Proposing Party must:

- (a) prior to providing any such information to the Potential Bidder, enter into a confidentiality agreement with the Potential Bidder on customary terms;
- (b) provide a copy of such confidentiality agreement to the other party promptly upon its execution, together with a list of all information provided to the Potential Bidder; and
- (c) at the request of the other party, provide copies of all information so provided and equivalent access to the Proposing Party and its Representatives, records, premises and sites as is afforded the Potential Bidder by the Proposing Party.

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## 13. BREAK FEES

### 13.1 Acknowledgements

- (a) Each party:
  - (i) believes that the Scheme will deliver significant benefits to Crescent, Coventry and their respective shareholders; and
  - (ii) acknowledges that the Break Fee is a genuine and reasonable pre-estimate of the costs and losses which the other party expects to incur in connection with the Scheme (including internal and third party advisory, legal, accounting, due diligence and management costs and expenses and opportunity and other costs and expenses foregone) and it is not a precondition to being paid the Break Fee that the party has actually incurred those costs or losses or that it be able to prove that it has done so.
- (b) Each party acknowledges and agrees that:
  - (i) the Break Fee is reasonable in the context of the Scheme;

- (ii) it has received legal advice on this deed and the operation of this clause 13; and
- (iii) it is appropriate to enter into this deed under the terms of this clause 13 and that it is necessary to secure the significant benefits to it (and its shareholders) resulting from the Scheme.

### **13.2 Payment of Break Fee by Coventry**

(a) Subject to clause 13.2(d), Coventry agrees to pay Crescent the Break Fee:

- (i) if:
  - (A) Coventry is in material breach of its obligations under this deed (including a material breach of a representation, warranty or undertaking set out in Schedule 4 or any breach of clause 5.2), and such breach has been notified in accordance with clause 16.1(b)(i) and not remedied within the 5 Business Day period referred to therein; or
  - (B) a Coventry Regulated Event occurs between the date of this deed and 8:00am WST on the Second Court Date and such event has been notified in accordance with clause 16.1(b)(i) and not remedied within the 5 Business Day period referred to therein; or
  - (C) subject to clause 13.2(b), at any time before the end of the Scheme Meeting, any of the Coventry Directors makes a public statement changing or withdrawing their support or recommendation of the Scheme; or
  - (D) at any time before the end of the Scheme Meeting, a majority of the Coventry Directors recommend a Competing Proposal for Coventry;
  - (E) the holders of Coventry Shares fail to pass, by the requisite majorities, the resolution to approve the Scheme at the Scheme Meeting; or
  - (F) the Independent Expert fails to conclude that the Scheme is in the best interests of Coventry Shareholders (or having given a report that, in the opinion of the Independent Expert, the Scheme is in the best interests of Coventry Shareholders, gives a report changing that opinion for any reason to conclude that the Scheme is not in the best interests of Coventry Shareholders),

and this deed is terminated in accordance with its terms prior to the Implementation Date; or

- (ii) if a Coventry Competing Proposal is announced, made, or becomes open for acceptance before the Scheme Meeting or the termination of this deed (whichever occurs first) and, whether before or after the termination of this deed but in any event before the first anniversary of the date of this deed, any bidder for Coventry:

- (A) acquires a Relevant Interest in more than 50% of all Coventry Shares and the third party's proposal for Coventry is (or becomes) free from any defeating conditions;
  - (B) acquires the whole or a substantial part or a material part of the business or property of Coventry or the Coventry Group;
  - (C) acquires control of Coventry, within the meaning of section 50AA of the Corporations Act; or
  - (D) otherwise acquires or merges with Coventry (including by a reverse takeover bid, reverse scheme of arrangement or dual listed company structure).
- (b) Clause 13.2(a)(i)(C) will not apply where the relevant Coventry Director makes a public statement changing or withdrawing his or her support or recommendation of the Scheme as a consequence of any event referred to in clause 13.3(a).
- (c) Coventry must pay Crescent the amount referred to in clause 13.2(a) forthwith following (and, in any event, within 3 Business Days of) receipt by Coventry from Crescent of a valid demand for payment made after the occurrence of an event referred to in clause 13.2(a).
- (d) No amount is payable by Coventry to Crescent under clause 13.2(a) if:
- (i) this deed is terminated by Coventry under clause 16.2(a) (but only where the circumstances giving rise to the termination would not have entitled Crescent to terminate under clauses 16.1(b)(i) or 16.1(b)(iv)), clause 16.2(b)(i), clause 16.2(b)(ii), clause 16.2(b)(iv) or clause 16.2(b)(v); or
  - (ii) this deed is terminated by Crescent and, at the time of termination, Coventry is entitled to terminate this deed under clause 16.2(a) (but only where the circumstances giving rise to the termination would not have entitled Crescent to terminate under clauses 16.1(b)(i) or 16.1(b)(iv)), clause 16.2(b)(i), clause 16.2(b)(ii), clause 16.2(b)(iv) or clause 16.2(b)(v).

### **13.3 Payment of Break Fee by Crescent**

- (a) Subject to clause 13.3(d), Crescent agrees to pay Coventry the Break Fee:
- (i) if:
    - (A) Crescent is in material breach of its obligations under this deed (including a material breach of a representation, warranty or undertaking set out in Schedule 2 or any breach of clause 5.1), and such breach has been notified in accordance with clause 16.2(b)(i) and not remedied within the 5 Business Day period referred to therein; or
    - (B) a Crescent Regulated Event occurs between the date of this deed and 8:00am WST on the Second Court

Date and such event has been notified in accordance with clause 16.2(b)(i) and not remedied within the 5 Business Day period referred to therein; or

- (C) subject to clause 13.3(b), at any time before the vote on the Crescent Shareholders Resolutions, any of the Crescent Directors make a public statement changing or withdrawing their support or recommendation of the Crescent Shareholder Resolutions to Crescent Shareholders; or
- (D) a majority of the Crescent Directors recommend a Crescent Competing Proposal which would either:
  - (I) be Unavailable to Coventry Shareholders; or
  - (II) conditional on the Scheme not becoming Effective or which requires Crescent to abandon the proposed merger with Coventry; or
- (E) the holders of Crescent Shares fail to pass, by the requisite majorities, the Crescent Shareholder Resolutions,

and this deed is terminated in accordance with its terms prior to the Implementation Date;

- (ii) if a Crescent Competing Proposal is announced, made, or becomes open for acceptance before the Scheme Meeting which, as at the time of the Scheme Meeting, is recommended by a majority of the Crescent Directors and is Unavailable to Coventry Shareholders, and the Coventry Shareholders fail to pass, by the requisite majorities, the resolution to approve the Scheme at the Scheme Meeting; and
- (iii) if a Competing Proposal for Crescent is announced, made, or becomes open for acceptance, before the meeting at which the Crescent Shareholder Resolutions are proposed (or the termination of this deed, whichever occurs first) and whether before or after the termination of this deed but in any event before the first anniversary of the date of this deed, any bidder for Crescent:
  - (A) acquires a Relevant Interest in more than 50% of all Crescent Shares and the third party's proposal for Crescent is (or becomes) free from any defeating conditions;
  - (B) acquires the whole or a substantial part or a material part of the business or property of Crescent or the Crescent Group;
  - (C) acquires control of Crescent, within the meaning of section 50AA of the Corporations Act; or

- (D) otherwise acquires or merges with Crescent (including by a reverse takeover bid, reverse scheme of arrangement or dual listed company structure).
- (b) Clause 13.3(a)(i)C will not apply where the relevant Crescent Director makes a public statement changing or withdrawing their support or recommendation of the Crescent Shareholder Resolutions as a consequence of any event referred to in clause 13.2(a).
  - (c) Crescent must pay Coventry the amount referred to in clause 13.3(a) forthwith following (and, in any event, within 3 Business Days of) receipt by Crescent from Coventry of a valid demand for payment made after the occurrence of an event referred to in clause 13.3(a).
  - (d) No amount is payable by Crescent to Coventry under clause 13.3(a) if:
    - (i) this deed is terminated by Crescent under clause 16.1(a) (but only where the circumstances giving rise to the termination would not have entitled Coventry to terminate under clauses 16.2(b)(i) or 16.2(b)(iv)), clause 16.1(b)(i), clause 16.1(b)(ii), clause 16.1(b)(iv) or clause 16.1(b)(v); or
    - (ii) this deed is terminated by Coventry and, at the time of termination, Crescent is entitled to terminate this deed under clause 16.1(a) (but only where the circumstances giving rise to the termination would not have entitled Coventry to terminate under clauses 16.2(b)(i) or 16.2(b)(iv)), clause 16.1(b)(i), clause 16.1(b)(ii), clause 16.1(b)(iv), or clause 16.1(b)(v).

#### **13.4 Limits on compensation**

For the avoidance of doubt, no amount is payable under clauses 13.2 or 13.3 if the Scheme becomes Effective despite the occurrence of any event referred to in clauses 13.2 or 13.3 (as the case may be).

#### **13.5 Compliance with law**

This clause 13 only imposes obligations on a party or the directors of a party to the extent that to cause the party to undertake or fulfil such obligations would not involve a breach of the duties of the directors of that party, constitute unacceptable circumstances within the meaning of the Corporations Act or be unlawful on any other basis.

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### **14. LIABILITY OF DIRECTORS, OFFICERS AND EMPLOYEES**

#### **14.1 Liability of directors, officers and employees**

To the extent permitted by law, each party (in this clause 14, first party) releases all rights against, and agrees that it will not make any claim against, each past or present director, officer or employee of the other party or their Related Bodies Corporate in relation to:

- (a) anything done or purported to be done for the purpose of this transaction or any information provided to the first party in relation to the transactions contemplated by this deed; or
- (b) any breach of any representations, covenants and warranties of the first party in this deed,

to the extent that such director, officer or employee has acted in good faith and has not engaged in wilful misconduct.

#### **14.2 Directors' and officers' insurance**

Subject to the Scheme becoming Effective, Coventry may by no later than the Implementation Date arrange for the cover provided under the Policy to be amended so as to provide run off cover for a 7 year period from the Implementation Date. The extension of cover will be on terms that such extension cannot be amended to the detriment of the insured or cancelled by any insured or the insurer under the Policy.

#### **14.3 Obligations in relation to directors' and officers' insurance**

From the Implementation Date, Crescent must not:

- (a) vary or cancel the Policy; or
- (b) unless required under the Policy, commit any act or omission that may prejudice any claim by a director or officer of Coventry under the Policy as amended pursuant to clause 14.2 above.

#### **14.4 Enforceability**

Each party acknowledges that the release and agreement given by it under clause 14.1 is for the benefit of each past or present director and employee of the other party and may be enforced by such individuals directly against the first party.

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### **15. REPRESENTATIONS, WARRANTIES AND INDEMNITIES**

#### **15.1 Crescent representations and warranties**

Crescent represents and warrants to Coventry on the terms set out in Schedule 2.

#### **15.2 Crescent indemnity**

- (a) Crescent acknowledges that in entering into this deed Coventry and each Representative of Coventry have relied on the Crescent Warranties.
- (b) Crescent indemnifies Coventry (on its own behalf and separately as trustee for each Representative of Coventry) against any loss suffered or incurred by reason of any breach of any of the Crescent Warranties.

#### **15.3 Coventry representations and warranties**

Coventry represents and warrants to Crescent on the terms set out in Schedule 4.

#### **15.4 Coventry indemnity**

- (a) Coventry acknowledges that in entering into this deed Crescent and each Representative of Crescent have relied on the Coventry Warranties.

- (b) Coventry indemnifies Crescent (on its own behalf and separately as trustee for each Representative of Crescent) against any loss suffered or incurred by reason of any breach of any of the Coventry Warranties.

## **15.5 Notifications**

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 15.

## **15.6 Status of representations and warranties**

Each representation and warranty in this clause 15:

- (a) is severable;
- (b) will survive the termination of this deed (subject to clause 15.6(c));
- (c) will not survive the completion of the Scheme and shall expire and be terminated on the Effective Date; and
- (d) is given with the intent that liability thereunder will not be confined to breaches of a representation or warranty which are discovered prior to the date of termination of this deed.

## **15.7 Status and enforcement of indemnities**

- (a) Each indemnity in this deed:
  - (i) is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiration of this deed; and
  - (ii) is given to the party to which it is expressed to be given, and as trustee for each Representative of that party, and a reference to a loss in an indemnity given to a party includes a loss suffered or incurred by a Representative of that party.
- (b) It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by this deed.

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## **16. TERMINATION**

### **16.1 Termination by Crescent**

Crescent may terminate this deed:

- (a) at any time before 8:00am WST on the Second Court Date by notice in writing to Coventry in accordance with clause 3.7; or
- (b) at any time before 8:00am WST on the Second Court Date:
  - (i) if there is a material breach of any of the Coventry Warranties, or a Coventry Regulated Event occurs, or a Material Adverse Change occurs in respect of Coventry, provided that in each case Crescent is only entitled to terminate if it has given notice to Coventry setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have

continued to exist 5 Business Days (or any shorter period ending at 5.00pm WST on the day before the Second Court Date) from the time such notice is received by Coventry;

- (ii) if a majority of the Coventry Board publicly change their recommendation in relation to the Scheme or publicly recommends a Superior Proposal, whether in accordance with clause 10.3 or otherwise;
- (iii) if the Crescent Board publicly changes or withdraws its recommendation or publicly recommends to Crescent Shareholders any Superior Proposal pursuant to clause 11.2;
- (iv) if Coventry is in material breach of any of clauses 3, 4.1, 5.2, 6.1(a), 6.3(a) or 12 before that time, provided that Crescent is only entitled to terminate if it has given notice to Coventry setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 5 Business Days (or any shorter period ending at 5.00pm WST on the day before the Second Court Date) from the time such notice is received by Coventry; or
- (v) if Coventry is in material breach of clause 10.1 or clause 10.2.

## **16.2 Termination by Coventry**

Coventry may terminate this deed:

- (a) at any time before 8:00am WST on the Second Court Date by notice in writing to Crescent in accordance with clause 3.7; or
- (b) at any time before 8:00am WST on the Second Court Date:
  - (i) if there is a material breach of any of the Crescent Warranties, or a Crescent Regulated Event occurs, or a Material Adverse Change occurs in respect of Crescent, provided that in each case Coventry is only entitled to terminate if it has given notice to Crescent setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 5 Business Days (or any shorter period ending at 5.00pm WST on the day before the Second Court Date) from the time such notice is received by Crescent;
  - (ii) if a majority of the Crescent Board publicly change their recommendation in relation to the Crescent Shareholder Resolutions or publicly recommends a Superior Proposal, whether in accordance with clause 11.2 or otherwise;
  - (iii) if the Coventry Board publicly changes or withdraws its recommendation or publicly recommends to Coventry Shareholders any Superior Proposal pursuant to clause 10.3;
  - (iv) if Crescent is in material breach of clauses 3, 4.2, 5.1, 6.1(b), 6.3(b) or 12 before that time, provided that Coventry is only entitled to terminate if it has given notice to Crescent setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 5 Business Days (or any shorter period ending at 5.00pm

WST on the day before the Second Court Date) from the time such notice is received by Crescent; or

- (v) if Crescent is in material breach of clause 11.1.

### **16.3 Effect of termination**

In the event of termination of this deed by either Coventry or Crescent pursuant to this clause 16, this deed will become void and have no effect, other than:

- (a) this clause 16 and clauses 1, 13, 14, 15, 17, 19, 21 and 22 which shall survive termination; and
- (b) in respect of any liability for an antecedent breach of this deed.

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## **17. CONFIDENTIALITY**

### **17.1 Confidentiality Agreement**

The parties acknowledge and agree that they have entered into the Confidentiality Agreement and it continues to apply despite the entry into this deed by the parties.

### **17.2 Insider trading**

The parties acknowledge that section 1043A of the Corporations Act, and Section 57.2 of the *Securities Act* (British Columbia) impose prohibitions on "insider trading" and agree to observe and comply with those prohibitions.

### **17.3 Survival of termination**

This clause 17 will survive termination of this deed.

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## **18. COSTS AND STAMP DUTY**

### **18.1 Costs**

Except as otherwise provided in this deed, each party must pay its own costs and expenses in connection with negotiating, preparing, executing and performing this deed.

### **18.2 Stamp duty**

Crescent and Coventry agree that Crescent:

- (a) must pay all stamp duty and any related fines and penalties in respect of this deed, the performance of this deed and each transaction effected by or made under this deed;
- (b) must indemnify Coventry against any liability arising from failure to comply with clause 18.2(a); and
- (c) is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause 18.2.

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## 19. GST

### 19.1 Interpretation

- (a) Except where the context suggests otherwise, and subject to clause 19.1(b), terms used in this clause 19 have the meaning given to those terms by *A New Tax System (Goods and Services Tax) Act 1999* (as amended from time to time).
- (b) "Input tax credit" has the meaning given by *A New Tax System (Goods and Services Tax) Act 1999* and a reference to an input tax credit entitlement of an entity includes an input tax credit for an acquisition made by that entity but to which another member of the same GST group is entitled.
- (c) Any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this clause 19.
- (d) Any consideration that is specified to be inclusive of GST must not be taken into account in calculating the GST payable in relation to a supply for the purposes of this clause 19.

### 19.2 Reimbursements and similar payments

Any payment or reimbursement required to be made under this deed is calculated by reference to a cost, expense, or other amount paid or incurred and will be limited to the total cost, expense or amount less the amount of any input tax credit to which an entity is entitled for the acquisition to which the cost, expense or amount relates.

### 19.3 GST Payable

- (a) If GST is payable in relation to a taxable supply made under or in connection with the deed then any party (**Recipient**) that is required to provide consideration to another party (**Supplier**) for that supply must, subject to clause 19.3(b), pay an additional amount to the Supplier equal to the amount of that GST at the same times as other consideration is to be provided for that supply.
- (b) No payment of any amount pursuant to clause 19.3(a) is required until the Supplier has provided a valid tax invoice to the Recipient.
- (c) Where additional amounts are payable between parties to this deed pursuant to clause 19.3(a), amounts so payable, to the extent they are equivalent in amount, shall be set off against each other as if paid and each party shall be obliged only to provide the tax invoice referred to in clause 19.3(b) no later than the time at which any consideration is to be first provided for that supply.
- (d) If the GST payable in relation to a supply made under or in connection with this deed varies from the additional amount paid by the Recipient under clause 19.3(a) then the Supplier must promptly issue an adjustment note to the Recipient and will provide a corresponding refund or credit to, or will be entitled to receive the amount of that variation from, the Recipient. Any payment, credit or refund under this paragraph is deemed to be a payment, credit or refund of the additional amount payable under clause 19.3(a).

## 19.4 No Merger

This clause shall not merge on completion of this deed.

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## 20. NOTICES

### 20.1 How notice to be given

Each communication (including each notice, consent, approval, request and demand) under or in connection with this deed:

- (a) must be in writing;
- (b) must be addressed as follows (or as otherwise notified by that party to each other party from time to time):

- (i) if to Coventry:

Address: 15 Toronto Street, Suite 600  
Toronto, ON, M5C 2E3  
Canada

Fax number: + 1 416 364 3611

Email: mnaylor@coventryres.com

For the attention of: Mike Naylor with a copy to:

Address: Steinepreis Paganin  
Level 4  
16 Milligan Street  
Perth, WA 6000

Fax: + 61 (8) 9321 4333

Email: thicks@steinpag.com.au

For the attention of: Jonathan Murray/Toby Hicks

- (ii) if to Crescent:

Address: Suite 1490 - 1075 West Georgia Street  
Vancouver, British Columbia, V6E 3C9

Fax number: (604) 688-9458

Email: don@crescentresourcescorp.com

For the attention of: Don Halliday with a copy to:

Address: Unit 1 – 15782 Marine Drive  
White Rock, British Columbia, V4B 1E6

Fax: (604) 536-2788

Email: Doris@goldenoakcorporate.com

For the attention of: Doris Meyer

- (c) must be signed by the party making it or (on that party's behalf) by the solicitor for, or any attorney, director, secretary or authorised agent of, that party; and
- (d) must be delivered by hand or sent by fax or email to the address, number or email address, as applicable, of the addressee, in accordance with clause 20.1(b).

## **20.2 When notice taken to be received**

Any notice given pursuant to clause 20.1 will be conclusively deemed to have been received:

- (a) (in the case of fax) at the time in the place to which it is sent equivalent to the time shown on the transmission confirmation report produced by the fax machine from which it was sent;
- (b) (in the case of email) at the time in the place to which it is sent equivalent to the time shown on a copy of the sent email produced by the party who sent the email; and
- (c) (in the case of delivery by hand) on delivery,

but if the communication is taken to be received on a day that is not a working day or after 5.00pm WST, it is taken to be received at 9.00am on the next working day

## **20.3 Working Day**

For the purpose of this clause 20, a **working day** meaning a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally, in the place to which the communication is posted, sent or delivered).

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## **21. GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by and construed in accordance with the law from time to time in the State of Western Australia and the parties agree to submit to the non-exclusive jurisdiction of the courts of Western Australia and the courts which hear appeals therefrom and each waive any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that forum is within the State of Western Australia or any other jurisdiction that can hear appeals therefrom.

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## **22. GENERAL**

### **22.1 Amendments**

This deed may only be varied by a document signed by or on behalf of each party.

### **22.2 Waiver**

- (a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this deed by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise

or enforcement, of that or any other right, power or remedy provided by law or under this deed.

- (b) A waiver or consent given by a party under this deed is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of a term of this deed operates as a waiver of another breach of that term or of a breach of any other term of this deed.

### **22.3 Further acts and documents**

Each party must promptly do all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to give effect to this deed.

### **22.4 Consents**

A consent required under this deed from a party may not be unreasonably withheld, unless this deed expressly provides otherwise.

### **22.5 Counterparts**

This deed may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes an original of this deed, and all together constitute one deed.

### **22.6 Entire agreement**

This deed embodies the entire understanding of Coventry and Crescent and constitutes the entire terms agreed by Coventry and Crescent in relation to the subject matter of this deed and together supersede any prior written or other agreement between Coventry and Crescent in relation to that subject matter, save as acknowledged in this deed.

### **22.7 No assignment**

A party cannot assign, novate or otherwise transfer any of its rights or obligations under this deed without the prior consent of each other party.

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**SCHEDULE 1 - TIMETABLE**

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<b>Event</b>	<b>Date</b>
Date of this deed and announcement	Friday, 7 September 2012
First Court Date	Tuesday, 16 October 2012
Meeting of Crescent Shareholders to consider Crescent Shareholder Resolutions	Friday, 23 November 2012
Scheme Meeting and Option Scheme Meeting	Friday, 23 November 2012
Second Court Date	Wednesday, 28 November 2012

*\*These dates are indicative only and subject to change.*

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## SCHEDULE 2 - CRESCENT REPRESENTATIONS AND WARRANTIES

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1. Crescent represents and warrants to Coventry except to the extent:
  - (a) filed on SEDAR prior to the date of this deed; or
  - (b) fairly disclosed in writing to Coventry prior to the date of this deed; or
  - (c) disclosed in Crescent's Disclosure Letter,the matters outlined in clause 2 below.
  
2. Subject to clause 1 above, Crescent represents and warrants:
  - (a) **(Corporate capacity and litigation)** on each date from the date of this deed and until (and including) the Second Court Date that:
    - (i) it is a validly existing corporation registered under the laws of its place of incorporation and has all requisite power and authority to carry on its business as it is currently and is proposed to be carried on and to own, lease and operate its properties and assets;
    - (ii) the execution and delivery of this deed by Crescent has been properly authorised by all necessary corporate action and Crescent has full corporate power and lawful authority to execute and deliver this deed and to perform or cause to be performed its obligations under this deed;
    - (iii) this deed constitutes legal, valid and binding obligations on it and this deed does not conflict with or result in a breach of or a default under:
      - (A) the articles and notice of articles of Crescent or any of its Related Bodies Corporate;
      - (B) any writ, order or injunction, judgment, law, rule or regulation to which Crescent or any of its Related Bodies Corporate is party or bound by; or
      - (C) any material contract to which Crescent or any of its Related Bodies Corporate is party that would entitle the counter-party or counter-parties thereto to terminate the contract;
    - (iv) neither Crescent nor any of its Related Bodies Corporate are engaged in any material litigation or arbitration proceedings relating to their businesses and there are no facts likely to give rise to any such proceedings; and
    - (v) it is aware that Coventry and its Representatives will rely on the Crescent EM Information for the purposes of preparing the Explanatory Memorandum and proposing the Scheme in accordance with the requirements of the Corporations Act;
  - (b) **(Disclosure)** on each date from the date of this deed and until (and including) the Second Court Date that:

- (vi) all information contained in the Crescent Disclosure Materials, other than information consisting of any forecast, budget, estimate, projection, statement of opinion or statement of intention, is materially accurate and not misleading or deceptive and does not contain any material omission;
  - (vii) each forecast, budget, estimate, projection, statement of opinion or statement of intention contained in the Crescent Disclosure Materials has been prepared in good faith and with due skill and care and on the basis of reasonable assumptions and (where relevant) in compliance with applicable law);
  - (viii) there is no litigation, mediation or arbitration proceedings (including in relation to native title claims) current or pending or, to the best of the knowledge, information and belief of Crescent, threatened, which is likely to materially affect the ownership of, or value of the assets of Crescent; and
  - (ix) Crescent has not intentionally withheld from Coventry any information in relation to Crescent and its assets which Crescent knows is or will be material to the value of Crescent;
- (c) **(Securities)** as at the date of this deed there are:
- (i) 29,091,872 Crescent Shares on issue;
  - (ii) 1,345,000 Crescent Options on issue;
  - (iii) 5,314,380 common share purchase warrants of Crescent on issue,
- and Crescent has not issued (and is not required to issue, other than 2,600,000 Crescent Shares in accordance with an option agreement among Crescent, Crescent Resources USA Inc., Millrock Resources Inc. and Millrock Alaska LLC dated December 15, 2010, as amended December 22, 2011) any other securities or instruments which may convert or be converted into Crescent securities, other than as a result of the exercise of any existing Crescent Options, and Crescent (and the Crescent Board) will not, as a result of the Scheme or any other transaction contemplated by this deed, permit or allow (to the extent to which they are able) any acceleration or early vesting of any of the securities referred to above;
- (d) **(Approvals)** no consent, authorisation or approval is required to be obtained by Crescent or its Subsidiaries in connection with the transactions contemplated under this deed from any Regulatory Authority or any other person under any laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations, policies, guidelines, notices, judgments, orders, writs, injunctions, decisions, awards or directives, under the articles or notice of articles of Crescent or its Subsidiaries, or pursuant to the terms of any agreement to which Crescent or its Subsidiaries is a party, other than any approval or consent contemplated by a Condition;
- (e) **(Crescent EM Information)** on the First Court Date and on each date from the date of the First Court Date until the Second Court Date:

- (iv) the Crescent EM Information will be prepared and included in the Explanatory Memorandum in good faith and on the understanding that Coventry, its directors and its officers will rely on that information for the purposes of considering and approving the Explanatory Memorandum;
  - (v) the Crescent EM Information will not contain a statement which is misleading or deceptive in any material respect and does not contain any material omission (other than a statement or omission which has been rectified by Crescent to the court's satisfaction by the Second Court Date); and
  - (vi) to the best of Crescent's knowledge and belief, the Crescent EM Information will comply in all material respects with relevant laws (including the Corporations Act, ASX Listing Rules and relevant Policy Statements);
- (f) **(Information to Independent Expert)** on the First Court Date and on each date from the date of the First Court Date until the Second Court Date, all information provided by or on behalf of Crescent to the Independent Expert or the investigating accountant to enable their respective reports to be included in the Explanatory Memorandum to be prepared and completed will be provided in good faith and on the understanding that they will rely upon that information for the purpose of preparing their respective reports for inclusion in the Explanatory Memorandum;
- (g) **(Financial statements)** Crescent's consolidated financial statements for the financial year ended 31 December 2011 present fairly, in all material respects, the financial position of Crescent as of 31 December 2011 and the results of its operations, its cash flows and changes in shareholders' equity and comprehensive loss for the years then ended in accordance with Canadian generally accepted accounting principles;
- (h) **(Continuous disclosure)** on the date of this deed, the First Court Date, the Scheme Meeting and the Second Court Date, following the making of the Announcement Crescent has complied in all respects with its continuous disclosure obligations under Canadian Securities Laws, and has not filed any confidential material change reports with any Canadian securities regulator (other than the fact of this deed, and the negotiations preceding it);
- (i) **(Solvency)** on each date from the execution of this deed until the Implementation Date, that Crescent will be solvent;
- (j) **(Consideration)** on the Implementation Date or as soon as reasonably practicable thereafter, that Crescent will be able to provide the Consideration, subject to receipt of applicable TSX-V and shareholder approvals;
- (k) **(No Crescent Regulated Event)** between the date of this deed and the Second Court Date, that a Crescent Regulated Event will not occur except in accordance with this deed;
- (l) **(Crescent Shares)** the Crescent Shares to be issued as the Scheme Consideration (including any issued to the Depositary in connection with a corresponding issue of Crescent CDIs) will be duly authorised and validly issued, fully paid, free of all security interests and third party rights and will rank equally with all other Crescent Shares then outstanding;

- (m) **(Other)** on each date from the First Court Date until the Implementation Date, that Crescent has complied with its obligations under clause 4.2(e);
- (n) **(No interest in Coventry securities)** as at the date of this deed, Crescent's voting power (as that term is defined in the Corporations Act) in Coventry is nil and no member of the Crescent Group has a Relevant Interest in any securities of Coventry or any other economic interest in any such securities (including any interest arising under a derivative or swap arrangement);
- (o) **(Property and Assets)** except as referred to in the Disclosure Materials, (i) each of Crescent and its Subsidiaries is the beneficial owner of its properties, business and assets or the interests in such properties, business or assets, free and clear of any security interests, liens, charges, mortgages, pledges, encumbrances, adverse claims, rights or interests of others and demands of any nature or kind whatsoever recorded or unrecorded (ii) all agreements by which Crescent or any of its Subsidiaries holds an interest in a property, business or assets are in good standing in all material respects according to their terms and (iii) the properties of Crescent and its Subsidiaries are in good standing in all material respects under the applicable laws of the jurisdictions in which they are situated;
- (p) **(Environmental Laws)** except to the extent that any violation or other matter referred to in this subparagraph does not have a material adverse effect on the business, financial condition, assets, properties, liabilities or operations of Crescent or any of its Subsidiaries:
  - (i) neither Crescent nor any of its Subsidiaries is in violation of, and has operated its business at all times in material compliance with, all applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances having force of law on the relevant date with respect to environmental, health or safety matters in those jurisdictions wherein Crescent and its Subsidiaries conduct business (collectively, **Environmental Laws**);
  - (ii) no orders, directions or notices have been issued and none remain outstanding pursuant to any Environmental Laws relating to the business or assets of Crescent or any of its Subsidiaries;
  - (iii) neither Crescent nor any of its Subsidiaries has failed to report to the proper federal, provincial or municipal, government, department, commission, board, bureau, agency, domestic or foreign (**Government Authority**) the occurrence of any event which is required to be so reported by any Environmental Law;
  - (iv) each of Crescent and its Subsidiaries holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets and all such licenses, permits and approvals are in full force and effect except for (A) notifications and conditions of general application to assets of the type owned by it, and (B) notifications relating to reclamation obligations under applicable law; and

- (v) neither Crescent nor any of its Subsidiaries has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws or any licence, permit or approval issued pursuant thereto, or that any licence, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;
- (q) **(United States Registration)** no class of securities of Crescent or any of its subsidiaries is registered or required to be registered under Section 12 of the United States Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), nor does Crescent or any of its subsidiaries have a reporting obligation under Section 15(d) of the U.S. Exchange Act;
- (r) **(Investment Company Act)** Crescent is not registered or required to be registered as an "investment company" pursuant to the provisions of the United States Investment Company Act of 1940, as amended; and
- (s) **(PFIC)** Crescent is, in respect of its most recently completed fiscal year, a PFIC within the meaning of such term in the United States Internal Revenue Code of 1986, as amended, and based on its current business plans and expectations Crescent expects to be a PFIC in respect of its current or any subsequent fiscal year.

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### **SCHEDULE 3 - CRESCENT REGULATED EVENTS**

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The following are considered Crescent Regulated Events:

- (a) other than as contemplated by this deed, Crescent or any of its Subsidiaries converts all or any of its securities into a larger or smaller number of securities;
- (b) Crescent or any of its Subsidiaries resolves to reduce its share capital in any way;
- (c) Crescent or any of its Subsidiaries entering into an agreement to purchase any of its own securities or securities of any other member of the Crescent Group, or resolving to enter into any such agreement;
- (d) other than as contemplated by this deed, Crescent or any of its Subsidiaries issues securities, or grants an option over or to subscribe for its securities, or agrees to make such an issue or grant such an option, other than:
  - (vi) to a wholly-owned Subsidiary of Crescent;
  - (vii) as a result of the exercise of Crescent Options or warrants outstanding at the date of this deed; or
  - (viii) 2,600,000 Crescent Shares in accordance with an option agreement among Crescent, Crescent Resources USA Inc., Millrock Resources Inc. and Millrock Alaska LLC dated December 15, 2010, as amended December 22, 2011;
- (e) Crescent or any of its Subsidiaries issues, or agrees to issue, convertible notes or any other security convertible into shares, other than to a wholly-owned Subsidiary of Crescent or pursuant to the private placement financing of Crescent contemplated by clause 3.1(h);
- (f) Crescent or any of its Subsidiaries agrees to pay, declares or pays a dividend or any other form of distribution of profit or capital, other than the declaration and payment by any Subsidiary of Crescent of a dividend where the recipient of that dividend is Crescent or a wholly-owned Subsidiary of Crescent;
- (g) other than as contemplated by this deed, Crescent makes any change to its articles or notice of articles;
- (h) Crescent or any of its Subsidiaries acquires or agrees to acquire any assets, properties or businesses, or incurs, agrees to incur or enters into a commitment or a series of commitments involving capital expenditure by the Crescent Group, whether in one or more transactions, where the amounts or value involved in such transaction, transactions, commitments or series of commitments exceeds C\$1,000,000 in aggregate;
- (b) Crescent or any of its Subsidiaries disposes of, or agrees to dispose of, any assets, properties or businesses, whether in one transaction or a number of such transactions, where the amount or value involved in such transaction or transactions exceeds C\$1,000,000 in aggregate;
- (i) Crescent or any of its Subsidiaries creates, or agrees to create, any mortgage, charge, lien or other encumbrance over its business or any part of its property other than in the ordinary course of its business;

- (j) Crescent or any of its Subsidiaries incurs any financial indebtedness or issues any debt securities, other than in the ordinary course of business or pursuant to advances under its credit facilities in existence as at the date of this deed where the funds drawn pursuant to those advances are used in the ordinary course of business or in connection with a purpose that is contemplated and permitted in paragraph (h) of this definition;
- (k) other than as contemplated by this deed, Crescent or any of its Subsidiaries makes any loans, advances or capital contributions to, or investments in, any other person (other than to or in Crescent or any wholly-owned Subsidiary of Crescent in the ordinary course of business), other than in the ordinary course of business;
- (l) Crescent or any of its Subsidiaries resolves that it be wound up or an application or order is made for the winding up or dissolution of Crescent or any of its Subsidiaries other than where the application or order (as the case may be) is set aside within 14 days;
- (m) Crescent or any of its Subsidiaries becoming insolvent, committing an act of bankruptcy, proposing a compromise or arrangement to its creditors generally, having any petition for a receiving order in bankruptcy filed against it, taking any proceeding to have itself declared bankrupt or wound-up, taking any proceeding to have a receiver appointed of any part of its assets, having any encumbrance take possession of any of its property, or having any execution or distress become enforceable or become levied upon any of its property;
- (n) a liquidator or provisional liquidator of Crescent or any of its Subsidiaries is appointed;
- (o) a court makes an order for the winding up of Crescent or any of its Subsidiaries;
- (p) Crescent or any of its Subsidiaries ceases, or threatens to cease, to carry on business;
- (q) except as contemplated by this deed, a consolidation, merger or amalgamation of Crescent or any of its Subsidiaries with or into any other corporation or entity or an arrangement with any other corporation or entity;
- (r) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Crescent or any of its Subsidiaries;
- (s) Crescent or any of its Subsidiaries is deregistered as a company or otherwise dissolved;
- (t) Crescent or any of its Subsidiaries is or becomes unable to pay its debts when they fall due;
- (u) Crescent or any of its Subsidiaries entering into any arrangement, commitment or agreement with a related party (as defined in section 228 of the Corporations Act), other than in the ordinary course of business;
- (v) Crescent or any of its Subsidiaries makes or amends any tax election, changes any method of tax accounting, settles or compromises any tax liability, files any material amended tax return, enters into a closing agreement, surrenders any right to claim a material tax refund or consents to the extension or waiver of the limitation period applicable to any material tax claim or assessment, other than in the ordinary course of business;

- (w) Crescent or any of its Subsidiaries pays, discharges, settles, satisfies, compromises, waives, assigns or releases any claims, liabilities or obligations other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in Crescent's financial statements or incurred in the ordinary course of business consistent with past practice;
- (x) Crescent or any of its Subsidiaries authorises, recommends or proposes any release or relinquishment of any contractual right, except in the ordinary course of business consistent with past practice; or
- (y) Crescent or any of its Subsidiaries enters into or renews any agreement, contract, lease, licence or other binding obligation containing:
  - (i) any limitation or restriction on the ability of Crescent or any of its Subsidiaries to engage in any type of activity or business;
  - (ii) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of Crescent is or would be conducted; or
  - (iii) any limit or restriction on the ability of Crescent or any of its Subsidiaries to solicit customers or employees,

or that would reasonably be expected to materially delay or prevent the completion of the transactions contemplated by this deed, other than in the ordinary course of business.

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## SCHEDULE 4 - COVENTRY REPRESENTATIONS AND WARRANTIES

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1. Coventry represents and warrants to Crescent except to the extent:
  - (a) announced to ASX prior to the date of this deed; or
  - (b) fairly disclosed in writing to Crescent prior to the date of this deed; or
  - (c) disclosed in Coventry's Disclosure Letter,the matters outlined in clause 2 below.
2. Subject to clause 1 above, Coventry represents and warrants:
  - (a) **(Corporate capacity and litigation)** on each date from the date of this deed and until (and including) the Second Court Date that:
    - (i) Coventry and each of its Subsidiaries is a validly existing corporation registered under the laws of its place of incorporation and has all requisite power and authority to carry on its business as it is currently and is proposed to be carried on and to own, lease and operate its properties and assets;
    - (ii) the execution and delivery of this deed by Coventry has been properly authorised by all necessary corporate action and Coventry has full corporate power and lawful authority to execute and deliver this deed and to perform or cause to be performed its obligations under this deed;
    - (iii) this deed constitutes legal, valid and binding obligations on Coventry and this deed does not conflict with or result in a breach of or default under:
      - (A) the constitution of Coventry or any of its Related Bodies Corporate;
      - (B) any writ, order or injunction, judgment, law, rule or regulation to which Coventry or any of its Related Bodies Corporate is party or bound by; or
      - (C) any material contract to which Coventry or any of its Related Bodies Corporate is party that would entitle the counter-party or counter-parties thereto to terminate the contract;
    - (iv) neither Coventry nor any of its Subsidiaries are engaged in any material litigation or arbitration proceedings relating to their businesses and there are no facts likely to give rise to any such proceedings;
    - (v) it is aware that Crescent and its Representatives will rely on the Coventry Circular Information for the purposes of preparing the Circular and proposing the Crescent Shareholder Resolutions;
  - (b) **(Disclosure)** on each date from the date of this deed and until (and including) the Second Court Date that:

- (i) all information contained in the Coventry Disclosure Materials, other than information consisting of any forecast, budget, estimate, projection, statement of opinion or statement of intention, is materially accurate and not misleading or deceptive and does not contain any material omission;
  - (ii) each forecast, budget, estimate, projection, statement of opinion or statement of intention contained in the Coventry Disclosure Materials has been prepared in good faith and with due skill and care and on the basis of reasonable assumptions and (where relevant) in compliance with applicable law;
  - (iii) there is no litigation, mediation or arbitration proceedings (including in relation to native title claims) current or pending or, to the best of the knowledge, information and belief of the Coventry, threatened, which is likely to materially affect the ownership of, or value of the assets of Coventry; and
  - (iv) Coventry has not intentionally withheld from Crescent any information in relation to Coventry and its assets which Coventry knows is or will be material to the value of Coventry;
- (c) **(Securities)** as at the date of this deed there are:

- (i) 216,606,0370 Coventry Shares on issue; and
- (ii) 47,138,752 Coventry Options on issue, and the information in relation to Coventry Options in Schedule 6 is accurate,

and Coventry has not issued and is not required to issue, other than in accordance with any of the Property Option Agreements and the Houston Lake Agreement or in connection with the Coventry placement of shares for gross proceeds up to A\$1,300,000 contemplated by clause 6.2 issued at a price of at least A\$0.055 per share, any other securities or instruments which may convert or be converted into Coventry securities other than as a result of the exercise of any existing Coventry Options, and Coventry (and the Coventry Board) will not, as a result of the Scheme or any other transaction contemplated by this deed, permit or allow (to the extent to which they are able) any acceleration or early vesting of any of the securities referred to above (other than in accordance with the Option Scheme or under the terms of exercise of any of the Property Option Agreements);

- (d) **(Approvals)** no consent, authorisation or approval is required to be obtained by Coventry or its Subsidiaries in connection with the transactions contemplated under this deed from any Regulatory Authority or any other person under any laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations, policies, guidelines, notices, judgments, orders, writs, injunctions, decisions, awards or directives, under the Constitution of Coventry or its Subsidiaries, or pursuant to the terms of any agreement to which Coventry or its Subsidiaries is a party, other than any approval or consent contemplated by a Condition;

- (e) **(Coventry Circular Information):**
- (i) the Coventry Circular Information will be prepared and included in the Circular in good faith and on the understanding that Crescent, its directors and its officers will rely on that information for the purposes of considering and approving the Circular;
  - (ii) the Coventry Circular Information will not contain a statement which is misleading or deceptive in any material respect and will not contain any material omission (other than a statement or omission which has been rectified by Coventry before the despatch of the Circular ); and
  - (iii) to the best of Coventry's knowledge and belief, the Coventry Circular Information will comply in all material respects with relevant laws (including applicable Canadian Securities Laws);
- (f) **(Information to Technical Expert)** all information provided by or on behalf of Coventry to the Technical Expert to enable its report to be included in the Circular will be provided in good faith and on the understanding that they will rely upon that information for the purpose of preparing the Technical Report for inclusion in the Circular;
- (g) **(Financial statements)** Coventry's unaudited financial statements for the financial year ended 30 June 2012 included in the Disclosure Materials present fairly in all material respects the financial position of Coventry as of 30 June 2012, give a true and fair view of Coventry's performance for the relevant periods, and comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001* (Cth);
- (h) **(Continuous disclosure)** on the date of this deed, the First Court Date, the Scheme Meeting and the Second Court Date, following the making of the Announcement Coventry has complied in all respects with its continuous disclosure obligations under ASX Listing Rule 3.1 and Coventry is not withholding any information from Crescent which is being withheld from public disclosure in reliance on ASX Listing Rule 3.1A (other than the fact of this deed, and the negotiations preceding it);
- (i) **(Solvency)** on each date from the execution of this deed until the Implementation Date, that Coventry will be solvent;
- (j) **(No Coventry Regulated Event)** between the date of this deed and the Second Court Date, that an Coventry Regulated Event will not occur except in accordance with this deed;
- (k) **(Other)** on each date from the First Court Date until the Implementation Date, Coventry has complied with its obligations under clauses 4.1(m) and 5.2(c);
- (l) **(No takeover proposal)** neither Coventry nor any of the Coventry Directors is aware of any other takeover or merger proposal except as evidenced by this deed;
- (m) **(No interest in Crescent securities)** as at the date of this deed, Coventry's voting power (as that term is defined in the Corporations Act) in Crescent is nil and no member of the Coventry Group has a Relevant

Interest in any securities of Crescent or any other economic interest in any such securities (including any interest arising under a derivative or swap arrangement);

- (n) **(Property and Assets)** except as referred to in the Disclosure Materials, (i) each of Coventry and its Subsidiaries is the beneficial owner of its properties, business and assets or the interests in such properties, business or assets, free and clear of any security interests, liens, charges, mortgages, pledges, encumbrances, adverse claims, rights or interests of others and demands of any nature or kind whatsoever recorded or unrecorded (ii) all agreements by which Coventry or any of its Subsidiaries holds an interest in a property, business or assets are in good standing in all material respects according to their terms and (iii) the properties of Coventry and its Subsidiaries are in good standing in all material respects under the applicable laws of the jurisdictions in which they are situated;
- (o) **(Environmental Laws)** except to the extent that any violation or other matter referred to in this subparagraph does not have a material adverse effect on the business, financial condition, assets, properties, liabilities or operations of Coventry or any of its Subsidiaries:
  - (i) neither Coventry nor any of its Subsidiaries is in violation of, and has operated its business at all times in material compliance with, all applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances having force of law on the relevant date with respect to environmental, health or safety matters in those jurisdictions wherein Coventry and its Subsidiaries conduct business (collectively, **Environmental Laws**);
  - (ii) no orders, directions or notices have been issued and none remain outstanding pursuant to any Environmental Laws relating to the business or assets of Coventry or any of its Subsidiaries;
  - (iii) neither Coventry nor any of its Subsidiaries has failed to report to the proper federal, provincial or municipal, government, department, commission, board, bureau, agency, domestic or foreign (**Government Authority**) the occurrence of any event which is required to be so reported by any Environmental Law;
  - (iv) each of Coventry and its Subsidiaries holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets and all such licenses, permits and approvals are in full force and effect except for (A) notifications and conditions of general application to assets of the type owned by it, and (B) notifications relating to reclamation obligations under applicable law; and
  - (v) neither Coventry nor any of its Subsidiaries has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws or any licence, permit or approval issued pursuant thereto, or that any licence, permit or approval

referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;

- (p) **(United States Registration)** no class of securities of Coventry or any of its subsidiaries is registered or required to be registered under Section 12 of the United States Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), nor does Coventry or any of its subsidiaries have a reporting obligation under Section 15(d) of the U.S. Exchange Act;
- (q) **(Investment Company Act)** Coventry is not registered or required to be registered as an "investment company" pursuant to the provisions of the United States Investment Company Act of 1940, as amended;
- (r) **(Hart-Scott-Rodino)** Coventry, including all entities "controlled by" Coventry for purposes of the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, does not and prior to completion of the Scheme and Option Scheme will not, hold assets located in the United States with a fair market value in excess of U.S.\$68.2 million in the aggregate. During the 12-month period ended December 31, 2011, (i) Coventry did not make sales in or into the United States in excess of U.S \$68.2 million in the aggregate, and (ii) the assets that Coventry holds as of immediately prior to completion of the Scheme and Option Scheme did not generate sales in or into the United States in excess of U.S \$68.2 million in the aggregate; and
- (s) **(PFIC)** Coventry is, in respect of its most recently completed fiscal year, a PFIC within the meaning of such term in the United States Internal Revenue Code of 1986, as amended, and based on its current business plans and expectations Coventry expects to be a PFIC in respect of its current or any subsequent fiscal year.

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## SCHEDULE 5 - COVENTRY REGULATED EVENTS

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The following are considered Coventry Regulated Events:

- (a) Coventry or any of its Subsidiaries converts all or any of its securities into a larger or smaller number of securities;
- (b) Coventry or any of its Subsidiaries resolves to reduce its capital in any way;
- (c) Coventry or any of its Subsidiaries:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) other than under any Property Option Agreement and the Houston Lake Agreement or as otherwise contemplated by this deed (provided that any securities issued by Coventry in connection with the Coventry placement of up to A\$1,300,000 contemplated by clause 6.2 are issued at a price of at least A\$0.055 per share and, in any event, on terms no more favourable than those upon which securities of Crescent are issued pursuant to the private placement financing of Crescent contemplated by clause 3.1(h)), Coventry or any of its Subsidiaries issues securities, or grants an option over or to subscribe for its securities, or agrees to make such an issue or grant such an option, other than:
  - (i) to a wholly-owned Subsidiary of Coventry; or
  - (ii) pursuant to the exercise of Coventry Options existing at the date of this deed;
- (e) other than under any Property Option Agreement, Coventry or any of its Subsidiaries issues, or agrees to issue, convertible notes or any other security convertible into shares, other than to a wholly-owned Subsidiary of Coventry or pursuant to the placement of Coventry contemplated by clause 6.2;
- (f) Coventry or any of its Subsidiaries agrees to pay, declares or pays a dividend or any other form of distribution of profit or capital, other than the declaration and payment by any Subsidiary of Coventry of a dividend where the recipient of that dividend is Coventry or a wholly-owned Subsidiary of Coventry;
- (g) Coventry makes any change to its constitution;
- (h) other than under any Property Option Agreement and the Houston Lake Agreement, Coventry or any of its Subsidiaries acquires or agrees to acquire any assets, properties or businesses, or incurs, agrees to incur or enters into a commitment or a series of commitments involving capital expenditure by the Coventry Group, whether in one or more transactions, where the amounts or value involved in such transaction, transactions, commitments or series of commitments exceeds A\$1,000,000 in aggregate;
- (i) Coventry or any of its Subsidiaries disposes of, or agrees to dispose of, any assets, properties or businesses, whether in one transaction or a number of such transactions, where the amount or value involved in such transaction or transactions exceeds A\$1,000,000 in aggregate;

- (j) Coventry or any of its Subsidiaries creates, or agrees to create, any mortgage, charge, lien or other encumbrance over its business or any part of its property other than in the ordinary course of its business;
- (k) other than as contemplated by this deed, Coventry or any of its Subsidiaries incurs any financial indebtedness or issues any debt securities, other than in the ordinary course of business or pursuant to advances under its credit facilities in existence as at the date of this deed where the funds drawn pursuant to those advances are used in the ordinary course of business or in connection with a purpose that is contemplated and permitted in paragraph (h) above;
- (l) other than as contemplated by this deed, Coventry or any of its Subsidiaries makes any loans, advances or capital contributions to, or investments in, any other person (other than to or in Coventry or any wholly-owned Subsidiary of Coventry in the ordinary course of business), other than in the ordinary course of business;
- (m) Coventry or any of its Subsidiaries resolves that it be wound up or an application or order is made for the winding up or dissolution of Coventry or any of its Subsidiaries other than where the application or order (as the case may be) is set aside within 14 days;
- (n) a liquidator or provisional liquidator of Coventry or any of its Subsidiaries is appointed;
- (o) a court makes an order for the winding up of Coventry or any of its Subsidiaries;
- (p) an administrator of Coventry or of any of its Subsidiaries is appointed under sections 436A, 436B or 436C of the Corporations Act;
- (q) Coventry or any of its Subsidiaries ceases, or threatens to cease, to carry on business;
- (r) Coventry or any of its Subsidiaries executes a deed of company arrangement;
- (s) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Coventry or any of its Subsidiaries;
- (t) Coventry or any of its Subsidiaries is deregistered as a company or otherwise dissolved;
- (u) Coventry or any of its Subsidiaries is or becomes unable to pay its debts when they fall due;
- (v) Coventry or any of its Subsidiaries enters into any arrangement, commitment or agreement with a related party (as that term is defined in section 228 of the Corporations Act), other than in the ordinary course of business;
- (w) Coventry or any of its Subsidiaries makes or amends any tax election, changes any method of tax accounting, settles or compromises any tax liability, files any material amended tax return, enters into a closing agreement, surrenders any right to claim a material tax refund or consents to the extension or waiver of the limitation period applicable to any material tax claim or assessment, other than in the ordinary course of business;
- (x) Coventry or any of its Subsidiaries pays, discharges, settles, satisfies, compromises, waives, assigns or releases any claims, liabilities or obligations other than the payment, discharge or satisfaction, in the ordinary course of

business consistent with past practice, of liabilities reflected or reserved against in Coventry's financial statements or incurred in the ordinary course of business consistent with past practice;

- (y) Coventry or any of its Subsidiaries authorises, recommends or proposes any release or relinquishment of any contractual right, except in the ordinary course of business consistent with past practice; or
- (z) Coventry or any of its Subsidiaries enters into or renews any agreement, contract, lease, licence or other binding obligation containing:
  - (i) any limitation or restriction on the ability of Coventry or any of its Subsidiaries or, following completion of the transactions contemplated by this deed, the ability of Crescent, to engage in any type of activity or business;
  - (ii) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of Coventry or, following completion of the transactions contemplated by this deed, all or any portion of the business of the Merged Group, is or would be conducted; or
  - (iii) any limit or restriction on the ability of Coventry or any of its Subsidiaries or, following completion of the transactions contemplated by this deed, the ability of Crescent, to solicit customers or employees,

or that would reasonably be expected to materially delay or prevent the completion of the transactions contemplated by this deed, other than in the ordinary course of business.

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**SCHEDULE 6 - COVENTRY OPTIONS AND CRESCENT CONSIDERATION OPTIONS**

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<u>Coventry Options</u>				<u>Crescent Consideration Options*</u>		
<u>Number</u>	<u>Exercise</u>	<u>Price</u>	<u>CVY:CRC</u>	<u>Number</u>	<u>Exercise Price</u>	<u>Expiry</u>
			<u>Share Ratio</u>			
			<u>Exchange</u>			
19,257,982	\$0.20	30-Apr-13	0.2513 :1	4,839,530	\$0.80	30-Apr-13
750,000	\$0.20	08-Aug-14	0.2513 :1	188,475	\$0.80	08-Aug-14
400,000	\$0.20	23-Aug-14	0.2513 :1	100,520	\$0.80	23-Aug-14
6,000,000	\$0.26	01-Dec-16	0.2513 :1	1,507,800	\$1.03	01-Dec-16
3,230,770	\$0.26	18-Dec-12	0.2513 :1	811,892	\$1.03	18-Dec-12
1,000,000	\$0.28	28-Feb-13	0.2513 :1	251,300	\$1.11	28-Feb-13
10,000,000	\$0.30	30-Jan-13	0.2513 :1	2,513,000	\$1.19	30-Jan-13
500,000	\$0.30	30-Jul-13	0.2513 :1	125,650	\$1.19	30-Jul-13
500,000	\$0.30	25-Mar-15	0.2513 :1	125,650	\$1.19	25-Mar-15
4,500,000	\$0.12	17-Aug-2017	0.2513 :1	1,130,850	\$0.48	17-Aug-2017
500,000	\$0.12	8-Mar-2017	0.2513 :1	125,650	\$0.48	8-Mar-2017
500,000	\$0.12	17-Jun-2015	0.2513 :1	125,650	\$0.048	17-Jun-2015
<hr/> 47,138,752 <hr/>				<hr/> 11,845,967 <hr/>		

\*In respect of each tranche of Coventry Options identified above, each Scheme Optionholder shall be entitled to his or her pro-rata proportion of the Crescent Consideration Options (based on his or her holding of the relevant Scheme Options).

**EXECUTED** by the Parties as a Deed.

**EXECUTED BY**  
**CRESCENT RESOURCES CORP.**  
in accordance with its constituent  
documents and the laws applicable in its  
place of incorporation: )  
)  
)  
)

Don Halliday  
Signature of Director

[Signature]  
Signature of Director/Secretary\*

DON HALLIDAY  
Full name of Director

DORIS MEYER  
Full Name of Director/Secretary\*

\*Delete if not applicable

**EXECUTED BY**  
**COVENTRY RESOURCES LIMITED**  
**ACN 082 901 362**  
in accordance with the Corporations Act: )  
)  
)  
)

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Signature of Director/Secretary\*

\_\_\_\_\_  
Full name of Director

\_\_\_\_\_  
Full Name of Director/Secretary\*

\*Delete if not applicable

**EXECUTED** by the Parties as a Deed.

**EXECUTED BY** )  
**CRESCENT RESOURCES CORP.** )  
in accordance with its constituent )  
documents and the laws applicable in its )  
place of incorporation:

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Signature of Director/Secretary\*

\_\_\_\_\_  
Full name of Director

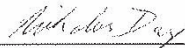
\_\_\_\_\_  
Full Name of Director/Secretary\*

\*Delete if not applicable

**EXECUTED BY** )  
**COVENTRY RESOURCES LIMITED** )  
**ACN 082 901 362** )  
in accordance with the Corporations Act: )



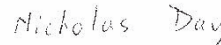
\_\_\_\_\_  
Signature of Director



\_\_\_\_\_  
Signature of Director/Secretary\*

**Michael Dylan Naylor**

\_\_\_\_\_  
Full name of Director



\_\_\_\_\_  
Full Name of Director/Secretary\*

\*Delete if not applicable

**COVENTRY RESOURCES LIMITED  
ACN 082 901 362  
(COVENTRY)**

**AND**

**THE HOLDERS OF FULLY PAID ORDINARY SHARES IN  
COVENTRY RESOURCES LIMITED**

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**SCHEME OF ARRANGEMENT - PURSUANT TO SECTION 411  
OF THE CORPORATIONS ACT**

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## Scheme of Arrangement made under section 411 of the Corporations Act 2001 (Cth)

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### BETWEEN

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**COVENTRY RESOURCES LIMITED** (ACN 082 901 362) of Suite 9, 5 Centro Avenue, Subiaco, Western Australia (**Coventry**);

AND

**THE HOLDERS OF COVENTRY SHARES.**

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### RECITALS

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- A.** Coventry is a public company incorporated in the state of Western Australia and is admitted to the official list of the ASX.
- B.** Crescent Resources Corp. is a company existing under the laws of the Province of British Columbia with its head office at 1490 – 1075 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3C9 (**Crescent**) and its common shares are listed for trading on the TSX-V.
- C.** Coventry and Crescent have entered into a merger implementation deed dated (insert date) 2012 (**Merger Implementation Deed**) pursuant to which, amongst other things, Coventry has agreed to propose this Share Scheme to Coventry Shareholders, and each of Coventry and Crescent have agreed to take certain steps to give effect to this Share Scheme.
- D.** If this Share Scheme becomes Effective (as defined below), then:
- (a) all of the Scheme Shares will be transferred to Crescent and the Share Scheme Consideration will be provided to the Scheme Shareholders in accordance with the provisions of this Share Scheme; and
  - (b) Coventry will enter the name and address of Crescent in the Coventry Share Register as the holder of all of the Scheme Shares.
- E.** Crescent has entered into the Deed Poll for the purpose of covenanting in favour of Scheme Shareholders to perform the obligations contemplated of it under this Share Scheme.

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## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

In this document, unless the contrary intention appears or the context requires otherwise:

**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 Settlement** means ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532).

**Business Day** is any day that is both a business day within the meaning given in the ASX Listing Rules and a day that banks in Perth, Western Australia and Vancouver, Canada are open for business.

**Canadian Securities Laws** means all applicable Canadian Securities Laws and rules and regulations thereunder, together with all applicable published instruments, notices and orders of the securities regulatory authorities thereof and all applicable rules and policies of the TSX-V.

**CHES** means the Clearing House Electronic Sub-Register System operated by ASX Settlement.

**Condition** means a condition to this Share Scheme set out in clause 2.1.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Federal Court of Australia or such other court of competent jurisdiction as Coventry and Crescent agree in writing.

**Coventry Option Register** means the register of holders of Coventry Options maintained by or on behalf of Coventry in accordance with section 168(1) of the Corporations Act.

**Coventry Optionholder** means each person who is registered in the Coventry Option Register as a holder of a Coventry Option at the date of the Merger Implementation Deed.

**Coventry Options** means the options to subscribe for Coventry Shares described in Schedule 6 of the Merger Implementation Deed.

**Coventry Share** means a fully paid ordinary share in the capital of Coventry.

**Coventry Shareholder** means each person who is registered as a holder of a Coventry Share.

**Coventry Share Register** means the register of members of Coventry maintained by or on behalf of Coventry in accordance with section 168(1) of the Corporations Act.

**Crescent CDI** means a CHES Depositary Interest, being a unit of beneficial ownership in a Crescent Share registered in the name of the Depositary.

**Crescent Share** means a fully paid and non-assessable common share in the capital of Crescent.

**Crescent Share Register** means the register of holders of Crescent Shares maintained by or on behalf of Crescent.

**Deed Poll** means the deed poll to be executed by Crescent in favour of the Scheme Shareholders (subject to any amendments permitted by its terms) prior to the despatch of the Explanatory Memorandum to Coventry Shareholders.

**Depositary** means CHES Depositary Nominees Pty Limited (ACN 071 346 506) the entity that will provide depositary services in respect of the Crescent CDIs.

**Effective** means, when used in relation to this Share Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the

Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to this Share Scheme.

**Effective Date** means the date on which this Share Scheme becomes Effective.

**Election Form** means the form accompanying the Explanatory Memorandum pursuant to which holders of Coventry Shares (other than Ineligible Overseas Shareholders) may elect whether to receive their Share Scheme Consideration in the form of Crescent Shares or Crescent CDIs.

**End Date** means December 31, 2012 or such later date as is agreed by Coventry and Crescent in writing.

**Excluded Shares** means any Coventry Share held by, or by any person on behalf of or for the benefit of, Crescent or its Related Bodies Corporate.

**Explanatory Memorandum** means the explanatory memorandum to be prepared by Coventry in respect of this Share Scheme approved by the Court under section 411(1) of the Corporations Act for distribution to Coventry Shareholders containing, among other things, the explanatory statement required by Part 5.1 of the Corporations Act relating to this Share Scheme and a notice convening the Share Scheme Meeting.

**Implementation Date** means the date which is 5 Business Days after the Record Date or such other date as Coventry and Crescent agree in writing.

**Ineligible Overseas Shareholder** means a Coventry Shareholder whose address as shown in the Coventry Share Register at 5.00 pm on the Record Date is a place outside Australia and its external territories, New Zealand, Canada, the United States, Hong Kong and Singapore unless Crescent and Coventry are satisfied, acting reasonably, that the laws of that Coventry Shareholder's country of residence (as shown in the Coventry Share Register) permit the issue and allotment of Crescent Shares to that Coventry Shareholder, either unconditionally or after compliance with conditions which Crescent in its sole discretion regards as acceptable.

**Record Date** means the date which is 5 Business Days after the Effective Date.

**Registered Address** means, in relation to a Coventry Shareholder, the address of that Coventry Shareholder shown in the Coventry Share Register.

**Regulatory Authority** means:

- (a) any government, semi-government or local authority and any department, minister or agency of any government; and
- (b) any other authority, agency, commission, administrative, fiscal or judicial body (including the Court), tribunal or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange, including without limitation the ASX and TSX-V.

**Related Body Corporate** means the meaning given in section 9 of the Corporations Act.

**Sale Nominee** means the person appointed by Crescent to sell the Crescent Shares that are attributable to Ineligible Overseas Shareholders under the terms of this Share Scheme.

**Scheme Share** means each Coventry Share on issue as at 5.00 pm on the Record Date other than the Excluded Shares.

**Scheme Shareholder** means each person registered in the Coventry Share Register as the holder of Scheme Shares.

**Second Court Date** means the first day of hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving this Share Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**Share Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between Coventry and Scheme Shareholders as set out in this document, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and approved in writing by Crescent and Coventry.

**Share Scheme Consideration** means the consideration to be provided to Scheme Shareholders under the terms of this Share Scheme being (subject to clauses 5.3 and 5.7) 0.2513 of a fully paid Crescent Share (post completion of the consolidation of the Crescent Shares on a 5:1 basis)(subject to clauses 4.4 and 4.7 of the Merger Implementation Deed )for every one Scheme Share.

**Share Scheme Meeting** means the meeting of Coventry Shareholders ordered by the Court in relation to this Share Scheme pursuant to section 411(1) of the Corporations Act.

**TSX-V** means the TSX Venture Exchange.

## 1.2 Interpretations

In this document unless the contrary intention appears or the context requires otherwise:

- (a) a word importing the singular includes the plural and vice versa, and word indicating gender includes every other gender
- (b) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (c) references to a **person** includes an individual the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to a statute includes any regulations or other instruments made under it and a reference to a statute or any regulation or other instrument made under it or a provision of any such statute, regulation or instrument includes consolidations, amendments, re-enactments and replacements;
- (e) a reference to a **party** includes a reference to that party's executors, administrators, and permitted assigns, s including persons taking by novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) if a time period is specified and dates from a given date or the day of an act or event, it is to be calculated exclusive of that day;

- (g) a reference to any time is a reference to that time in Perth, Australia;
- (h) a reference to "\$" or "A\$" is to the lawful currency of the Commonwealth of Australia;
- (i) a reference to a document is that document as varied, novated, ratified or replaced from time to time;
- (j) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this document, and a reference to this document includes all schedules, exhibits, attachments and annexures to it
- (k) this document must not be construed adversely to a party just because that party prepared it or caused it to be prepared; and
- (l) the word **including** or any form of that word is not a word of limitation.

### **1.3 Best and reasonable endeavours**

Any provision of this document which requires a party to use best endeavours or reasonable endeavours, or to take all steps reasonably necessary, to procure that something is performed or occurs does not include any obligation:

- (a) to pay any money or to provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person; or
- (b) to commence any legal action or proceeding against any person, to procure that that thing is done or happens, except for payment of any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority,

except where that provision expressly specifies otherwise.

### **1.4 Business Day**

Except where otherwise expressly provided, where under this document the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing shall be done on the immediately following Business Day.

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## **2. CONDITIONS**

### **2.1 Conditions to this Share Scheme**

This Share Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions, and the provisions of clauses 3, 4 and 5 will not come into effect unless and until each of these conditions have been satisfied:

- (a) as at 8.00 am on the Second Court Date each of the conditions set out in clause 3.1 of the Merger Implementation Deed (other than the condition relating to the approval of the Court set out in clause 3.1(j) of the Merger Implementation Deed) have been satisfied or waived in accordance with the terms of the Merger Implementation Deed;

- (b) as at 8.00 am on the Second Court Date the Merger Implementation Deed has not been terminated;
- (c) the Court approves this Share Scheme under section 411(4)(b) of the Corporations Act with or without modification;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Share Scheme as are acceptable to Crescent and Coventry have been satisfied; and
- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Share Scheme.

## **2.2 Certificates in relation to conditions**

- (a) At or before the Court hearing on the Second Court Date, Coventry and Crescent will each provide to the Court a certificate (or such other evidence as the Court may request) confirming whether or not all of the conditions set out in clause 3.1 (other than the condition set out in clause 3.1(j) of the Merger Implementation Deed) of the Merger Implementation Deed have been satisfied or waived in accordance with the terms of the Merger Implementation Deed.
- (b) The certificates given by Coventry and Crescent constitute conclusive evidence that the conditions have been satisfied or waived (as the case may be).

## **2.3 Termination of Merger Implementation Deed**

Without limiting any rights under the Merger Implementation Deed, in the event that the Merger Implementation Deed is terminated in accordance with its terms before 8.00 am on the Second Court Date, Coventry and Crescent are each released from:

- (a) further obligation to take steps to implement this Share Scheme; and
- (b) any liability with respect to this Share Scheme.

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## **3. SCHEME**

### **3.1 Effective Date of Scheme**

Subject to clause 3.2, this Share Scheme will take effect on and from the Effective Date.

### **3.2 End Date**

This Share Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

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## **4. IMPLEMENTATION OF SCHEME**

### **4.1 Lodgement**

If the Conditions are satisfied, Coventry must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order

approving this Share Scheme promptly after, and in any event by no later than 4.00 pm on the Business Day following the date on which the Court approves this Share Scheme (or such other Business Day as Coventry and Crescent agree in writing).

#### **4.2 Transfer of Scheme Shares**

On the Implementation Date, subject to the provision of the Share Scheme Consideration in the manner contemplated by clause 5 and Crescent having provided Coventry with written confirmation thereof, all of the Scheme Shares will, together with all rights and entitlements attaching to the Scheme Shares, be transferred to Crescent without the need for any further act by any Scheme Shareholder (other than acts performed by Coventry or its directors as attorney or agent for Scheme Shareholders under this Share Scheme), by:

- (a) Coventry delivering to Crescent a duly completed and executed share transfer form or forms to transfer all of the Scheme Shares to Crescent (executed by Coventry as the attorney and agent of each Scheme Shareholder under clause 7.2) (which may be a master transfer of all or part of the Scheme Shares);
- (b) Crescent duly executing such share transfer form or forms and delivering it or them to Coventry for registration; and
- (c) immediately after receipt of the share transfer form or forms under clause 4.2(b), Coventry entering, or procuring the entry of, the name and address of Crescent in the Coventry Share Register as the holder of all of the Scheme Shares.

#### **4.3 Timing**

Notwithstanding any other provision of this Share Scheme, while Crescent Shares and Crescent CDIs forming part of the Share Scheme Consideration must be issued (and relevant registers updated to record their issuance) on the Implementation Date, any requirements under clause 5 for the sending of share certificates, holding statements or allotment advices may be satisfied within 10 Business Days after the Implementation Date.

#### **4.4 Provision of Scheme Consideration to the holders of Excluded Shares**

Nothing in this Share Scheme requires Crescent to provide Share Scheme Consideration to any holder of Excluded Shares.

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### **5. Share Scheme Consideration**

#### **5.1 Election procedure**

- (a) Subject to the remaining provisions of this clause 5.1, each Scheme Shareholder will be entitled to elect to receive as consideration for the transfer of its Scheme Shares to Crescent under this Share Scheme either Crescent Shares or Crescent CDIs by completing the Election Form and returning it to the address specified in the Election Form so that it is received by 3.00 pm on the Record Date. An election (other than a deemed election) under this clause 5.1 must be made in accordance with the terms and conditions on the Election Form.
- (b) An Ineligible Overseas Shareholder may not make any election pursuant to this clause 5.1 and any election purportedly made will be invalid.

Ineligible Overseas Shareholders will be deemed to have elected to receive Crescent Shares and the Crescent Shares will be dealt with in accordance with clause 5.7.

- (c) A Scheme Shareholder (other than an Ineligible Overseas Shareholder) who does not validly elect between Crescent Shares and Crescent CDIs will be deemed to have elected to receive Crescent CDIs. Accordingly, a Scheme Shareholder who wishes to receive Crescent CDIs does not need to make an election under this clause 5.1.
- (d) Subject to clause 5.1(e), an election made or deemed to be made by a Scheme Shareholder under this clause 5.1 will be deemed to apply in respect of the Scheme Shareholder's entire registered holding of Scheme Shares at the Record Date, regardless of whether the Scheme Shareholder's holding of Scheme Shares at the Record Date is greater or less than the Scheme Shareholder's holding at the time of the election.
- (e) A Scheme Shareholder who is noted on the Coventry Share Register as holding one or more parcels of Coventry Shares as trustee or nominee for, or otherwise on account of another person, may make separate elections under this clause 5.1 in relation to each of those parcels of Coventry Shares (subject to it providing to Coventry and Crescent any substantiating information they reasonably require), and an election made in respect of any such parcel, or an omission to make an election in respect of any such parcel, will not be taken to extend to the other parcels.
- (f) Coventry may, with the agreement of Crescent, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any election, and any such decision will be conclusive and binding on Coventry and Crescent and the relevant Scheme Shareholder.

## **5.2 Share Scheme Consideration**

Subject to this Share Scheme becoming Effective, in consideration of the transfer to Crescent of each Scheme Share held by a Scheme Shareholder under this Share Scheme, Crescent will provide the Share Scheme Consideration to each Scheme Shareholder for each Scheme Share held by it on the Implementation Date.

## **5.3 Rounding entitlements**

If the number of Scheme Shares held by a Scheme Shareholder as at 5.00 pm on the Record Date is such that the aggregate entitlement of the Scheme Shareholder to Share Scheme Consideration is such that a fractional entitlement to a Crescent Share or Crescent CDI (as the case may be) arises, then the entitlement of that Scheme Shareholder must be rounded down to the nearest whole number of Crescent Shares or Crescent CDIs (as the case may be).

## **5.4 Provision of Share Scheme Consideration**

Subject to clause 4.3, the obligations of Crescent under this Share Scheme to provide the Share Scheme Consideration to Scheme Shareholders will be satisfied:

- (a) in the case of Crescent Shares which are required to be issued to Scheme Shareholders under this clause 5, by Crescent procuring that:

- (i) the name and address of each such Scheme Shareholder is entered into the Crescent Share Register on the Implementation Date in respect of the Crescent Shares to which it is entitled under this clause 5; and
  - (ii) either a share certificate is sent to the Registered Address of each such Scheme Shareholder representing the number of Crescent Shares issued to the Scheme Shareholder pursuant to this Share Scheme, or the Scheme Shareholders is entered into a direct registration system or other electronic book-entry system as holding the number of Crescent Shares issued to the Scheme Shareholders pursuant to this Share Scheme;
- (b) in the case of Crescent CDIs which are required to be issued to Scheme Shareholders under this clause 5, by Crescent:
  - (i) issuing to the Depositary to be held on trust that number of Crescent Shares that will enable the Depositary to issue Crescent CDIs as envisaged by clause 5.4(b)(iii) on the Implementation Date;
  - (ii) procuring that the name and address of the Depositary is entered into the Crescent Share Register in respect of those Crescent Shares on the Implementation Date and that a share certificate in the name of the Depositary representing those Crescent Shares is sent to the Depositary;
  - (iii) procuring that on the Implementation Date the Depositary issues to each such Scheme Shareholder the number of Crescent CDIs to which it is entitled under this clause 5;
  - (iv) procuring that on the Implementation Date the name of each such Scheme Shareholder is entered in the records maintained by the Depositary as the holder of the Crescent CDIs issued to that Scheme Shareholder on the Implementation Date;
  - (v) in the case of each such Scheme Shareholder who held Coventry Shares on the CHESS subregister - procuring that the Crescent CDIs are held on the CHESS subregister on the Implementation Date and sending or procuring the sending of an allotment advice that sets out the number of Crescent CDIs issued and procuring that ASX Settlement will provide at the end of the month of allotment a CDI holding statement confirming the number of Crescent CDIs held on the CHESS subregister by that Scheme Shareholder; and
  - (vi) in the case of each such Scheme Shareholder who held Coventry Shares on the issuer sponsored subregister - procuring that the CDIs are held on the issuer sponsored subregister on the Implementation Date and sending or procuring the sending of a CDI holding statement to each Scheme Shareholder which sets out the number of Crescent CDIs held on the issuer sponsored subregister by that Scheme Shareholder; and
- (c) in the case of Crescent Shares to be issued in respect of Share Scheme Consideration due to Ineligible Overseas Shareholders - by Crescent procuring that:

- (i) the name and address of the Sale Nominee is entered into the Crescent Share Register on the Implementation Date in respect of the Crescent Shares required to be issued to it under this clause 5;
- (ii) a share certificate in the name of the Sale Nominee is sent to the Sale Nominee representing the number of Crescent Shares so issued to it; and
- (iii) the Sale Nominee sells those Crescent Shares on behalf of the Ineligible Overseas Shareholders, and pays the proceeds in accordance with clauses 5.7.

## **5.5 Joint holders**

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be paid to Scheme Shareholders will be payable to the joint holders; and
- (b) the Crescent Shares or Crescent CDIs (as the case may be) to be issued under this Share Scheme will be issued to and registered in the names of the joint holders,

and will be forwarded to the holder whose name appears first in the Coventry Share Register as at 5.00 pm on the Record Date.

## **5.6 Binding instruction or notifications**

Except for a Scheme Shareholder's tax file number, any binding instruction or notification between a Scheme Shareholder and Coventry relating to Scheme Shares as at 5.00 pm on the Record Date (including any instructions relating to payment of dividends or to communications from Coventry) will, from 5.00 pm on the Record Date, be deemed (except to the extent determined otherwise by Crescent in its sole discretion) to be a similarly binding instruction or notification to, and accepted by Crescent, in respect of the Crescent Shares or Crescent CDIs (as the case may be) issued to the Scheme Shareholder until that instruction or notification is revoked or amended in writing addressed to Crescent, provided that any such instructions or notifications accepted by Crescent will apply to and in respect of the issue of Crescent Shares or Crescent CDIs (as the case may be) as the Share Scheme Consideration only to the extent that they:

- (a) are not inconsistent with the other provisions of this Share Scheme; or
- (b) are recognised under Canadian law or Crescent's constituent documents.

## **5.7 Ineligible Overseas Shareholders**

- (a) Unless Crescent and Coventry are satisfied, acting reasonably, that the laws of an Ineligible Overseas Shareholder's country of residence (as shown in the Coventry Share Register) permit the issue and allotment of Crescent Shares or Crescent CDIs (as the case may be) to the Ineligible Overseas Shareholder, either unconditionally or after compliance with conditions which Crescent in its sole discretion regards as acceptable, Crescent will issue the Crescent Shares to which that Ineligible Overseas Shareholder would otherwise be entitled to the Sale Nominee, and

Crescent will be under no obligation under this Share Scheme to issue, and will not issue, any Crescent Shares (or Crescent CDIs) to any such Ineligible Overseas Shareholder.

- (b) Crescent will procure that, as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date, the Sale Nominee:
  - (i) sells on the financial market on which the Crescent Shares are then listed all of the Crescent Shares issued to the Sale Nominee pursuant to clause 5.7(a) in such manner, at such price and on such other terms as the Sale Nominee determines in good faith and at the risk of the Ineligible Overseas Shareholders; and
  - (ii) remits to Crescent the proceeds of sale (after converting to Australian dollars and deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges), subject to any applicable withholding taxes.
- (c) Promptly after the last sale of Crescent Shares in accordance with clause 5.7(b), Crescent will pay to each Ineligible Overseas Shareholder the proportion of the net proceeds of sale received by Crescent pursuant to clause 5.7(b)(ii) to which that Ineligible Overseas Shareholder is entitled (calculated on an average basis so that all Ineligible Overseas Shareholders receive the same price per Scheme Share subject to rounding).
- (d) Crescent will pay the relevant fraction of the proceeds of sale referred to in clause (c) to each Ineligible Overseas Shareholder by sending, or procuring the despatch to each such Ineligible Overseas Shareholder by prepaid post to the registered address of the Ineligible Overseas Shareholder at 5.00 pm on the Record Date, a cheque in the name of that Ineligible Overseas Shareholder for the relevant amount (denominated in Australian dollars).
- (e) Each Ineligible Overseas Shareholder appoints Coventry as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Sale Nominee is required to provide to Ineligible Overseas Shareholders under the Corporations Act.

## **5.8 Status of Crescent Shares**

Subject to this Share Scheme becoming Effective, Crescent will:

- (a) issue the Crescent Shares required to be issued by it under this Share Scheme on terms such that each such Crescent Share will rank equally in all respects with each existing Crescent Share;
- (b) ensure that each Crescent Share issued as Share Scheme Consideration is duly issued and is fully paid, non assessable and free from any mortgage, charge, lien, encumbrance or other security interest; and
- (c) use all reasonable endeavours to ensure that:
  - (i) all Crescent Shares issued as Share Scheme Consideration are approved for listing and trading on the TSX-V as of the first

trading day on the TSX-V following the Effective Date (or such later date as the TSX-V or ASX requires); and

- (ii) as from the Business Day following the Effective Date (or such later date as the TSX-V or ASX requires) the Crescent CDIs are listed for quotation on the official list of the ASX initially on a deferred settlement basis and on an ordinary settlement basis.

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## **6. DEALINGS IN COVENTRY SHARES**

### **6.1 Dealings in Coventry Shares by Scheme Shareholders**

For the purposes of establishing who are Scheme Shareholders, dealings in Coventry Shares will be recognised by Coventry provided that:

- (a) in the case of dealings of the type to be effected on CHESS, the transferee is registered in the Coventry Share Register as the holder of the relevant Coventry Shares by 5.00 pm on the Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received at the place where the Coventry Share Register is kept on or before 5.00 pm on the Record Date,

and Coventry will not accept for registration, or recognise for the purpose of establishing who are Scheme Shareholders, any transmission application or transfer in respect of Coventry Shares received after 5.00 pm on the Record Date.

### **6.2 Coventry Share Register**

Coventry will, until the Share Scheme Consideration has been paid and Crescent has been entered in the Coventry Share Register as the holder of all of the Scheme Shares, maintain the Coventry Share Register in accordance with the provisions of this clause 6 and the Coventry Share Register in this form and the terms of this Share Scheme will solely determine entitlements to the Share Scheme Consideration.

### **6.3 Information to be made available to Crescent**

Coventry must procure that as soon as practicable following the Record Date, details of the names, registered addresses and holdings of Coventry Shares of every Scheme Shareholder shown in the Coventry Share Register at 5.00 pm on the Record Date are made available to Crescent in such form as Crescent may reasonably require.

### **6.4 Effect of Share certificates and holding statements**

As from 5:00 pm the Record Date, all share certificates and holding statements for the Scheme Shares (other than for Crescent following the Implementation Date) will cease to have effect as documents of title, and each entry on the Coventry Share Register at that date will cease to have any effect other than as evidence of entitlement to the Share Scheme Consideration.

### **6.5 Disposals after Record Date**

If this Share Scheme becomes Effective, a Scheme Shareholder, and any person claiming through that Scheme Shareholder, must not dispose of or purport or

agree to dispose of any Scheme Shares or any interest in them after the Record Date.

## **6.6 Quotation of Coventry Shares**

- (a) It is expected that suspension of trading in Coventry Shares on the ASX will occur from the close of trading on ASX on the Effective Date.
- (b) At a time after the Implementation Date to be determined by Crescent, Coventry will apply:
  - (i) for termination of official quotation of Coventry Shares on ASX; and
  - (ii) to have itself removed from the official list of ASX.

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## **7. GENERAL PROVISIONS**

### **7.1 Effect of Scheme**

Each Scheme Shareholder acknowledges that this Share Scheme binds Coventry and all of the holders for the time being of Coventry Shares (including those who do not attend the meeting of Coventry Shareholders to approve this Share Scheme or who do not vote at that meeting or who vote against this Share Scheme at that meeting) and, to the extent permitted by law, overrides the constitution of Coventry.

### **7.2 Appointment of agent and attorney**

Each Scheme Shareholder, without the need for any further act, is deemed to have irrevocably appointed Coventry as its agent and attorney for the purpose of:

- (a) executing any document or form or doing any other act necessary to give effect to the terms of this Share Scheme including, without limitation, the execution of the share transfer(s) to be delivered under clause 4.2(a) and the giving of the Scheme Shareholders' consent under clause 7.4; and
- (b) enforcing the Deed Poll against Crescent,

and Coventry accepts such appointment. Coventry, as agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 7.2 to all or any of its directors and officers (jointly, severally, or jointly and severally).

### **7.3 Enforcement of Deed Poll**

Coventry undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Crescent on behalf of and as agent and attorney for the Scheme Shareholder.

### **7.4 Scheme Shareholders' consent**

Each Scheme Shareholder irrevocably:

- (a) consents to Coventry and Crescent doing all things and executing all deeds, instruments, transfers or other documents as may be necessary,

incidental or expedient to the implementation and performance of this Share Scheme; and

- (b) acknowledges that this Share Scheme binds Coventry and all of the Coventry Shareholders from time to time (including those who do not attend the Share Scheme Meeting, do not vote at that meeting or vote against this Share Scheme).

## **7.5 Scheme Shareholder's agreements**

Under this Share Scheme:

- (a) each Scheme Shareholder (other than an Ineligible Overseas Shareholder) who is issued Crescent Shares under this Share Scheme agrees to become a shareholder of Crescent in respect of those Crescent Shares, to be bound by the articles and notice of articles of Crescent and to have their name entered in the Crescent Share Register;
- (b) each Scheme Shareholder (other than an Ineligible Overseas Shareholder) who is issued Crescent CDIs under this Share Scheme agrees to become a holder of Crescent CDIs;
- (c) each Scheme Shareholder that is an Ineligible Overseas Shareholder agrees and acknowledges that the payment to it of an amount in accordance with clause 5.7 constitutes the satisfaction in full of its entitlement under this Share Scheme; and
- (d) each Scheme Shareholder agrees to the transfer of its Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to Crescent in accordance with the terms of this Share Scheme.

## **7.6 Transfer with clear title and warranty by Scheme Shareholders**

- (a) To the extent permitted by law, the Scheme Shares transferred to Crescent under this Share Scheme must be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) Each Scheme Shareholder is deemed to have warranted to Coventry, in its own right and for the benefit of Crescent, that all their Scheme Shares (including any rights and entitlements attaching to those shares) will, at the date of the transfer of them to Crescent, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and to transfer their Scheme Shares to Crescent under this Share Scheme.

## **7.7 Title to Scheme Shares**

Crescent will be beneficially entitled to the Scheme Shares transferred to it under this Share Scheme pending registration by Coventry of Crescent in the Coventry Share Register as the holder of the Scheme Shares.

## **7.8 Appointment of Crescent as sole proxy**

From the Effective Date until Coventry registers Crescent as the holder of all of the Coventry Shares in the Coventry Share Register, each Scheme Shareholder:

- (a) appoints Crescent as attorney and agent (and directs Crescent in each capacity) to appoint any officer or agent nominated by Crescent as its sole proxy and where applicable, corporate representative, to attend shareholders' meetings, exercise the votes attaching to Coventry Shares registered in its name and sign any shareholders resolution, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 7.8(a)); and
- (b) must take all other actions in the capacity of the registered holder of Coventry Shares as Crescent directs.

## **7.9 Alterations or conditions**

Coventry may, by its counsel or solicitors, and with the consent of Crescent, consent on behalf of all persons concerned, including a Scheme Shareholder, to any alteration or condition to this Share Scheme which the Court thinks fit to make or impose.

## **7.10 Notices**

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in this Share Scheme is sent by post to Coventry, it will for all purposes be deemed to be received on the date (if any) on which it is actually received at Coventry's registered office (and it will not be deemed to be received in the ordinary course of post).
- (b) The accidental omission to give notice of the Share Scheme Meeting to any Coventry Shareholder, or the non-receipt of such a notice by any Coventry Shareholder, will not, unless ordered by the Court, invalidate this Share Scheme or the proceedings at the Share Scheme Meeting.

## **7.11 Inconsistencies**

This Share Scheme binds Coventry and all Coventry Shareholders, and to the extent of any inconsistency, overrides the constitution of Coventry.

## **7.12 Further assurances**

The Coventry Shareholders consent to Coventry doing all things necessary for the implementation and performance of its obligations under this Share Scheme. Coventry will execute all documents and do all acts and things as may be necessary or expedient for the implementation of, and performance of its obligations under, this Share Scheme.

## **7.13 Stamp duty**

Crescent will pay any stamp duty payable on the transfer by Scheme Shareholders of the Scheme Shares to Crescent.

#### **7.14 Fees and charges**

Coventry must pay all filing, application or similar fees due in relation to this Share Scheme.

#### **7.15 Governing law**

This Share Scheme is governed by the laws of the State of Western Australia. Each of Coventry and Crescent and the holders of Coventry Shares irrevocably and unconditionally submits, in connection with this Share Scheme, to the non-exclusive jurisdiction of the Court and any courts which have jurisdiction to hear appeals from the Court and waives any right to object to any proceedings being brought in these courts.

#### **7.16 Limitation of liability**

None of Coventry or Crescent nor any officer of any of them is liable for anything done or omitted to be done in the performance of this Share Scheme in good faith.

#### **7.17 Definition of "send"**

For the purposes of clause 5, the word "send" (or any variant thereof) means

- (a) sending by ordinary pre-paid post or courier to the Registered Address of the Scheme Shareholder; or
- (b) delivering to that address by any other means at no cost to the recipient.

**CRESCENT RESOURCES CORP.  
(Crescent)**

**IN FAVOUR OF EACH SCHEME SHAREHOLDER**

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**DEED POLL (IN RESPECT OF THE SHARE SCHEME)**

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**BETWEEN**

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**CRESCENT RESOURCES CORP.** a company existing under the laws of the Province of British Columbia with its head office at 1490 – 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9 (**Crescent**)

In favour of:

**EACH HOLDER OF FULLY PAID ORDINARY SHARES IN THE CAPITAL OF COVENTRY RESOURCES LIMITED** (ACN 082 901 362) (**Coventry**) on issue as at 5:00pm on the Record Date (**Scheme Shareholders**).

---

**RECITALS**

---

- A. Coventry is listed on the official list of the ASX.
- B. The common shares of Crescent are listed for trading on the TSX-V.
- C. Coventry and Crescent have entered into a merger implementation deed dated (insert date) 2012 (**Merger Implementation Deed**) pursuant to which, amongst other things, Coventry has agreed to propose this Share Scheme to Coventry Shareholders, and each of Coventry and Crescent have agreed to take certain steps to give effect to this Share Scheme.
- D. Coventry has agreed in the Merger Implementation Deed to propose a scheme of arrangement between Coventry and the holders of fully paid ordinary shares in Coventry, the effect of which will be that Crescent acquires all of the Scheme Shares from Scheme Shareholders in exchange for the Scheme Consideration.
- E. In accordance with clause 4.2(f) of the Merger Implementation Deed, Crescent is entering into this deed poll to covenant in favour of Scheme Shareholders that it will observe and perform its obligations under the Share Scheme, as if named as a party to the Scheme.

**IT IS AGREED** as follows:

---

**1. DEFINITIONS AND INTERPRETATION****1.1 Definitions**

In this deed poll:

- (a) **Share Scheme** means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between Coventry and the Scheme Shareholders, a copy of which is annexed to this deed poll; and
- (b) capitalised terms have the meanings given to them in the Share Scheme, unless the context requires otherwise.

**1.2 Interpretation**

In this deed poll, unless the contrary intention appears or the context requires otherwise:

- (a) a word importing the singular includes the plural and vice versa, and word indicating gender includes every other gender;

- (b) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (c) references to a **person** includes an individual, the estate of an individual, a corporations, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to a statute includes any, regulations or other instruments made under it and a reference to a statute or any regulation or other instrument made under it or a provision of any such statute, regulation or instrument includes consolidations, amendments, re-enactments and replacements;
- (e) a reference to a **party** includes a reference that party's executors, administrators, successors, and permitted assigns, including, without limitation, persons taking by novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) if a time period is specified and dates from a given date or the day of an act or event, it is to be calculated exclusive of that day;
- (g) a reference to any time is a reference to that time in Perth, Western Australia;
- (h) a reference to "A\$" is to the lawful currency of the Commonwealth of Australia;
- (i) a reference to a document is that document as varied, novated, ratified or replaced from time to time;
- (j) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this deed poll, and a reference to this deed poll includes all schedules, exhibits, attachments and annexures to it
- (k) this deed poll must not be construed adversely to a party just because that party prepared it or caused it to be prepared;
- (l) the interpretation of a substantive provision is not affected by any heading; and
- (m) the word **including** or any form of that word is not a word of limitation.

### 1.3 Nature of deed poll

Crescent acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Share Scheme, each Scheme Shareholder irrevocably appoints Coventry as its agent and attorney to enforce this deed poll against Crescent.

---

## **2. CONDITION**

### **2.1 Condition**

The obligations of Crescent under this deed poll are subject to the Share Scheme becoming Effective.

### **2.2 Termination**

If the Merger Implementation Deed is terminated or the Share Scheme does not become Effective on or before the End Date, the obligations of Crescent under this deed poll automatically terminate and the terms of this deed poll will be of no further force or effect.

### **2.3 Consequences of termination**

If this deed poll is terminated under clause 2.2 then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Crescent is released from its obligations to further perform this deed poll except those obligations under clause 7.2 and any other obligations which by their nature survive termination; and
- (b) each Scheme Shareholder retains the rights they have against Crescent in respect of any breach of this deed poll by Crescent which occurs before this deed poll is terminated.

---

## **3. COMPLIANCE WITH SCHEME OBLIGATIONS**

### **3.1 Scheme Consideration**

Subject to clause 2, Crescent undertakes in favour of each Scheme Shareholder to:

- (a) provide or procure the provision of the Scheme Consideration to each Scheme Shareholder; and
- (b) undertake all other actions attributed to it under the Share Scheme,

in accordance with the Share Scheme.

### **3.2 Status of Crescent Shares**

Crescent undertakes in favour of each Scheme Shareholder that the Crescent Shares which are issued to Scheme Shareholders and to the Depositary in accordance with the Share Scheme will:

- (a) rank equally in all respects with the existing Crescent Shares; and
- (b) be duly issued and fully paid, non assessable and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under the articles and notice of articles of Crescent).

---

#### **4. WARRANTIES**

Crescent represents and warrants that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) the execution and delivery by it of this deed poll has been (or prior to the Share Scheme becoming Effective, will be) properly authorised by all necessary corporate action and it has, or will have, full corporate power (including shareholder approval) and lawful authority (including all necessary, approvals and/or waivers from the TSX-V) to perform or cause to be performed its obligations under this deed poll and to carry out or cause to be carried out the transactions contemplated by this deed poll; and
- (c) this deed poll will constitute legally valid and binding obligations on it enforceable in accordance with its terms (subject to any necessary stamping) and does not conflict with or result in a breach of a default under:
  - (i) the constitution or equivalent constituent documents of it or any of its Related Bodies Corporate; or
  - (ii) any writ, order or injunction, judgment, law, rule or regulation to which it is party, or by which it is bound.

---

#### **5. CONTINUING OBLIGATIONS**

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Crescent has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.2.

---

#### **6. SCHEME**

Without limiting anything in clause 3, Crescent will be bound by and will comply with all provisions of the Share Scheme.

---

#### **7. GENERAL**

##### **7.1 Notices**

- (a) All notices or other communication to Crescent in respect of this deed poll must be:
  - (i) in writing;
  - (ii) signed by the sender or by a person duly authorised by the sender;
  - (iii) must be delivered or sent by fax to the fax number, of Crescent or given in any other way permitted by law, in each case addressed in the manner relevantly described below:

Address: Suite 1490 - 1075 West Georgia Street  
Vancouver, British Columbia, V6E 3C9

Fax number: (604) 688-9458

Email: don@crescentresourcescorp.com

For the attention of: Don Halliday with a copy to:

Address: Unit 1 – 15782 Marine Drive  
White Rock, British Columbia, V4B 1E6

Fax: (604) 536-2788

Email: Doris@goldenoakcorporate.com

For the attention of: Doris Meyer

- (b) Any notice or other communication given in accordance with clause 7.1(a) will, in the absence of proof of earlier receipt, be deemed to have been duly given as follows:
- (i) if delivered by hand, on delivery at the address of the addressee, unless that delivery is made on a non-Business Day, or after 5.00 pm on a Business Day, in which case that communication will be deemed to be received at 9.00 am on the next Business Day; and
  - (ii) if sent by facsimile, at the local time (in the place of receipt of the facsimile) which then equates to the time at which that facsimile is sent as shown on the transmission report which is produced by the machine from which that facsimile is sent and which confirms transmission of that facsimile in its entirety, unless that local time is a non-Business Day, or after 5.00 pm on a Business Day, in which case that communication will be deemed to be received at 9.00 am on the next Business Day.

## 7.2 Stamp Duty

Crescent will:

- (a) pay or procure the payment of all transaction duties and any related fines and penalties in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under this deed poll (including in connection with the transfer of Coventry Shares to Crescent in accordance with the terms of the Share Scheme); and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with 7.2(a).

## 7.3 Waiver

- (a) Waiver of any right arising from a breach of this deed poll or of any right, power, authority, discretion or remedy arising upon default under this deed poll must be in writing and signed by the party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:

- (i) a right arising from a breach of this deed poll; or
- (ii) a right, power, authority, discretion or remedy created or arising upon default under this deed poll,

does not result in a waiver of that right, power, authority, discretion or remedy.

- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this deed poll or on a default under this deed poll as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A party may not rely on any conduct of another party as a defence to the exercise of a right, power, authority, discretion or remedy by that other party.
- (e) This clause may not itself be waived except in writing.

#### **7.4 Variation**

A provision of this deed poll may not be varied unless:

- (a) before the Second Court Date, the variation is agreed to in writing by Coventry; or
- (b) on or after the Second Court Date, the variation is agreed to in writing by Coventry and is approved by the Court. In which event Crescent will enter into a further deed poll in favour of the Scheme Shareholders giving effect to such amendment or variation.

#### **7.5 Cumulative rights**

The rights, powers and remedies of Crescent and each Scheme Shareholder under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by the law independently of this deed poll.

#### **7.6 Assignment**

The rights and obligations of Crescent and the rights of each Scheme Shareholder under this deed poll are personal and must not be assigned, charged otherwise dealt with at law or in equity.

#### **7.7 Further action**

Crescent will promptly do all things and execute and deliver all further documents required by law to give effect to this deed poll.

#### **7.8 Governing law and jurisdiction**

- (a) This deed poll is governed by the laws of the state of Western Australia.
- (b) Crescent irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the state of Western Australia for any proceedings in connection with this deed poll and waives any right it may have to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum.

**EXECUTED** by the Parties as a Deed Poll.

**EXECUTED BY** )  
**CRESCENT RESOURCES CORP.** )  
in accordance with its constituent )  
documents and the laws applicable in its )  
place of incorporation:

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Signature of Director/Secretary\*

\_\_\_\_\_  
Full name of Director

\_\_\_\_\_  
Full Name of Director/Secretary\*

\*Delete if not applicable

**COVENTRY RESOURCES LIMITED  
ACN 082 901 362  
(Coventry)**

**and**

**THE HOLDERS OF OPTIONS TO SUBSCRIBE FOR FULLY PAID  
ORDINARY SHARES IN COVENTRY RESOURCES LIMITED**

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**SCHEME OF ARRANGEMENT - PURSUANT TO SECTION 411  
OF THE CORPORATIONS ACT**

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**STEINPREIS PAGANIN**   
Lawyers & Consultants

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**Scheme of Arrangement made under section 411 of the Corporations Act 2001  
(Commonwealth)**

---

**BETWEEN**

---

**COVENTRY RESOURCES LIMITED** (ACN 082 901 362) of Suite 9, 5 Centro Avenue, Subiaco, Western Australia (**Coventry**);

AND

**THE HOLDERS OF COVENTRY OPTIONS.**

---

**RECITALS**

---

- A.** Coventry is a public company incorporated in the state of Western Australia and is admitted to the official list of the ASX.
- B.** Crescent Resources Corp. is a company existing under the laws of the Province of British Columbia with a head office at 1490 – 1075 West Georgia Street, Vancouver, British Columbia V6E 3C9 (**Crescent**) and its common shares are listed for trading on the TSX-V.
- C.** Coventry and Crescent have entered into a merger implementation deed dated (insert date) 2012 (**Merger Implementation Deed**) pursuant to which, amongst other things, Coventry has agreed to propose this Option Scheme to Coventry Optionholders, and each of Coventry and Crescent have agreed to take certain steps to give effect to this Option Scheme.
- D.** If this Option Scheme becomes Effective (defined below), then:
- (a) subject to clause 5.2, all of the Scheme Options will be transferred to Crescent and the Option Scheme Consideration will be provided to the Scheme Optionholders in accordance with the provisions of this Option Scheme; and
  - (b) Coventry will enter the name and address of Crescent in the Coventry Option Register as the holder of all of the Scheme Options.
- E.** Crescent has entered into the Deed Poll for the purpose of covenanting in favour of Scheme Optionholders to perform the obligations contemplated of it under this Option Scheme.

---

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this document, unless the contrary intention appears or the context requires otherwise:

**Announcement** has that meaning given to it in the Merger Implementation Deed.

**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.

**Business Day** is any day that is both a Business Day within the meaning given in the ASX Listing Rules and a day that banks in Perth, Western Australia and Vancouver, Canada are open for business.

**Canadian Securities Laws** means all applicable Canadian securities laws and the rules and regulations thereunder, together with all applicable published instruments, notices and orders of the securities regulatory authorities thereof and all applicable rules and policies of the TSX-V.

**Condition** means a condition to this Option Scheme set out in clause 2.1.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Federal Court of Australia or such other court of competent jurisdiction as Coventry and Crescent agree in writing.

**Coventry Option Register** means the register of optionholders of Coventry maintained by or on behalf of Coventry in accordance with section 168(1) of the Corporations Act.

**Coventry Option** means an option to subscribe for Coventry Shares described in Schedule 6 of the Merger Implementation Deed.

**Coventry Optionholder** means a person who is registered in the Coventry Option Register as a holder of Coventry Options.

**Coventry Share** means a fully paid ordinary share in the capital of Coventry.

**Crescent CDI** means a CHESS Depository Interest, being a unit of beneficial ownership in a Crescent Share registered in the name of the Depository.

**Crescent Option** means an option to subscribe for one Crescent Share.

**Crescent Option Register** means the register of holders of Crescent Options maintained by or on behalf of Crescent.

**Crescent Share** means a fully paid and non-assessable common share in the capital of Crescent.

**Deed Poll** means the deed poll to be executed by Crescent in favour of the Scheme Optionholders (subject to any amendments permitted by its terms) prior to the despatch of the Explanatory Memorandum to Coventry Optionholders.

**Depository** means CHESS Depository Nominees Pty Limited (ACN 071 346 506).

**Effective** means, when used in relation to this Option Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to this Option Scheme.

**Effective Date** means the date on which this Option Scheme becomes Effective.

**End Date** means December 31, 2012 or such later date as is agreed by Coventry and Crescent in writing.

**Explanatory Memorandum** means the explanatory memorandum to be prepared by Coventry in respect of this Option Scheme approved by the Court under section 411(1) of the Corporations Act for distribution to Coventry Optionholders containing, among other things, the explanatory statement required by Part 5.1 of the Corporations Act relating to this Option Scheme and a notice convening the Option Scheme Meeting.

**Implementation Date** means the date which is 5 Business Days after the Record Date, or such other date as Coventry and Crescent agree in writing.

**Option Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between Coventry and Scheme Optionholders as set out in this document, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and approved in writing by Crescent and Coventry.

**Option Scheme Consideration** means, subject to clause 5.2, the consideration to be provided to Scheme Optionholders under the terms of this Option Scheme, being Crescent Options (issued on the terms set out in SCHEDULE 1).

**Option Scheme Meeting** means the meeting of Coventry Optionholders ordered by the Court in relation to this Option Scheme pursuant to section 411(1) of the Corporations Act.

**Record Date** means the date which is 5 Business Days after the Effective Date.

**Registered Address** means, in relation to a Coventry Optionholder, the address of that Coventry Optionholder shown in the Coventry Option Register.

**Regulatory Authority** means:

- (a) any government, semi-government or local authority and any department, minister or agency of any government; and
- (b) any other authority, agency, commission, administrative, fiscal or judicial body (including the Court), tribunal or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange, including without limitation the ASX and TSX-V.

**Related Body Corporate** means the meaning given in section 9 of the Corporations Act.

**Scheme Option** means each Coventry Option on issue as at 5.00 pm on the Record Date.

**Scheme Optionholder** means each person registered in the Coventry Option Register as the holder of Scheme Options.

**Second Court Date** means the first day of hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving this Option Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**Share Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between Coventry and the holders of Coventry Shares, as contemplated in the Merger Implementation Deed.

**TSX-V** means TSX Venture Exchange.

## 1.2 Interpretation

In this document, unless the contrary intention appears or the context requires otherwise:

- (a) a word importing the singular includes the plural and vice versa, and a word indicating gender includes every other gender;
- (b) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning ;
- (c) references to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to a statute includes any, regulations or other instruments made under it and a reference to a statute or any regulation or other instrument made under it or a provision of any such statute, regulation or instrument includes consolidations, amendments, re-enactments and replacements;
- (e) a reference to a **party** includes a reference to that party's executors, administrators, successors, and permitted assigns, s including, without limitation, persons taking by novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) if a time period is specified and dates from a given date or the day of an act or event, it is to be calculated exclusive of that day;
- (g) a reference to any time is a reference to that time in Perth, Australia;
- (h) a reference to "\$" or "A\$" is to the lawful currency of the Commonwealth of Australia;
- (i) a reference to a document is that document as varied, novated, ratified or replaced from time to time;
- (j) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this document, and a reference to this document includes all schedules, exhibits, attachments and annexures to it
- (k) this document must not be construed adversely to a party just because that party prepared it or caused it to be prepared; and
- (l) the word **including** or any form of that word is not a word of limitation.

## 1.3 Best and reasonable endeavours

Any provision of this document which requires a party to use best endeavours or reasonable endeavours, or to take all steps reasonably necessary, to procure that something is performed or occurs does not include any obligation:

- (a) to pay any money or to provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person; or
- (b) to commence any legal action or proceeding against any person, to procure that that thing is done or happens, except for payment of any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority,

except where that provision expressly specifies otherwise.

#### **1.4 Business Day**

Except where otherwise expressly provided, where under this document the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing shall be done on the immediately following Business Day.

---

## **2. CONDITIONS**

### **2.1 Conditions to this Option Scheme**

This Option Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions, and the provisions of clauses 3, 4 and 5 will not come into effect unless and until each of these conditions have been satisfied:

- (a) as at 8:00 am on the Second Court Date each of the conditions set out in clause 3.2 of the Merger Implementation Deed (other than the condition relating to the approval of the Court and the condition relating to the Effectiveness of the Share Scheme, as set out in clause 3.2(e) and clause 3.2(a) respectively of the Merger Implementation Deed) have been satisfied or waived in accordance with the terms of the Merger Implementation Deed;
- (b) as at 8:00 am on the Second Court Date the Merger Implementation Deed has not been terminated;
- (c) the Court approves this Option Scheme under section 411(4)(b) of the Corporations Act with or without modification;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Option Scheme as are acceptable to Crescent and Coventry have been satisfied; and
- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Option Scheme and the Share Scheme.

### **2.2 Certificates in relation to conditions**

- (a) At or before the Court hearing on the Second Court Date, Coventry and Crescent will each provide to the Court a certificate (or such other evidence as the Court may request) confirming whether or not all of the conditions set out in clause 3.2 of the Merger Implementation Deed (other than the condition referred to in clause 3.2(e) of the Merger

Implementation Deed) have been satisfied or waived in accordance with the terms of the Merger Implementation Deed.

- (b) The certificates given by Coventry and Crescent constitute conclusive evidence that the conditions have been satisfied or waived (as the case may be).

### **2.3 Termination of Merger Implementation Deed**

Without limiting any rights under the Merger Implementation Deed, in the event that the Merger Implementation Deed is terminated in accordance with its terms before 8:00 am on the Second Court Date, Coventry and Crescent are each released from:

- (a) any further obligation to take steps to implement this Option Scheme; and
- (b) any liability with respect to this Option Scheme.

---

## **3. OPTION SCHEME**

### **3.1 Effective Date of Option Scheme**

Subject to clause 3.2, this Option Scheme will take effect on and from the Effective Date.

### **3.2 End Date**

This Option Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

---

## **4. IMPLEMENTATION OF OPTION SCHEME**

### **4.1 Lodgement**

If the Conditions are satisfied, Coventry must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Option Scheme promptly after, and in any event by no later than 4.00 pm on the Business Day following the date on which the Court approves this Option Scheme (or such other Business Day as Coventry and Crescent agree in writing).

### **4.2 Transfer of Scheme Options**

On the Implementation Date, subject to the provision of the Option Scheme Consideration in the manner contemplated by clause 5 and Crescent having provided Coventry with written confirmation thereof, all of the Scheme Options will, together with all rights and entitlements attaching to the Scheme Options, be transferred to Crescent without the need for any further act by any Scheme Optionholder (other than acts performed by Coventry or its directors as attorney or agent for Scheme Optionholders under this Option Scheme), by:

- (a) Coventry delivering to Crescent a duly completed and executed option transfer form or forms to transfer all of the Scheme Options to Crescent (executed by Coventry as the attorney and agent of each Scheme Optionholder under clause 7.2) (which may be a master transfer of all or part of the Scheme Options);

- (b) Crescent executing such option transfer form or forms and delivering it or them to Coventry for registration; and
- (c) immediately after receipt of the option transfer form or forms under clause 4.2(b), Coventry entering, or procuring the entry of, the name and address of Crescent in the Coventry Option Register as the holder of all of the Scheme Options.

#### **4.3 Timing**

Notwithstanding any other provision of this Option Scheme, while Crescent Options forming part of the Option Scheme Consideration must be issued (and relevant registers updated to record their issuance) on the Implementation Date, any requirements under clause 5 for the sending of option certificates, holding statements or allotment advices may be satisfied within 10 Business Days after the Implementation Date.

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### **5. OPTION SCHEME CONSIDERATION**

#### **5.1 Option Scheme Consideration**

Subject to this Option Scheme becoming Effective, in consideration of the transfer to Crescent of each Scheme Option held by a Scheme Optionholder under this Option Scheme, Crescent will provide the Option Scheme Consideration to each Scheme Optionholder for each Scheme Option held by it on the Implementation Date.

#### **5.2 Rounding entitlements**

If the number of Scheme Options held by a Scheme Optionholder as at 5:00 pm on the Record Date is such that the aggregate entitlement of the Scheme Optionholder to Option Scheme Consideration is such that a fractional entitlement to a Crescent Option arises, then the entitlement of that Scheme Optionholder must be rounded down to the nearest whole number of Crescent Options.

#### **5.3 Terms of Crescent Options**

Each Crescent Option issued pursuant to this Option Scheme (as Option Scheme Consideration) will be issued on the terms set out in SCHEDULE 1.

#### **5.4 Provision of Option Scheme Consideration**

Subject to clause 4.3, the obligations of Crescent under this Option Scheme to provide the Option Scheme Consideration to Scheme Optionholders will be satisfied by Crescent procuring that:

- (a) the name and address of each such Scheme Optionholder is entered into the Crescent Option Register on the Implementation Date in respect of the Crescent Options to which it is entitled, under this clause 5; and
- (b) a certificate or other instrument is sent to the Registered Address of each such Scheme Optionholder representing and governing the terms of Crescent Options issued to the Scheme Optionholder pursuant to this Option Scheme.

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## **6. EXERCISE OF COVENTRY OPTIONS**

### **6.1 Issue of Coventry Shares**

- (a) Coventry will issue Coventry Shares in accordance with any valid exercise of a Coventry Option which is received on or before 12:00 noon on the Business Day prior to the Record Date.
- (b) Coventry will not accept for registration or recognise for any purpose any exercise of a Coventry Option received after 12:00 noon on the Business Day prior to the Record Date and, after such time, the Coventry Options shall not be capable of exercise notwithstanding any terms on which such Coventry Options were granted.

### **6.2 Coventry Option Register**

Coventry will, until the Option Scheme Consideration has been provided and Crescent has been entered in the Coventry Option Register as the holder of all of the Scheme Options, maintain the Coventry Option Register in accordance with the provisions of this clause 6 and the Coventry Option Register in this form and the terms of this Option Scheme will solely determine entitlements to the Option Scheme Consideration.

### **6.3 Information to be made available to Crescent**

Coventry must procure that as soon as practicable following the Record Date, details of the names, registered addresses and holdings of Coventry Options of every Scheme Optionholder shown in the Coventry Option Register at 5.00 pm on the Record Date are made available to Crescent in such form as Crescent may reasonably require.

### **6.4 Effect of Option certificates**

As from 5:00 pm the Record Date, all option certificates for the Scheme Options (and other than for Crescent following the Implementation Date) will cease to have effect as documents of title, and each entry on the Coventry Option Register at that date will cease to have any effect other than as evidence of entitlement to the Option Scheme Consideration.

### **6.5 No disposals after Record Date**

If this Option Scheme becomes Effective, a Scheme Optionholder, and any person claiming through that Scheme Optionholder, must not dispose of or purport or agree to dispose of any Scheme Options or any interest in them after the Record Date.

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## **7. GENERAL PROVISIONS**

### **7.1 Effect of Option Scheme**

Each Scheme Optionholder acknowledges that this Option Scheme binds Coventry and all of the holders for the time being of Coventry Options (including those who do not attend the meeting of Coventry Optionholders to approve this Option Scheme or who do not vote at that meeting or who vote against this Option Scheme at that meeting) and, to the extent permitted by law, overrides the constitution of Coventry and the terms of the Coventry Options.

## **7.2 Appointment of agent and attorney**

Each Scheme Optionholder, without the need for any further act, is deemed to have irrevocably appointed Coventry as its agent and attorney for the purpose of:

- (a) executing any document or form or doing any other act necessary to give effect to the terms of this Option Scheme including, without limitation, the execution of the option transfer(s) to be delivered under clause 4.2(a) and the giving of the Scheme Optionholders' consent under clause 7.4; and
- (b) enforcing the Deed Poll against Crescent,

and Coventry accepts such appointment. Coventry, as agent of each Scheme Optionholder, may sub-delegate its functions, authorities or powers under this clause 7.2 to all or any of its directors and officers (jointly, severally, or jointly and severally).

## **7.3 Enforcement of Deed Poll**

Coventry undertakes in favour of each Scheme Optionholder that it will enforce the Deed Poll against Crescent on behalf of and as agent and attorney for the Scheme Optionholders.

## **7.4 Scheme Optionholders' consent**

Each Scheme Optionholder irrevocably:

- (a) consents to Coventry and Crescent doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Option Scheme; and
- (b) acknowledges that this Option Scheme binds Coventry and all of the Coventry Optionholders from time to time (including those who do not attend the Option Scheme Meeting, do not vote at that meeting or vote against this Option Scheme).

## **7.5 Scheme Optionholder's agreements**

Under this Option Scheme:

- (a) each Scheme Optionholder who is issued Crescent Options under this Option Scheme agrees to become an optionholder of Crescent in respect of those Crescent Options and to have their name entered in the Crescent Option Register;
- (b) each Scheme Optionholder agrees to the transfer of its Scheme Options, together with all rights and entitlements attaching to those Scheme Options, to Crescent in accordance with the terms of this Option Scheme; and
- (c) each Scheme Optionholder acknowledges and agrees that the terms of the Crescent Options issued under the Option Scheme remain subject to TSX-V approval and requirements.

## **7.6 Transfer with clear title and warranty by Scheme Optionholders**

- (a) To the extent permitted by law, the Scheme Options transferred to Crescent under this Option Scheme must be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) Each Scheme Optionholder is deemed to have warranted to Coventry, in its own right and for the benefit of Crescent, that all their Scheme Options (including any rights and entitlements attaching to those options) will, at the date of the transfer of them to Crescent, be free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and to transfer their Scheme Options to Crescent under this Option Scheme.

## **7.7 Title to Scheme Options**

Crescent will be beneficially entitled to the Scheme Options transferred to it under this Option Scheme pending registration by Coventry of Crescent in the Coventry Option Register as the holder of the Scheme Options.

## **7.8 Crescent directions**

From the Effective Date until Coventry registers Crescent as the holder of all of the Coventry Options in the Coventry Option Register, each Scheme Optionholder must take all actions in the capacity of the registered holder of Coventry Options as Crescent directs.

## **7.9 Alterations or conditions**

Coventry may, by its counsel or solicitors, and with the consent of Crescent, consent on behalf of all persons concerned, including a Scheme Optionholder, to any alteration or condition to this Option Scheme which the Court thinks fit to make or impose.

## **7.10 Notices**

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Coventry, it will for all purposes be deemed to be received on the date (if any) on which it is actually received at Coventry's registered office (and it will not be deemed to be received in the ordinary course of post).
- (b) The accidental omission to give notice of the Option Scheme Meeting to any Coventry Optionholder, or the non-receipt of such a notice by any Coventry Optionholder, will not unless ordered by the Court, invalidate the Option Scheme or the proceedings at the Option Scheme Meeting.

## **7.11 Inconsistencies**

This Option Scheme binds Coventry and all Coventry Optionholders, and to the extent of any inconsistency, overrides the constitution of Coventry.

#### **7.12 Further assurances**

The Coventry Optionholders consent to Coventry doing all things necessary for the implementation and performance of its obligations under this Option Scheme. Coventry will execute all documents and do all acts and things as may be necessary or expedient for the implementation of and performance of its obligations under, this Option Scheme.

#### **7.13 Stamp duty**

Crescent will pay any stamp duty payable on the transfer by Scheme Optionholders of the Scheme Options to Crescent.

#### **7.14 Fees and charges**

Coventry must pay all filing, application or similar fees due in relation to this Option Scheme.

#### **7.15 Governing law**

This Option Scheme is governed by the laws of the State of Western Australia. Each of Coventry and Crescent, and the holders of Coventry Shares irrevocably and unconditionally submits, in connection with this Scheme, to the non-exclusive jurisdiction of the Court and any courts which have jurisdiction to hear appeals from the Court and waives any right to object to any proceedings being brought in these courts.

#### **7.16 Limitation of liability**

None of Coventry or Crescent nor any officer of any of them is liable for anything done or omitted to be done in the performance of this Option Scheme in good faith.

#### **7.17 Definition of "send"**

For the purposes of clause 5, the word "send" (or any variant thereof) means:

- (a) sending by ordinary pre-paid post or courier to the Registered Address of the Scheme Optionholder; or
- (b) delivering to that address by any other means at no cost to the recipient.

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## **SCHEDULE 1 – TERMS OF CRESCENT OPTIONS TO BE ISSUED AS OPTION SCHEME CONSIDERATION**

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Each Crescent Option will be granted on terms consistent (to the greatest extent permitted by Canadian Securities Laws) with the terms of the Coventry Options except that each such Crescent Option will:

1. entitle the holder to purchase Crescent Shares in lieu of Coventry Shares on the basis of 0.2513 Crescent Shares (post completion of the consolidation of the Crescent Shares on a 5:1 basis) for each Coventry Share the Coventry Optionholder was theretofore entitled to purchase upon payment of an exercise price that has been simultaneously and proportionately adjusted;
2. have an exercise period equal to the unexpired exercise period of the Coventry Option it replaces;
3. be fully vested and immediately capable of exercise; and
4. be exercisable into Crescent Shares (unless the option holder elects, at or before the time of exercise, to receive a Crescent CDI).

**CRESCENT RESOURCES CORP.**

**(CRESCENT)**

**IN FAVOUR OF EACH SCHEME OPTIONHOLDER**

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**DEED POLL (IN RESPECT OF THE OPTION SCHEME)**

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**BETWEEN**

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**CRESCENT RESOURCES CORP.** a company existing under the laws of the Province of British Columbia with a head office at 1490 – 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9 (**Crescent**);

In favour of

**EACH HOLDER OF OPTIONS TO SUBSCRIBE FOR FULLY PAID ORDINARY SHARES IN THE CAPITAL OF COVENTRY RESOURCES LIMITED** (ACN 082 901 362) (**Coventry**) on issue as at 5:00pm on the Record Date (**Scheme Optionholders**).

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**RECITALS**

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- A. Coventry is listed on the official list of the ASX.
- B. The common shares of Crescent are listed for trading on the TSX-V.
- C. Coventry and Crescent have entered into a merger implementation deed dated (insert date) 2012 (**Merger Implementation Deed**) pursuant to which, amongst other things, Coventry has agreed to propose this Option Scheme to Coventry Optionholders, and each of Coventry and Crescent have agreed to take certain steps to give effect to this Option Scheme.
- D. Coventry has agreed in the Merger Implementation Deed to propose a scheme of arrangement between Coventry and the holders of options to subscribe for fully paid ordinary shares in Coventry, the effect of which will be that Crescent acquires all of the Scheme Options from Scheme Optionholders in exchange for the Option Scheme Consideration.
- E. In accordance with clause 4.2(f) of the Merger Implementation Deed, Crescent is entering into this deed poll to covenant in favour of Scheme Optionholders that it will observe and perform its obligations under the Option Scheme, as if named as a party to the Option Scheme.

**IT IS AGREED** as follows:

---

**1. DEFINITIONS AND INTERPRETATION****1.1 Definitions**

In this deed poll:

- (a) **Option Scheme** means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between Coventry and the Scheme Optionholders, a copy of which is annexed to this deed poll; and
- (b) capitalised terms have the meanings given to them in the Option Scheme, unless the context requires otherwise.

**1.2 Interpretation**

In this deed poll, unless the context otherwise requires:

- (a) a word importing the singular includes the plural and vice versa, and word indicated each gender includes every other gender;
- (b) references to a **person** includes an individual, the estate of an individual, a corporations, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to a statute includes any regulation or agreement is to such a statute, regulations or other instruments made under it and a reference to a statute or any regulation or other instrument made under it or a provision of any such statute, regulation or instrument includes consolidations, amendments, re-enactments and replacements;
- (d) a reference to a **party** includes a reference to a party's executors, administrators, successors, and permitted assigns, including, without limitation, persons taking by novation and, in the case of a trustee, includes any substituted or additional trustee;
- (e) if a time period is specified and dates from a given date or the day of an act or event, it is to be calculated exclusive of that day;
- (f) a reference to any time is a reference to that time in Perth, Western Australia;
- (g) a reference to "A\$" is to the lawful currency of the Commonwealth of Australia;
- (h) a reference to a document is that document as varied, novated, ratified or replaced from time to time;
- (i) annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this deed poll, and a reference to this deed poll includes all schedules, exhibits, attachments and annexures to it
- (j) this deed poll must not be construed adversely to a party just because that party prepared it or caused it to be prepared; and
- (k) the word **including** or any form of that word is not a word of limitation.

### 1.3 Nature of Deed Poll

Crescent acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Optionholder in accordance with its terms even though the Scheme Optionholders are not party to it; and
- (b) under the Option Scheme, each Scheme Optionholder irrevocably appoints Coventry as its agent and attorney to enforce this deed poll against Crescent.

---

## 2. CONDITION

### 2.1 Condition

The obligations of Crescent under his deed poll are subject to the Option Scheme becoming Effective.

## **2.2 Termination**

If the Merger implementation Deed is terminated or the Option Scheme does not become Effective on or before the End Date, the obligations of Crescent under this deed poll automatically terminate and the terms of this deed poll will be of no further force or effect.

## **2.3 Consequences of Termination**

If this deed poll is terminated under clause 2.2 then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Crescent is released from its obligations to further perform this deed poll except those obligations under clause 7.2 and any other obligations which by their nature survive termination; and
- (b) each Scheme Optionholder retains the rights they have against Crescent in respect of any breach of this deed poll by Crescent which occurs before this deed poll is terminated.

---

## **3. COMPLIANCE WITH OPTION SCHEME OBLIGATIONS**

### **3.1 Option Scheme Consideration**

Subject to clause 2, Crescent undertakes in favour of each Scheme Optionholder to:

- (a) provide or procure the provision of the Option Scheme Consideration to each Scheme Optionholder; and
- (b) undertake all other actions attributed to it under the Option Scheme, in accordance with the Option Scheme.

---

## **4. WARRANTIES**

Crescent represents and warrants that:

- (a) it is a corporation validly existing under the laws of the its place of incorporation;
- (b) the execution and delivery by it of this deed poll has been (or, prior to the Option Scheme becoming Effective, will be) properly authorised by all necessary corporate action and it has, or will have, full corporate power (including shareholder approval) and lawful authority (including all necessary approvals and/or waivers from the TSX-V) to perform or cause to be performed its obligations under this deed poll and to carry out or cause to be carried out the transactions contemplated by this deed poll; and
- (c) this deed poll will constitute legally valid and binding obligations on it enforceable in accordance with its terms (subject to any necessary stamping) and does not conflict with or result in a breach of a default under:
  - (i) the constitution or equivalent constituent documents of it or any of its Related Bodies Corporate; or

- (ii) any writ, order or injunction, judgment, law, rule or regulation to which it is party, or by which it is bound.

---

## 5. CONTINUING OBLIGATIONS

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Crescent has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.2.

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## 6. OPTION SCHEME

Without limiting anything in clause 3, Crescent will be bound by and will comply with all provisions of the Option Scheme.

---

## 7. GENERAL

### 7.1 Notices

- (a) All notices or other communication to Crescent in respect of this deed poll must be:

- (i) in writing;
- (ii) signed by the sender or by a person duly authorised by the sender;
- (iii) must be delivered or sent by fax to the fax number, of Crescent or given in any other way permitted by law, in each case addressed in the manner relevantly described below:

Address: Suite 1490 - 1075 West Georgia Street  
Vancouver, British Columbia, V6E 3C9

Fax number: (604) 688-9458

Email: don@crescentresourcescorp.com

For the attention of: Don Halliday with a copy to:

Address: Unit 1 – 15782 Marine Drive  
White Rock, British Columbia, V4B 1E6

Fax: (604) 536-2788

Email: Doris@goldenoakcorporate.com

For the attention of: Doris Meyer

- (b) Any notice or other communication given in accordance with clause 7.1(a) will, in the absence of proof of earlier receipt, be deemed to have been duly given as follows:

- (i) if delivered by hand, on delivery at the address of the addressee, unless that delivery is made on a non-Business Day, or after 5.00 pm on a Business Day, in which case that

communication will be deemed to be received at 9.00 am on the next Business Day; and

- (ii) if sent by facsimile, at the local time (in the place of receipt of the facsimile) which then equates to the time at which that facsimile is sent as shown on the transmission report which is produced by the machine from which that facsimile is sent and which confirms transmission of that facsimile in its entirety, unless that local time is a non-Business Day, or after 5.00 pm on a Business Day, in which case that communication will be deemed to be received at 9.00 am on the next Business Day.

## **7.2 Stamp Duty**

Crescent will:

- (a) pay or procure the payment of all transaction duties and any related fines and penalties in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under this deed poll (including in connection with the transfer of Coventry Options to Crescent in accordance with the terms of the Option Scheme); and
- (b) indemnify each Scheme Optionholder against any liability arising from failure to comply with clause 7.2(a).

## **7.3 Waiver**

- (a) Waiver of any right arising from a breach of this deed poll or of any right, power, authority, discretion or remedy arising upon default under this deed poll must be in writing and signed by the party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
  - (i) a right arising from a breach of this deed poll; or
  - (ii) a right, power, authority, discretion or remedy created or arising upon default under this deed poll,does not result in a waiver of that right, power, authority, discretion or remedy.
- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this deed poll or on a default under this deed poll as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A party may not rely on any conduct of another party as a defence to the exercise of a right, power, authority, discretion or remedy by that other party.
- (e) This clause may not itself be waived except in writing.

#### **7.4 Variation**

A provision of this deed poll may not be varied unless:

- (a) before the Second Court Date, the variation is agreed to in writing by Coventry; or
- (b) on or after the Second Court Date, the variation is agreed to in writing by Coventry and is approved by the Court,

in which event Crescent will enter into a further deed poll in favour of the Scheme Optionholders giving effect to such amendment or variation.

#### **7.5 Cumulative Rights**

The rights, powers and remedies of Crescent and each Scheme Optionholder under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by the law independently of this deed poll.

#### **7.6 Assignment**

The rights and obligations of Crescent and the rights of each Scheme Optionholder under this deed poll are personal and must not be assigned, charged or otherwise dealt with at law or in equity.

#### **7.7 Further Action**

Crescent will promptly do all things and execute and deliver all further documents required by law to give effect to this deed poll.

#### **7.8 Governing Law and Jurisdiction**

- (a) This deed poll is governed by the laws of the state of Western Australia.
- (b) Crescent irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the state of Western Australia for any proceedings in connection with this deed poll and waives any right it may have to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum.

**EXECUTED** by the Parties as a Deed Poll

**EXECUTED BY** )  
**CRESCENT RESOURCES CORP.** )  
in accordance with its constituent )  
documents and the laws applicable in its )  
place of incorporation:

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Signature of Director/Secretary\*

\_\_\_\_\_  
Full name of Director

\_\_\_\_\_  
Full Name of Director/Secretary\*

\*Delete if not applicable

**SCHEME OF ARRANGEMENT**

**COVENTRY RESOURCES LIMITED  
ACN 082 901 362  
(COVENTRY)**

**AND**

**THE HOLDERS OF FULLY PAID ORDINARY SHARES IN  
COVENTRY RESOURCES LIMITED**

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**SCHEME OF ARRANGEMENT - PURSUANT TO SECTION 411  
OF THE CORPORATIONS ACT**

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**STEINEPREIS PAGANIN**   
Lawyers & Consultants

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## Scheme of Arrangement made under section 411 of the Corporations Act 2001 (Cth)

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### BETWEEN

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**COVENTRY RESOURCES LIMITED** (ACN 082 901 362) of Suite 9, 5 Centro Avenue, Subiaco, Western Australia (**Coventry**);

AND

**THE HOLDERS OF COVENTRY SHARES.**

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### RECITALS

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- A.** Coventry is a public company incorporated in the state of Western Australia and is admitted to the official list of the ASX.
- B.** Crescent Resources Corp. is a company existing under the laws of the Province of British Columbia with its head office at 1490 – 1075 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3C9 (**Crescent**) and its common shares are listed for trading on the TSX-V.
- C.** Coventry and Crescent have entered into a merger implementation deed dated 7 September 2012 (**Merger Implementation Deed**) pursuant to which, amongst other things, Coventry has agreed to propose this Share Scheme to Coventry Shareholders, and each of Coventry and Crescent have agreed to take certain steps to give effect to this Share Scheme.
- D.** If this Share Scheme becomes Effective (as defined below), then:
- (a) all of the Scheme Shares will be transferred to Crescent and the Share Scheme Consideration will be provided to the Scheme Shareholders in accordance with the provisions of this Share Scheme; and
  - (b) Coventry will enter the name and address of Crescent in the Coventry Share Register as the holder of all of the Scheme Shares.
- E.** Crescent has entered into the Deed Poll for the purpose of covenanting in favour of Scheme Shareholders to perform the obligations contemplated of it under this Share Scheme.

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## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

In this document, unless the contrary intention appears or the context requires otherwise:

**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 Settlement** means ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532).

**Business Day** is any day that is both a business day within the meaning given in the ASX Listing Rules and a day that banks in Perth, Western Australia and Vancouver, Canada are open for business.

**Canadian Securities Laws** means all applicable Canadian Securities Laws and rules and regulations thereunder, together with all applicable published instruments, notices and orders of the securities regulatory authorities thereof and all applicable rules and policies of the TSX-V.

**CHESS** means the Clearing House Electronic Sub-Register System operated by ASX Settlement.

**Condition** means a condition to this Share Scheme set out in clause 2.1.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Federal Court of Australia or such other court of competent jurisdiction as Coventry and Crescent agree in writing.

**Coventry Option Register** means the register of holders of Coventry Options maintained by or on behalf of Coventry in accordance with section 168(1) of the Corporations Act.

**Coventry Optionholder** means each person who is registered in the Coventry Option Register as a holder of a Coventry Option at the date of the Merger Implementation Deed.

**Coventry Options** means the options to subscribe for Coventry Shares described in Schedule 6 of the Merger Implementation Deed.

**Coventry Share** means a fully paid ordinary share in the capital of Coventry.

**Coventry Shareholder** means each person who is registered as a holder of a Coventry Share.

**Coventry Share Register** means the register of members of Coventry maintained by or on behalf of Coventry in accordance with section 168(1) of the Corporations Act.

**Crescent CDI** means a CHESS Depository Interest, being a unit of beneficial ownership in a Crescent Share registered in the name of the Depository.

**Crescent Share** means a fully paid and non-assessable common share in the capital of Crescent.

**Crescent Share Register** means the register of holders of Crescent Shares maintained by or on behalf of Crescent.

**Deed Poll** means the deed poll to be executed by Crescent in favour of the Scheme Shareholders (subject to any amendments permitted by its terms) prior to the despatch of the Explanatory Memorandum to Coventry Shareholders.

**Depository** means CHESS Depository Nominees Pty Limited (ACN 071 346 506) the entity that will provide depository services in respect of the Crescent CDIs.

**Effective** means, when used in relation to this Share Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the

Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to this Share Scheme.

**Effective Date** means the date on which this Share Scheme becomes Effective.

**Election Form** means the form accompanying the Explanatory Memorandum pursuant to which holders of Coventry Shares (other than Ineligible Overseas Shareholders) may elect whether to receive their Share Scheme Consideration in the form of Crescent Shares or Crescent CDIs.

**End Date** means December 31, 2012 or such later date as is agreed by Coventry and Crescent in writing.

**Excluded Shares** means any Coventry Share held by, or by any person on behalf of or for the benefit of, Crescent or its Related Bodies Corporate.

**Explanatory Memorandum** means the explanatory memorandum to be prepared by Coventry in respect of this Share Scheme approved by the Court under section 411(1) of the Corporations Act for distribution to Coventry Shareholders containing, among other things, the explanatory statement required by Part 5.1 of the Corporations Act relating to this Share Scheme and a notice convening the Share Scheme Meeting.

**Implementation Date** means the date which is 5 Business Days after the Record Date or such other date as Coventry and Crescent agree in writing.

**Ineligible Overseas Shareholder** means a Coventry Shareholder whose address as shown in the Coventry Share Register at 5.00 pm on the Record Date is a place outside Australia and its external territories, New Zealand, Canada, the United States, Hong Kong and Singapore unless Crescent and Coventry are satisfied, acting reasonably, that the laws of that Coventry Shareholder's country of residence (as shown in the Coventry Share Register) permit the issue and allotment of Crescent Shares to that Coventry Shareholder, either unconditionally or after compliance with conditions which Crescent in its sole discretion regards as acceptable.

**Record Date** means the date which is 5 Business Days after the Effective Date.

**Registered Address** means, in relation to a Coventry Shareholder, the address of that Coventry Shareholder shown in the Coventry Share Register.

**Regulatory Authority** means:

- (a) any government, semi-government or local authority and any department, minister or agency of any government; and
- (b) any other authority, agency, commission, administrative, fiscal or judicial body (including the Court), tribunal or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange, including without limitation the ASX and TSX-V.

**Related Body Corporate** means the meaning given in section 9 of the Corporations Act.

**Sale Nominee** means the person appointed by Crescent to sell the Crescent Shares that are attributable to Ineligible Overseas Shareholders under the terms of this Share Scheme.

**Scheme Share** means each Coventry Share on issue as at 5.00 pm on the Record Date other than the Excluded Shares.

**Scheme Shareholder** means each person registered in the Coventry Share Register as the holder of Scheme Shares.

**Second Court Date** means the first day of hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving this Share Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**Share Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between Coventry and Scheme Shareholders as set out in this document, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and approved in writing by Crescent and Coventry.

**Share Scheme Consideration** means the consideration to be provided to Scheme Shareholders under the terms of this Share Scheme being (subject to clauses 5.3 and 5.7) 0.2513 of a fully paid Crescent Share (post completion of the consolidation of the Crescent Shares on a 5:1 basis)(subject to clauses 4.4 and 4.7 of the Merger Implementation Deed )for every one Scheme Share.

**Share Scheme Meeting** means the meeting of Coventry Shareholders ordered by the Court in relation to this Share Scheme pursuant to section 411(1) of the Corporations Act.

**TSX-V** means the TSX Venture Exchange.

## 1.2 Interpretations

In this document unless the contrary intention appears or the context requires otherwise:

- (a) a word importing the singular includes the plural and vice versa, and word indicating gender includes every other gender
- (b) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (c) references to a **person** includes an individual the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to a statute includes any regulations or other instruments made under it and a reference to a statute or any regulation or other instrument made under it or a provision of any such statute, regulation or instrument includes consolidations, amendments, re-enactments and replacements;
- (e) a reference to a **party** includes a reference to that party's executors, administrators, and permitted assigns, s including persons taking by novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) if a time period is specified and dates from a given date or the day of an act or event, it is to be calculated exclusive of that day;

- (g) a reference to any time is a reference to that time in Perth, Australia;
- (h) a reference to "\$" or "A\$" is to the lawful currency of the Commonwealth of Australia;
- (i) a reference to a document is that document as varied, novated, ratified or replaced from time to time;
- (j) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this document, and a reference to this document includes all schedules, exhibits, attachments and annexures to it
- (k) this document must not be construed adversely to a party just because that party prepared it or caused it to be prepared; and
- (l) the word **including** or any form of that word is not a word of limitation.

### **1.3 Best and reasonable endeavours**

Any provision of this document which requires a party to use best endeavours or reasonable endeavours, or to take all steps reasonably necessary, to procure that something is performed or occurs does not include any obligation:

- (a) to pay any money or to provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person; or
- (b) to commence any legal action or proceeding against any person, to procure that that thing is done or happens, except for payment of any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority,

except where that provision expressly specifies otherwise.

### **1.4 Business Day**

Except where otherwise expressly provided, where under this document the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing shall be done on the immediately following Business Day.

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## **2. CONDITIONS**

### **2.1 Conditions to this Share Scheme**

This Share Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions, and the provisions of clauses 3, 4 and 5 will not come into effect unless and until each of these conditions have been satisfied:

- (a) as at 8.00 am on the Second Court Date each of the conditions set out in clause 3.1 of the Merger Implementation Deed (other than the condition relating to the approval of the Court set out in clause 3.1(j) of the Merger Implementation Deed) have been satisfied or waived in accordance with the terms of the Merger Implementation Deed;

- (b) as at 8.00 am on the Second Court Date the Merger Implementation Deed has not been terminated;
- (c) the Court approves this Share Scheme under section 411(4)(b) of the Corporations Act with or without modification;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Share Scheme as are acceptable to Crescent and Coventry have been satisfied; and
- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Share Scheme.

## **2.2 Certificates in relation to conditions**

- (a) At or before the Court hearing on the Second Court Date, Coventry and Crescent will each provide to the Court a certificate (or such other evidence as the Court may request) confirming whether or not all of the conditions set out in clause 3.1 (other than the condition set out in clause 3.1(j) of the Merger Implementation Deed) of the Merger Implementation Deed have been satisfied or waived in accordance with the terms of the Merger Implementation Deed.
- (b) The certificates given by Coventry and Crescent constitute conclusive evidence that the conditions have been satisfied or waived (as the case may be).

## **2.3 Termination of Merger Implementation Deed**

Without limiting any rights under the Merger Implementation Deed, in the event that the Merger Implementation Deed is terminated in accordance with its terms before 8.00 am on the Second Court Date, Coventry and Crescent are each released from:

- (a) further obligation to take steps to implement this Share Scheme; and
- (b) any liability with respect to this Share Scheme.

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## **3. SCHEME**

### **3.1 Effective Date of Scheme**

Subject to clause 3.2, this Share Scheme will take effect on and from the Effective Date.

### **3.2 End Date**

This Share Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

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## **4. IMPLEMENTATION OF SCHEME**

### **4.1 Lodgement**

If the Conditions are satisfied, Coventry must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order

approving this Share Scheme promptly after, and in any event by no later than 4.00 pm on the Business Day following the date on which the Court approves this Share Scheme (or such other Business Day as Coventry and Crescent agree in writing).

#### **4.2 Transfer of Scheme Shares**

On the Implementation Date, subject to the provision of the Share Scheme Consideration in the manner contemplated by clause 5 and Crescent having provided Coventry with written confirmation thereof, all of the Scheme Shares will, together with all rights and entitlements attaching to the Scheme Shares, be transferred to Crescent without the need for any further act by any Scheme Shareholder (other than acts performed by Coventry or its directors as attorney or agent for Scheme Shareholders under this Share Scheme), by:

- (a) Coventry delivering to Crescent a duly completed and executed share transfer form or forms to transfer all of the Scheme Shares to Crescent (executed by Coventry as the attorney and agent of each Scheme Shareholder under clause 7.2) (which may be a master transfer of all or part of the Scheme Shares);
- (b) Crescent duly executing such share transfer form or forms and delivering it or them to Coventry for registration; and
- (c) immediately after receipt of the share transfer form or forms under clause 4.2(b), Coventry entering, or procuring the entry of, the name and address of Crescent in the Coventry Share Register as the holder of all of the Scheme Shares.

#### **4.3 Timing**

Notwithstanding any other provision of this Share Scheme, while Crescent Shares and Crescent CDIs forming part of the Share Scheme Consideration must be issued (and relevant registers updated to record their issuance) on the Implementation Date, any requirements under clause 5 for the sending of share certificates, holding statements or allotment advices may be satisfied within 10 Business Days after the Implementation Date.

#### **4.4 Provision of Scheme Consideration to the holders of Excluded Shares**

Nothing in this Share Scheme requires Crescent to provide Share Scheme Consideration to any holder of Excluded Shares.

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### **5. Share Scheme Consideration**

#### **5.1 Election procedure**

- (a) Subject to the remaining provisions of this clause 5.1, each Scheme Shareholder will be entitled to elect to receive as consideration for the transfer of its Scheme Shares to Crescent under this Share Scheme either Crescent Shares or Crescent CDIs by completing the Election Form and returning it to the address specified in the Election Form so that it is received by 3.00 pm on the Record Date. An election (other than a deemed election) under this clause 5.1 must be made in accordance with the terms and conditions on the Election Form.
- (b) An Ineligible Overseas Shareholder may not make any election pursuant to this clause 5.1 and any election purportedly made will be invalid.

Ineligible Overseas Shareholders will be deemed to have elected to receive Crescent Shares and the Crescent Shares will be dealt with in accordance with clause 5.7.

- (c) A Scheme Shareholder (other than an Ineligible Overseas Shareholder) who does not validly elect between Crescent Shares and Crescent CDIs will be deemed to have elected to receive Crescent CDIs. Accordingly, a Scheme Shareholder who wishes to receive Crescent CDIs does not need to make an election under this clause 5.1.
- (d) Subject to clause 5.1(e), an election made or deemed to be made by a Scheme Shareholder under this clause 5.1 will be deemed to apply in respect of the Scheme Shareholder's entire registered holding of Scheme Shares at the Record Date, regardless of whether the Scheme Shareholder's holding of Scheme Shares at the Record Date is greater or less than the Scheme Shareholder's holding at the time of the election.
- (e) A Scheme Shareholder who is noted on the Coventry Share Register as holding one or more parcels of Coventry Shares as trustee or nominee for, or otherwise on account of another person, may make separate elections under this clause 5.1 in relation to each of those parcels of Coventry Shares (subject to it providing to Coventry and Crescent any substantiating information they reasonably require), and an election made in respect of any such parcel, or an omission to make an election in respect of any such parcel, will not be taken to extend to the other parcels.
- (f) Coventry may, with the agreement of Crescent, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any election, and any such decision will be conclusive and binding on Coventry and Crescent and the relevant Scheme Shareholder.

## **5.2 Share Scheme Consideration**

Subject to this Share Scheme becoming Effective, in consideration of the transfer to Crescent of each Scheme Share held by a Scheme Shareholder under this Share Scheme, Crescent will provide the Share Scheme Consideration to each Scheme Shareholder for each Scheme Share held by it on the Implementation Date.

## **5.3 Rounding entitlements**

If the number of Scheme Shares held by a Scheme Shareholder as at 5.00 pm on the Record Date is such that the aggregate entitlement of the Scheme Shareholder to Share Scheme Consideration is such that a fractional entitlement to a Crescent Share or Crescent CDI (as the case may be) arises, then the entitlement of that Scheme Shareholder must be rounded down to the nearest whole number of Crescent Shares or Crescent CDIs (as the case may be).

## **5.4 Provision of Share Scheme Consideration**

Subject to clause 4.3, the obligations of Crescent under this Share Scheme to provide the Share Scheme Consideration to Scheme Shareholders will be satisfied:

- (a) in the case of Crescent Shares which are required to be issued to Scheme Shareholders under this clause 5, by Crescent procuring that:

- (i) the name and address of each such Scheme Shareholder is entered into the Crescent Share Register on the Implementation Date in respect of the Crescent Shares to which it is entitled under this clause 5; and
  - (ii) either a share certificate is sent to the Registered Address of each such Scheme Shareholder representing the number of Crescent Shares issued to the Scheme Shareholder pursuant to this Share Scheme, or the Scheme Shareholders is entered into a direct registration system or other electronic book-entry system as holding the number of Crescent Shares issued to the Scheme Shareholders pursuant to this Share Scheme;
- (b) in the case of Crescent CDIs which are required to be issued to Scheme Shareholders under this clause 5, by Crescent:
  - (i) issuing to the Depository to be held on trust that number of Crescent Shares that will enable the Depository to issue Crescent CDIs as envisaged by clause 5.4(b)(iii) on the Implementation Date;
  - (ii) procuring that the name and address of the Depository is entered into the Crescent Share Register in respect of those Crescent Shares on the Implementation Date and that a share certificate in the name of the Depository representing those Crescent Shares is sent to the Depository;
  - (iii) procuring that on the Implementation Date the Depository issues to each such Scheme Shareholder the number of Crescent CDIs to which it is entitled under this clause 5;
  - (iv) procuring that on the Implementation Date the name of each such Scheme Shareholder is entered in the records maintained by the Depository as the holder of the Crescent CDIs issued to that Scheme Shareholder on the Implementation Date;
  - (v) in the case of each such Scheme Shareholder who held Coventry Shares on the CHESS subregister - procuring that the Crescent CDIs are held on the CHESS subregister on the Implementation Date and sending or procuring the sending of an allotment advice that sets out the number of Crescent CDIs issued and procuring that ASX Settlement will provide at the end of the month of allotment a CDI holding statement confirming the number of Crescent CDIs held on the CHESS subregister by that Scheme Shareholder; and
  - (vi) in the case of each such Scheme Shareholder who held Coventry Shares on the issuer sponsored subregister - procuring that the CDIs are held on the issuer sponsored subregister on the Implementation Date and sending or procuring the sending of a CDI holding statement to each Scheme Shareholder which sets out the number of Crescent CDIs held on the issuer sponsored subregister by that Scheme Shareholder; and
- (c) in the case of Crescent Shares to be issued in respect of Share Scheme Consideration due to Ineligible Overseas Shareholders - by Crescent procuring that:

- (i) the name and address of the Sale Nominee is entered into the Crescent Share Register on the Implementation Date in respect of the Crescent Shares required to be issued to it under this clause 5;
- (ii) a share certificate in the name of the Sale Nominee is sent to the Sale Nominee representing the number of Crescent Shares so issued to it; and
- (iii) the Sale Nominee sells those Crescent Shares on behalf of the Ineligible Overseas Shareholders, and pays the proceeds in accordance with clauses 5.7.

## **5.5 Joint holders**

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be paid to Scheme Shareholders will be payable to the joint holders; and
- (b) the Crescent Shares or Crescent CDIs (as the case may be) to be issued under this Share Scheme will be issued to and registered in the names of the joint holders,

and will be forwarded to the holder whose name appears first in the Coventry Share Register as at 5.00 pm on the Record Date.

## **5.6 Binding instruction or notifications**

Except for a Scheme Shareholder's tax file number, any binding instruction or notification between a Scheme Shareholder and Coventry relating to Scheme Shares as at 5.00 pm on the Record Date (including any instructions relating to payment of dividends or to communications from Coventry) will, from 5.00 pm on the Record Date, be deemed (except to the extent determined otherwise by Crescent in its sole discretion) to be a similarly binding instruction or notification to, and accepted by Crescent, in respect of the Crescent Shares or Crescent CDIs (as the case may be) issued to the Scheme Shareholder until that instruction or notification is revoked or amended in writing addressed to Crescent, provided that any such instructions or notifications accepted by Crescent will apply to and in respect of the issue of Crescent Shares or Crescent CDIs (as the case may be) as the Share Scheme Consideration only to the extent that they:

- (a) are not inconsistent with the other provisions of this Share Scheme; or
- (b) are recognised under Canadian law or Crescent's constituent documents.

## **5.7 Ineligible Overseas Shareholders**

- (a) Unless Crescent and Coventry are satisfied, acting reasonably, that the laws of an Ineligible Overseas Shareholder's country of residence (as shown in the Coventry Share Register) permit the issue and allotment of Crescent Shares or Crescent CDIs (as the case may be) to the Ineligible Overseas Shareholder, either unconditionally or after compliance with conditions which Crescent in its sole discretion regards as acceptable, Crescent will issue the Crescent Shares to which that Ineligible Overseas Shareholder would otherwise be entitled to the Sale Nominee, and

Crescent will be under no obligation under this Share Scheme to issue, and will not issue, any Crescent Shares (or Crescent CDIs) to any such Ineligible Overseas Shareholder.

- (b) Crescent will procure that, as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date, the Sale Nominee:
  - (i) sells on the financial market on which the Crescent Shares are then listed all of the Crescent Shares issued to the Sale Nominee pursuant to clause 5.7(a) in such manner, at such price and on such other terms as the Sale Nominee determines in good faith and at the risk of the Ineligible Overseas Shareholders; and
  - (ii) remits to Crescent the proceeds of sale (after converting to Australian dollars and deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges), subject to any applicable withholding taxes.
- (c) Promptly after the last sale of Crescent Shares in accordance with clause 5.7(b), Crescent will pay to each Ineligible Overseas Shareholder the proportion of the net proceeds of sale received by Crescent pursuant to clause 5.7(b)(ii) to which that Ineligible Overseas Shareholder is entitled (calculated on an average basis so that all Ineligible Overseas Shareholders receive the same price per Scheme Share subject to rounding).
- (d) Crescent will pay the relevant fraction of the proceeds of sale referred to in clause (c) to each Ineligible Overseas Shareholder by sending, or procuring the despatch to each such Ineligible Overseas Shareholder by prepaid post to the registered address of the Ineligible Overseas Shareholder at 5.00 pm on the Record Date, a cheque in the name of that Ineligible Overseas Shareholder for the relevant amount (denominated in Australian dollars).
- (e) Each Ineligible Overseas Shareholder appoints Coventry as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Sale Nominee is required to provide to Ineligible Overseas Shareholders under the Corporations Act.

## **5.8 Status of Crescent Shares**

Subject to this Share Scheme becoming Effective, Crescent will:

- (a) issue the Crescent Shares required to be issued by it under this Share Scheme on terms such that each such Crescent Share will rank equally in all respects with each existing Crescent Share;
- (b) ensure that each Crescent Share issued as Share Scheme Consideration is duly issued and is fully paid, non assessable and free from any mortgage, charge, lien, encumbrance or other security interest; and
- (c) use all reasonable endeavours to ensure that:
  - (i) all Crescent Shares issued as Share Scheme Consideration are approved for listing and trading on the TSX-V as of the first

trading day on the TSX-V following the Effective Date (or such later date as the TSX-V or ASX requires); and

- (ii) as from the Business Day following the Effective Date (or such later date as the TSX-V or ASX requires) the Crescent CDIs are listed for quotation on the official list of the ASX initially on a deferred settlement basis and on an ordinary settlement basis.

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## **6. DEALINGS IN COVENTRY SHARES**

### **6.1 Dealings in Coventry Shares by Scheme Shareholders**

For the purposes of establishing who are Scheme Shareholders, dealings in Coventry Shares will be recognised by Coventry provided that:

- (a) in the case of dealings of the type to be effected on CHESS, the transferee is registered in the Coventry Share Register as the holder of the relevant Coventry Shares by 5.00 pm on the Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received at the place where the Coventry Share Register is kept on or before 5.00 pm on the Record Date,

and Coventry will not accept for registration, or recognise for the purpose of establishing who are Scheme Shareholders, any transmission application or transfer in respect of Coventry Shares received after 5.00 pm on the Record Date.

### **6.2 Coventry Share Register**

Coventry will, until the Share Scheme Consideration has been paid and Crescent has been entered in the Coventry Share Register as the holder of all of the Scheme Shares, maintain the Coventry Share Register in accordance with the provisions of this clause 6 and the Coventry Share Register in this form and the terms of this Share Scheme will solely determine entitlements to the Share Scheme Consideration.

### **6.3 Information to be made available to Crescent**

Coventry must procure that as soon as practicable following the Record Date, details of the names, registered addresses and holdings of Coventry Shares of every Scheme Shareholder shown in the Coventry Share Register at 5.00 pm on the Record Date are made available to Crescent in such form as Crescent may reasonably require.

### **6.4 Effect of Share certificates and holding statements**

As from 5:00 pm the Record Date, all share certificates and holding statements for the Scheme Shares (other than for Crescent following the Implementation Date) will cease to have effect as documents of title, and each entry on the Coventry Share Register at that date will cease to have any effect other than as evidence of entitlement to the Share Scheme Consideration.

### **6.5 Disposals after Record Date**

If this Share Scheme becomes Effective, a Scheme Shareholder, and any person claiming through that Scheme Shareholder, must not dispose of or purport or

agree to dispose of any Scheme Shares or any interest in them after the Record Date.

## **6.6 Quotation of Coventry Shares**

- (a) It is expected that suspension of trading in Coventry Shares on the ASX will occur from the close of trading on ASX on the Effective Date.
- (b) At a time after the Implementation Date to be determined by Crescent, Coventry will apply:
  - (i) for termination of official quotation of Coventry Shares on ASX; and
  - (ii) to have itself removed from the official list of ASX.

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## **7. GENERAL PROVISIONS**

### **7.1 Effect of Scheme**

Each Scheme Shareholder acknowledges that this Share Scheme binds Coventry and all of the holders for the time being of Coventry Shares (including those who do not attend the meeting of Coventry Shareholders to approve this Share Scheme or who do not vote at that meeting or who vote against this Share Scheme at that meeting) and, to the extent permitted by law, overrides the constitution of Coventry.

### **7.2 Appointment of agent and attorney**

Each Scheme Shareholder, without the need for any further act, is deemed to have irrevocably appointed Coventry as its agent and attorney for the purpose of:

- (a) executing any document or form or doing any other act necessary to give effect to the terms of this Share Scheme including, without limitation, the execution of the share transfer(s) to be delivered under clause 4.2(a) and the giving of the Scheme Shareholders' consent under clause 7.4; and
- (b) enforcing the Deed Poll against Crescent,

and Coventry accepts such appointment. Coventry, as agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 7.2 to all or any of its directors and officers (jointly, severally, or jointly and severally).

### **7.3 Enforcement of Deed Poll**

Coventry undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Crescent on behalf of and as agent and attorney for the Scheme Shareholder.

### **7.4 Scheme Shareholders' consent**

Each Scheme Shareholder irrevocably:

- (a) consents to Coventry and Crescent doing all things and executing all deeds, instruments, transfers or other documents as may be necessary,

incidental or expedient to the implementation and performance of this Share Scheme; and

- (b) acknowledges that this Share Scheme binds Coventry and all of the Coventry Shareholders from time to time (including those who do not attend the Share Scheme Meeting, do not vote at that meeting or vote against this Share Scheme).

## **7.5 Scheme Shareholder's agreements**

Under this Share Scheme:

- (a) each Scheme Shareholder (other than an Ineligible Overseas Shareholder) who is issued Crescent Shares under this Share Scheme agrees to become a shareholder of Crescent in respect of those Crescent Shares, to be bound by the articles and notice of articles of Crescent and to have their name entered in the Crescent Share Register;
- (b) each Scheme Shareholder (other than an Ineligible Overseas Shareholder) who is issued Crescent CDIs under this Share Scheme agrees to become a holder of Crescent CDIs;
- (c) each Scheme Shareholder that is an Ineligible Overseas Shareholder agrees and acknowledges that the payment to it of an amount in accordance with clause 5.7 constitutes the satisfaction in full of its entitlement under this Share Scheme; and
- (d) each Scheme Shareholder agrees to the transfer of its Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to Crescent in accordance with the terms of this Share Scheme.

## **7.6 Transfer with clear title and warranty by Scheme Shareholders**

- (a) To the extent permitted by law, the Scheme Shares transferred to Crescent under this Share Scheme must be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) Each Scheme Shareholder is deemed to have warranted to Coventry, in its own right and for the benefit of Crescent, that all their Scheme Shares (including any rights and entitlements attaching to those shares) will, at the date of the transfer of them to Crescent, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and to transfer their Scheme Shares to Crescent under this Share Scheme.

## **7.7 Title to Scheme Shares**

Crescent will be beneficially entitled to the Scheme Shares transferred to it under this Share Scheme pending registration by Coventry of Crescent in the Coventry Share Register as the holder of the Scheme Shares.

## **7.8 Appointment of Crescent as sole proxy**

From the Effective Date until Coventry registers Crescent as the holder of all of the Coventry Shares in the Coventry Share Register, each Scheme Shareholder:

- (a) appoints Crescent as attorney and agent (and directs Crescent in each capacity) to appoint any officer or agent nominated by Crescent as its sole proxy and where applicable, corporate representative, to attend shareholders' meetings, exercise the votes attaching to Coventry Shares registered in its name and sign any shareholders resolution, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 7.8(a)); and
- (b) must take all other actions in the capacity of the registered holder of Coventry Shares as Crescent directs.

## **7.9 Alterations or conditions**

Coventry may, by its counsel or solicitors, and with the consent of Crescent, consent on behalf of all persons concerned, including a Scheme Shareholder, to any alteration or condition to this Share Scheme which the Court thinks fit to make or impose.

## **7.10 Notices**

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in this Share Scheme is sent by post to Coventry, it will for all purposes be deemed to be received on the date (if any) on which it is actually received at Coventry's registered office (and it will not be deemed to be received in the ordinary course of post).
- (b) The accidental omission to give notice of the Share Scheme Meeting to any Coventry Shareholder, or the non-receipt of such a notice by any Coventry Shareholder, will not, unless ordered by the Court, invalidate this Share Scheme or the proceedings at the Share Scheme Meeting.

## **7.11 Inconsistencies**

This Share Scheme binds Coventry and all Coventry Shareholders, and to the extent of any inconsistency, overrides the constitution of Coventry.

## **7.12 Further assurances**

The Coventry Shareholders consent to Coventry doing all things necessary for the implementation and performance of its obligations under this Share Scheme. Coventry will execute all documents and do all acts and things as may be necessary or expedient for the implementation of, and performance of its obligations under, this Share Scheme.

## **7.13 Stamp duty**

Crescent will pay any stamp duty payable on the transfer by Scheme Shareholders of the Scheme Shares to Crescent.

#### **7.14 Fees and charges**

Coventry must pay all filing, application or similar fees due in relation to this Share Scheme.

#### **7.15 Governing law**

This Share Scheme is governed by the laws of the State of Western Australia. Each of Coventry and Crescent and the holders of Coventry Shares irrevocably and unconditionally submits, in connection with this Share Scheme, to the non-exclusive jurisdiction of the Court and any courts which have jurisdiction to hear appeals from the Court and waives any right to object to any proceedings being brought in these courts.

#### **7.16 Limitation of liability**

None of Coventry or Crescent nor any officer of any of them is liable for anything done or omitted to be done in the performance of this Share Scheme in good faith.

#### **7.17 Definition of "send"**

For the purposes of clause 5, the word "send" (or any variant thereof) means

- (a) sending by ordinary pre-paid post or courier to the Registered Address of the Scheme Shareholder; or
- (b) delivering to that address by any other means at no cost to the recipient.

**SHARE SCHEME DEED POLL**

**CRESCENT RESOURCES CORP.  
(Crescent)**

**IN FAVOUR OF EACH SCHEME SHAREHOLDER**

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**DEED POLL (IN RESPECT OF THE SHARE SCHEME)**

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THIS DEED POLL is made on the 9<sup>th</sup> day of November, 2012

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## BETWEEN

---

**CRESCENT RESOURCES CORP.** a company existing under the laws of the Province of British Columbia with its head office at 1490 – 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9 (**Crescent**)

In favour of:

**EACH HOLDER OF FULLY PAID ORDINARY SHARES IN THE CAPITAL OF COVENTRY RESOURCES LIMITED** (ACN 082 901 362) (**Coventry**) on issue as at 5:00pm on the Record Date (**Scheme Shareholders**).

---

## RECITALS

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- A. Coventry is listed on the official list of the ASX.
- B. The common shares of Crescent are listed for trading on the TSX-V.
- C. Coventry and Crescent have entered into a merger implementation deed dated 7 September 2012 (**Merger Implementation Deed**) pursuant to which, amongst other things, Coventry has agreed to propose this Share Scheme to Coventry Shareholders, and each of Coventry and Crescent have agreed to take certain steps to give effect to this Share Scheme.
- D. Coventry has agreed in the Merger Implementation Deed to propose a scheme of arrangement between Coventry and the holders of fully paid ordinary shares in Coventry, the effect of which will be that Crescent acquires all of the Scheme Shares from Scheme Shareholders in exchange for the Scheme Consideration.
- E. In accordance with clause 4.2(f) of the Merger Implementation Deed, Crescent is entering into this deed poll to covenant in favour of Scheme Shareholders that it will observe and perform its obligations under the Share Scheme, as if named as a party to the Scheme.

**IT IS AGREED** as follows:

---

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In this deed poll:

- (a) **Share Scheme** means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between Coventry and the Scheme Shareholders, a copy of which is annexed to this deed poll; and
- (b) capitalised terms have the meanings given to them in the Share Scheme, unless the context requires otherwise.

#### 1.2 Interpretation

In this deed poll, unless the contrary intention appears or the context requires otherwise:

- (a) a word importing the singular includes the plural and vice versa, and word indicating gender includes every other gender;

- (b) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (c) references to a **person** includes an individual, the estate of an individual, a corporations, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to a statute includes any, regulations or other instruments made under it and a reference to a statute or any regulation or other instrument made under it or a provision of any such statute, regulation or instrument includes consolidations, amendments, re-enactments and replacements;
- (e) a reference to a **party** includes a reference that party's executors, administrators, successors, and permitted assigns, including, without limitation, persons taking by novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) if a time period is specified and dates from a given date or the day of an act or event, it is to be calculated exclusive of that day;
- (g) a reference to any time is a reference to that time in Perth, Western Australia;
- (h) a reference to "A\$" is to the lawful currency of the Commonwealth of Australia;
- (i) a reference to a document is that document as varied, novated, ratified or replaced from time to time;
- (j) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this deed poll, and a reference to this deed poll includes all schedules, exhibits, attachments and annexures to it
- (k) this deed poll must not be construed adversely to a party just because that party prepared it or caused it to be prepared;
- (l) the interpretation of a substantive provision is not affected by any heading; and
- (m) the word **including** or any form of that word is not a word of limitation.

### 1.3 Nature of deed poll

Crescent acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Share Scheme, each Scheme Shareholder irrevocably appoints Coventry as its agent and attorney to enforce this deed poll against Crescent.

---

**2. CONDITION****2.1 Condition**

The obligations of Crescent under this deed poll are subject to the Share Scheme becoming Effective.

**2.2 Termination**

If the Merger Implementation Deed is terminated or the Share Scheme does not become Effective on or before the End Date, the obligations of Crescent under this deed poll automatically terminate and the terms of this deed poll will be of no further force or effect.

**2.3 Consequences of termination**

If this deed poll is terminated under clause 2.2 then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Crescent is released from its obligations to further perform this deed poll except those obligations under clause 7.2 and any other obligations which by their nature survive termination; and
- (b) each Scheme Shareholder retains the rights they have against Crescent in respect of any breach of this deed poll by Crescent which occurs before this deed poll is terminated.

---

**3. COMPLIANCE WITH SCHEME OBLIGATIONS****3.1 Scheme Consideration**

Subject to clause 2, Crescent undertakes in favour of each Scheme Shareholder to:

- (a) provide or procure the provision of the Scheme Consideration to each Scheme Shareholder; and
- (b) undertake all other actions attributed to it under the Share Scheme,

in accordance with the Share Scheme.

**3.2 Status of Crescent Shares**

Crescent undertakes in favour of each Scheme Shareholder that the Crescent Shares which are issued to Scheme Shareholders and to the Depositary in accordance with the Share Scheme will:

- (a) rank equally in all respects with the existing Crescent Shares; and
- (b) be duly issued and fully paid, non assessable and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under the articles and notice of articles of Crescent).

---

**4. WARRANTIES**

Crescent represents and warrants that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) the execution and delivery by it of this deed poll has been (or prior to the Share Scheme becoming Effective, will be) properly authorised by all necessary corporate action and it has, or will have, full corporate power (including shareholder approval) and lawful authority (including all necessary, approvals and/or waivers from the TSX-V) to perform or cause to be performed its obligations under this deed poll and to carry out or cause to be carried out the transactions contemplated by this deed poll; and
- (c) this deed poll will constitute legally valid and binding obligations on it enforceable in accordance with its terms (subject to any necessary stamping) and does not conflict with or result in a breach of a default under:
  - (i) the constitution or equivalent constituent documents of it or any of its Related Bodies Corporate; or
  - (ii) any writ, order or injunction, judgment, law, rule or regulation to which it is party, or by which it is bound.

---

**5. CONTINUING OBLIGATIONS**

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Crescent has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.2.

---

**6. SCHEME**

Without limiting anything in clause 3, Crescent will be bound by and will comply with all provisions of the Share Scheme.

---

**7. GENERAL****7.1 Notices**

- (a) All notices or other communication to Crescent in respect of this deed poll must be:
  - (i) in writing;
  - (ii) signed by the sender or by a person duly authorised by the sender;
  - (iii) must be delivered or sent by fax to the fax number, of Crescent or given in any other way permitted by law, in each case addressed in the manner relevantly described below:

Address: Suite 1490 - 1075 West Georgia Street  
Vancouver, British Columbia, V6E 3C9

Fax number: (604) 688-9458

Email: don@crescentresourcescorp.com

For the attention of: Don Halliday with a copy to:

Address: Unit 1 – 15782 Marine Drive  
White Rock, British Columbia, V4B 1E6

Fax: (604) 536-2788

Email: Doris@goldenoakcorporate.com

For the attention of: Doris Meyer

- (b) Any notice or other communication given in accordance with clause 7.1(a) will, in the absence of proof of earlier receipt, be deemed to have been duly given as follows:
- (i) if delivered by hand, on delivery at the address of the addressee, unless that delivery is made on a non-Business Day, or after 5.00 pm on a Business Day, in which case that communication will be deemed to be received at 9.00 am on the next Business Day; and
  - (ii) if sent by facsimile, at the local time (in the place of receipt of the facsimile) which then equates to the time at which that facsimile is sent as shown on the transmission report which is produced by the machine from which that facsimile is sent and which confirms transmission of that facsimile in its entirety, unless that local time is a non-Business Day, or after 5.00 pm on a Business Day, in which case that communication will be deemed to be received at 9.00 am on the next Business Day.

## **7.2 Stamp Duty**

Crescent will:

- (a) pay or procure the payment of all transaction duties and any related fines and penalties in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under this deed poll (including in connection with the transfer of Coventry Shares to Crescent in accordance with the terms of the Share Scheme); and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with 7.2(a).

## **7.3 Waiver**

- (a) Waiver of any right arising from a breach of this deed poll or of any right, power, authority, discretion or remedy arising upon default under this deed poll must be in writing and signed by the party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:

- (i) a right arising from a breach of this deed poll; or
- (ii) a right, power, authority, discretion or remedy created or arising upon default under this deed poll,

does not result in a waiver of that right, power, authority, discretion or remedy.

- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this deed poll or on a default under this deed poll as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A party may not rely on any conduct of another party as a defence to the exercise of a right, power, authority, discretion or remedy by that other party.
- (e) This clause may not itself be waived except in writing.

#### **7.4 Variation**

A provision of this deed poll may not be varied unless:

- (a) before the Second Court Date, the variation is agreed to in writing by Coventry; or
- (b) on or after the Second Court Date, the variation is agreed to in writing by Coventry and is approved by the Court. In which event Crescent will enter into a further deed poll in favour of the Scheme Shareholders giving effect to such amendment or variation.

#### **7.5 Cumulative rights**

The rights, powers and remedies of Crescent and each Scheme Shareholder under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by the law independently of this deed poll.

#### **7.6 Assignment**

The rights and obligations of Crescent and the rights of each Scheme Shareholder under this deed poll are personal and must not be assigned, charged otherwise dealt with at law or in equity.

#### **7.7 Further action**

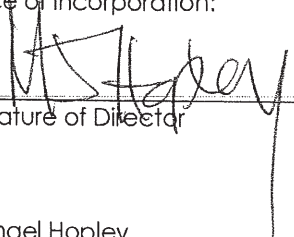
Crescent will promptly do all things and execute and deliver all further documents required by law to give effect to this deed poll.

#### **7.8 Governing law and jurisdiction**

- (a) This deed poll is governed by the laws of the state of Western Australia.
- (b) Crescent irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the state of Western Australia for any proceedings in connection with this deed poll and waives any right it may have to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum.

**EXECUTED** by the Parties as a Deed Poll.

**EXECUTED BY** )  
**CRESCENT RESOURCES CORP.** )  
in accordance with its constituent )  
documents and the laws applicable in its )  
place of incorporation:



Signature of Director

Michael Hopley

Full name of Director



Signature of Secretary

Doris Meyer

Full Name of Secretary

**OPTION SCHEME**

**COVENTRY RESOURCES LIMITED  
ACN 082 901 362  
(Coventry)**

**and**

**THE HOLDERS OF OPTIONS TO SUBSCRIBE FOR FULLY PAID  
ORDINARY SHARES IN COVENTRY RESOURCES LIMITED**

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**SCHEME OF ARRANGEMENT - PURSUANT TO SECTION 411  
OF THE CORPORATIONS ACT**

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**STEINEPREIS PAGANIN**  
Lawyers & Consultants 

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**Scheme of Arrangement made under section 411 of the Corporations Act 2001  
(Commonwealth)**

---

**BETWEEN**

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**COVENTRY RESOURCES LIMITED** (ACN 082 901 362) of Suite 9, 5 Centro Avenue, Subiaco, Western Australia (**Coventry**);

AND

**THE HOLDERS OF COVENTRY OPTIONS.**

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**RECITALS**

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- A.** Coventry is a public company incorporated in the state of Western Australia and is admitted to the official list of the ASX.
- B.** Crescent Resources Corp. is a company existing under the laws of the Province of British Columbia with a head office at 1490 – 1075 West Georgia Street, Vancouver, British Columbia V6E 3C9 (**Crescent**) and its common shares are listed for trading on the TSX-V.
- C.** Coventry and Crescent have entered into a merger implementation deed dated 7 September 2012 (**Merger Implementation Deed**) pursuant to which, amongst other things, Coventry has agreed to propose this Option Scheme to Coventry Optionholders, and each of Coventry and Crescent have agreed to take certain steps to give effect to this Option Scheme.
- D.** If this Option Scheme becomes Effective (defined below), then:
- (a) subject to clause 5.2, all of the Scheme Options will be transferred to Crescent and the Option Scheme Consideration will be provided to the Scheme Optionholders in accordance with the provisions of this Option Scheme; and
  - (b) Coventry will enter the name and address of Crescent in the Coventry Option Register as the holder of all of the Scheme Options.
- E.** Crescent has entered into the Deed Poll for the purpose of covenanting in favour of Scheme Optionholders to perform the obligations contemplated of it under this Option Scheme.

---

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this document, unless the contrary intention appears or the context requires otherwise:

**Announcement** has that meaning given to it in the Merger Implementation Deed.

**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.

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**ASX Listing Rules** means the official listing rules of ASX.

**Business Day** is any day that is both a Business Day within the meaning given in the ASX Listing Rules and a day that banks in Perth, Western Australia and Vancouver, Canada are open for business.

**Canadian Securities Laws** means all applicable Canadian securities laws and the rules and regulations thereunder, together with all applicable published instruments, notices and orders of the securities regulatory authorities thereof and all applicable rules and policies of the TSX-V.

**Condition** means a condition to this Option Scheme set out in clause 2.1.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Federal Court of Australia or such other court of competent jurisdiction as Coventry and Crescent agree in writing.

**Coventry Option Register** means the register of optionholders of Coventry maintained by or on behalf of Coventry in accordance with section 168(1) of the Corporations Act.

**Coventry Option** means an option to subscribe for Coventry Shares described in Schedule 6 of the Merger Implementation Deed.

**Coventry Optionholder** means a person who is registered in the Coventry Option Register as a holder of Coventry Options.

**Coventry Share** means a fully paid ordinary share in the capital of Coventry.

**Crescent CDI** means a CHESS Depositary Interest, being a unit of beneficial ownership in a Crescent Share registered in the name of the Depositary.

**Crescent Option** means an option to subscribe for one Crescent Share.

**Crescent Option Register** means the register of holders of Crescent Options maintained by or on behalf of Crescent.

**Crescent Share** means a fully paid and non-assessable common share in the capital of Crescent.

**Deed Poll** means the deed poll to be executed by Crescent in favour of the Scheme Optionholders (subject to any amendments permitted by its terms) prior to the despatch of the Explanatory Memorandum to Coventry Optionholders.

**Depositary** means CHESS Depositary Nominees Pty Limited (ACN 071 346 506).

**Effective** means, when used in relation to this Option Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to this Option Scheme.

**Effective Date** means the date on which this Option Scheme becomes Effective.

**End Date** means December 31, 2012 or such later date as is agreed by Coventry and Crescent in writing.

**Explanatory Memorandum** means the explanatory memorandum to be prepared by Coventry in respect of this Option Scheme approved by the Court under section 411(1) of the Corporations Act for distribution to Coventry Optionholders containing, among other things, the explanatory statement required by Part 5.1 of the Corporations Act relating to this Option Scheme and a notice convening the Option Scheme Meeting.

**Implementation Date** means the date which is 5 Business Days after the Record Date, or such other date as Coventry and Crescent agree in writing.

**Option Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between Coventry and Scheme Optionholders as set out in this document, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and approved in writing by Crescent and Coventry.

**Option Scheme Consideration** means, subject to clause 5.2, the consideration to be provided to Scheme Optionholders under the terms of this Option Scheme, being Crescent Options (issued on the terms set out in SCHEDULE 1).

**Option Scheme Meeting** means the meeting of Coventry Optionholders ordered by the Court in relation to this Option Scheme pursuant to section 411(1) of the Corporations Act.

**Record Date** means the date which is 5 Business Days after the Effective Date.

**Registered Address** means, in relation to a Coventry Optionholder, the address of that Coventry Optionholder shown in the Coventry Option Register.

**Regulatory Authority** means:

- (a) any government, semi-government or local authority and any department, minister or agency of any government; and
- (b) any other authority, agency, commission, administrative, fiscal or judicial body (including the Court), tribunal or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange, including without limitation the ASX and TSX-V.

**Related Body Corporate** means the meaning given in section 9 of the Corporations Act.

**Scheme Option** means each Coventry Option on issue as at 5.00 pm on the Record Date.

**Scheme Optionholder** means each person registered in the Coventry Option Register as the holder of Scheme Options.

**Second Court Date** means the first day of hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving this Option Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**Share Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between Coventry and the holders of Coventry Shares, as contemplated in the Merger Implementation Deed.

**TSX-V** means TSX Venture Exchange.

## 1.2 Interpretation

In this document, unless the contrary intention appears or the context requires otherwise:

- (a) a word importing the singular includes the plural and vice versa, and a word indicating gender includes every other gender;
- (b) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning ;
- (c) references to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to a statute includes any, regulations or other instruments made under it and a reference to a statute or any regulation or other instrument made under it or a provision of any such statute, regulation or instrument includes consolidations, amendments, re-enactments and replacements;
- (e) a reference to a **party** includes a reference to that party's executors, administrators, successors, and permitted assigns, s including, without limitation, persons taking by novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) if a time period is specified and dates from a given date or the day of an act or event, it is to be calculated exclusive of that day;
- (g) a reference to any time is a reference to that time in Perth, Australia;
- (h) a reference to "\$" or "A\$" is to the lawful currency of the Commonwealth of Australia;
- (i) a reference to a document is that document as varied, novated, ratified or replaced from time to time;
- (j) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this document, and a reference to this document includes all schedules, exhibits, attachments and annexures to it
- (k) this document must not be construed adversely to a party just because that party prepared it or caused it to be prepared; and
- (l) the word **including** or any form of that word is not a word of limitation.

## 1.3 Best and reasonable endeavours

Any provision of this document which requires a party to use best endeavours or reasonable endeavours, or to take all steps reasonably necessary, to procure that something is performed or occurs does not include any obligation:

- (a) to pay any money or to provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person; or
- (b) to commence any legal action or proceeding against any person, to procure that that thing is done or happens, except for payment of any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority,

except where that provision expressly specifies otherwise.

#### **1.4 Business Day**

Except where otherwise expressly provided, where under this document the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing shall be done on the immediately following Business Day.

---

## **2. CONDITIONS**

### **2.1 Conditions to this Option Scheme**

This Option Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions, and the provisions of clauses 3, 4 and 5 will not come into effect unless and until each of these conditions have been satisfied:

- (a) as at 8:00 am on the Second Court Date each of the conditions set out in clause 3.2 of the Merger Implementation Deed (other than the condition relating to the approval of the Court and the condition relating to the Effectiveness of the Share Scheme, as set out in clause 3.2(e) and clause 3.2(a) respectively of the Merger Implementation Deed) have been satisfied or waived in accordance with the terms of the Merger Implementation Deed;
- (b) as at 8:00 am on the Second Court Date the Merger Implementation Deed has not been terminated;
- (c) the Court approves this Option Scheme under section 411(4)(b) of the Corporations Act with or without modification;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Option Scheme as are acceptable to Crescent and Coventry have been satisfied; and
- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Option Scheme and the Share Scheme.

### **2.2 Certificates in relation to conditions**

- (a) At or before the Court hearing on the Second Court Date, Coventry and Crescent will each provide to the Court a certificate (or such other evidence as the Court may request) confirming whether or not all of the conditions set out in clause 3.2 of the Merger Implementation Deed (other than the condition referred to in clause 3.2(e) of the Merger

Implementation Deed) have been satisfied or waived in accordance with the terms of the Merger Implementation Deed.

- (b) The certificates given by Coventry and Crescent constitute conclusive evidence that the conditions have been satisfied or waived (as the case may be).

### **2.3 Termination of Merger Implementation Deed**

Without limiting any rights under the Merger Implementation Deed, in the event that the Merger Implementation Deed is terminated in accordance with its terms before 8:00 am on the Second Court Date, Coventry and Crescent are each released from:

- (a) any further obligation to take steps to implement this Option Scheme; and
- (b) any liability with respect to this Option Scheme.

---

## **3. OPTION SCHEME**

### **3.1 Effective Date of Option Scheme**

Subject to clause 3.2, this Option Scheme will take effect on and from the Effective Date.

### **3.2 End Date**

This Option Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

---

## **4. IMPLEMENTATION OF OPTION SCHEME**

### **4.1 Lodgement**

If the Conditions are satisfied, Coventry must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Option Scheme promptly after, and in any event by no later than 4.00 pm on the Business Day following the date on which the Court approves this Option Scheme (or such other Business Day as Coventry and Crescent agree in writing).

### **4.2 Transfer of Scheme Options**

On the Implementation Date, subject to the provision of the Option Scheme Consideration in the manner contemplated by clause 5 and Crescent having provided Coventry with written confirmation thereof, all of the Scheme Options will, together with all rights and entitlements attaching to the Scheme Options, be transferred to Crescent without the need for any further act by any Scheme Optionholder (other than acts performed by Coventry or its directors as attorney or agent for Scheme Optionholders under this Option Scheme), by:

- (a) Coventry delivering to Crescent a duly completed and executed option transfer form or forms to transfer all of the Scheme Options to Crescent (executed by Coventry as the attorney and agent of each Scheme Optionholder under clause 7.2) (which may be a master transfer of all or part of the Scheme Options);

- (b) Crescent executing such option transfer form or forms and delivering it or them to Coventry for registration; and
- (c) immediately after receipt of the option transfer form or forms under clause 4.2(b), Coventry entering, or procuring the entry of, the name and address of Crescent in the Coventry Option Register as the holder of all of the Scheme Options.

#### **4.3 Timing**

Notwithstanding any other provision of this Option Scheme, while Crescent Options forming part of the Option Scheme Consideration must be issued (and relevant registers updated to record their issuance) on the Implementation Date, any requirements under clause 5 for the sending of option certificates, holding statements or allotment advices may be satisfied within 10 Business Days after the Implementation Date.

---

### **5. OPTION SCHEME CONSIDERATION**

#### **5.1 Option Scheme Consideration**

Subject to this Option Scheme becoming Effective, in consideration of the transfer to Crescent of each Scheme Option held by a Scheme Optionholder under this Option Scheme, Crescent will provide the Option Scheme Consideration to each Scheme Optionholder for each Scheme Option held by it on the Implementation Date.

#### **5.2 Rounding entitlements**

If the number of Scheme Options held by a Scheme Optionholder as at 5:00 pm on the Record Date is such that the aggregate entitlement of the Scheme Optionholder to Option Scheme Consideration is such that a fractional entitlement to a Crescent Option arises, then the entitlement of that Scheme Optionholder must be rounded down to the nearest whole number of Crescent Options.

#### **5.3 Terms of Crescent Options**

Each Crescent Option issued pursuant to this Option Scheme (as Option Scheme Consideration) will be issued on the terms set out in SCHEDULE 1.

#### **5.4 Provision of Option Scheme Consideration**

Subject to clause 4.3, the obligations of Crescent under this Option Scheme to provide the Option Scheme Consideration to Scheme Optionholders will be satisfied by Crescent procuring that:

- (a) the name and address of each such Scheme Optionholder is entered into the Crescent Option Register on the Implementation Date in respect of the Crescent Options to which it is entitled, under this clause 5; and
- (b) a certificate or other instrument is sent to the Registered Address of each such Scheme Optionholder representing and governing the terms of Crescent Options issued to the Scheme Optionholder pursuant to this Option Scheme.

---

## **6. EXERCISE OF COVENTRY OPTIONS**

### **6.1 Issue of Coventry Shares**

- (a) Coventry will issue Coventry Shares in accordance with any valid exercise of a Coventry Option which is received on or before 12:00 noon on the Business Day prior to the Record Date.
- (b) Coventry will not accept for registration or recognise for any purpose any exercise of a Coventry Option received after 12:00 noon on the Business Day prior to the Record Date and, after such time, the Coventry Options shall not be capable of exercise notwithstanding any terms on which such Coventry Options were granted.

### **6.2 Coventry Option Register**

Coventry will, until the Option Scheme Consideration has been provided and Crescent has been entered in the Coventry Option Register as the holder of all of the Scheme Options, maintain the Coventry Option Register in accordance with the provisions of this clause 6 and the Coventry Option Register in this form and the terms of this Option Scheme will solely determine entitlements to the Option Scheme Consideration.

### **6.3 Information to be made available to Crescent**

Coventry must procure that as soon as practicable following the Record Date, details of the names, registered addresses and holdings of Coventry Options of every Scheme Optionholder shown in the Coventry Option Register at 5.00 pm on the Record Date are made available to Crescent in such form as Crescent may reasonably require.

### **6.4 Effect of Option certificates**

As from 5:00 pm the Record Date, all option certificates for the Scheme Options (and other than for Crescent following the Implementation Date) will cease to have effect as documents of title, and each entry on the Coventry Option Register at that date will cease to have any effect other than as evidence of entitlement to the Option Scheme Consideration.

### **6.5 No disposals after Record Date**

If this Option Scheme becomes Effective, a Scheme Optionholder, and any person claiming through that Scheme Optionholder, must not dispose of or purport or agree to dispose of any Scheme Options or any interest in them after the Record Date.

---

## **7. GENERAL PROVISIONS**

### **7.1 Effect of Option Scheme**

Each Scheme Optionholder acknowledges that this Option Scheme binds Coventry and all of the holders for the time being of Coventry Options (including those who do not attend the meeting of Coventry Optionholders to approve this Option Scheme or who do not vote at that meeting or who vote against this Option Scheme at that meeting) and, to the extent permitted by law, overrides the constitution of Coventry and the terms of the Coventry Options.

## **7.2 Appointment of agent and attorney**

Each Scheme Optionholder, without the need for any further act, is deemed to have irrevocably appointed Coventry as its agent and attorney for the purpose of:

- (a) executing any document or form or doing any other act necessary to give effect to the terms of this Option Scheme including, without limitation, the execution of the option transfer(s) to be delivered under clause 4.2(a) and the giving of the Scheme Optionholders' consent under clause 7.4; and
- (b) enforcing the Deed Poll against Crescent,

and Coventry accepts such appointment. Coventry, as agent of each Scheme Optionholder, may sub-delegate its functions, authorities or powers under this clause 7.2 to all or any of its directors and officers (jointly, severally, or jointly and severally).

## **7.3 Enforcement of Deed Poll**

Coventry undertakes in favour of each Scheme Optionholder that it will enforce the Deed Poll against Crescent on behalf of and as agent and attorney for the Scheme Optionholders.

## **7.4 Scheme Optionholders' consent**

Each Scheme Optionholder irrevocably:

- (a) consents to Coventry and Crescent doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Option Scheme; and
- (b) acknowledges that this Option Scheme binds Coventry and all of the Coventry Optionholders from time to time (including those who do not attend the Option Scheme Meeting, do not vote at that meeting or vote against this Option Scheme).

## **7.5 Scheme Optionholder's agreements**

Under this Option Scheme:

- (a) each Scheme Optionholder who is issued Crescent Options under this Option Scheme agrees to become an optionholder of Crescent in respect of those Crescent Options and to have their name entered in the Crescent Option Register;
- (b) each Scheme Optionholder agrees to the transfer of its Scheme Options, together with all rights and entitlements attaching to those Scheme Options, to Crescent in accordance with the terms of this Option Scheme; and
- (c) each Scheme Optionholder acknowledges and agrees that the terms of the Crescent Options issued under the Option Scheme remain subject to TSX-V approval and requirements.

## **7.6 Transfer with clear title and warranty by Scheme Optionholders**

- (a) To the extent permitted by law, the Scheme Options transferred to Crescent under this Option Scheme must be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.
- (b) Each Scheme Optionholder is deemed to have warranted to Coventry, in its own right and for the benefit of Crescent, that all their Scheme Options (including any rights and entitlements attaching to those options) will, at the date of the transfer of them to Crescent, be free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and to transfer their Scheme Options to Crescent under this Option Scheme.

## **7.7 Title to Scheme Options**

Crescent will be beneficially entitled to the Scheme Options transferred to it under this Option Scheme pending registration by Coventry of Crescent in the Coventry Option Register as the holder of the Scheme Options.

## **7.8 Crescent directions**

From the Effective Date until Coventry registers Crescent as the holder of all of the Coventry Options in the Coventry Option Register, each Scheme Optionholder must take all actions in the capacity of the registered holder of Coventry Options as Crescent directs.

## **7.9 Alterations or conditions**

Coventry may, by its counsel or solicitors, and with the consent of Crescent, consent on behalf of all persons concerned, including a Scheme Optionholder, to any alteration or condition to this Option Scheme which the Court thinks fit to make or impose.

## **7.10 Notices**

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Coventry, it will for all purposes be deemed to be received on the date (if any) on which it is actually received at Coventry's registered office (and it will not be deemed to be received in the ordinary course of post).
- (b) The accidental omission to give notice of the Option Scheme Meeting to any Coventry Optionholder, or the non-receipt of such a notice by any Coventry Optionholder, will not unless ordered by the Court, invalidate the Option Scheme or the proceedings at the Option Scheme Meeting.

## **7.11 Inconsistencies**

This Option Scheme binds Coventry and all Coventry Optionholders, and to the extent of any inconsistency, overrides the constitution of Coventry.

#### **7.12 Further assurances**

The Coventry Optionholders consent to Coventry doing all things necessary for the implementation and performance of its obligations under this Option Scheme. Coventry will execute all documents and do all acts and things as may be necessary or expedient for the implementation of and performance of its obligations under, this Option Scheme.

#### **7.13 Stamp duty**

Crescent will pay any stamp duty payable on the transfer by Scheme Optionholders of the Scheme Options to Crescent.

#### **7.14 Fees and charges**

Coventry must pay all filing, application or similar fees due in relation to this Option Scheme.

#### **7.15 Governing law**

This Option Scheme is governed by the laws of the State of Western Australia. Each of Coventry and Crescent, and the holders of Coventry Shares irrevocably and unconditionally submits, in connection with this Scheme, to the non-exclusive jurisdiction of the Court and any courts which have jurisdiction to hear appeals from the Court and waives any right to object to any proceedings being brought in these courts.

#### **7.16 Limitation of liability**

None of Coventry or Crescent nor any officer of any of them is liable for anything done or omitted to be done in the performance of this Option Scheme in good faith.

#### **7.17 Definition of "send"**

For the purposes of clause 5, the word "send" (or any variant thereof) means:

- (a) sending by ordinary pre-paid post or courier to the Registered Address of the Scheme Optionholder; or
- (b) delivering to that address by any other means at no cost to the recipient.

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## **SCHEDULE 1 – TERMS OF CRESCENT OPTIONS TO BE ISSUED AS OPTION SCHEME CONSIDERATION**

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Each Crescent Option will be granted on terms consistent (to the greatest extent permitted by Canadian Securities Laws) with the terms of the Coventry Options except that each such Crescent Option will:

1. entitle the holder to purchase Crescent Shares in lieu of Coventry Shares on the basis of 0.2513 Crescent Shares (post completion of the consolidation of the Crescent Shares on a 5:1 basis) for each Coventry Share the Coventry Optionholder was theretofore entitled to purchase upon payment of an exercise price that has been simultaneously and proportionately adjusted;
2. have an exercise period equal to the unexpired exercise period of the Coventry Option it replaces;
3. be fully vested and immediately capable of exercise; and
4. be exercisable into Crescent Shares (unless the option holder elects, at or before the time of exercise, to receive a Crescent CDI).

**OPTION SCHEME DEED POLL**

**CRESCENT RESOURCES CORP.  
(CRESCENT)**

**IN FAVOUR OF EACH SCHEME OPTIONHOLDER**

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**DEED POLL (IN RESPECT OF THE OPTION SCHEME)**

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OPTION SCHEME DEED POLL made on the 9<sup>th</sup> day of November, 2012

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**BETWEEN**

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**CRESCENT RESOURCES CORP.** a company existing under the laws of the Province of British Columbia with a head office at 1490 – 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9 (**Crescent**);

In favour of

**EACH HOLDER OF OPTIONS TO SUBSCRIBE FOR FULLY PAID ORDINARY SHARES IN THE CAPITAL OF COVENTRY RESOURCES LIMITED** (ACN 082 901 362) (**Coventry**) on issue as at 5:00pm on the Record Date (**Scheme Optionholders**).

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**RECITALS**

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- A. Coventry is listed on the official list of the ASX.
- B. The common shares of Crescent are listed for trading on the TSX-V.
- C. Coventry and Crescent have entered into a merger implementation deed dated 7 September 2012 (**Merger Implementation Deed**) pursuant to which, amongst other things, Coventry has agreed to propose this Option Scheme to Coventry Optionholders, and each of Coventry and Crescent have agreed to take certain steps to give effect to this Option Scheme.
- D. Coventry has agreed in the Merger Implementation Deed to propose a scheme of arrangement between Coventry and the holders of options to subscribe for fully paid ordinary shares in Coventry, the effect of which will be that Crescent acquires all of the Scheme Options from Scheme Optionholders in exchange for the Option Scheme Consideration.
- E. In accordance with clause 4.2(f) of the Merger Implementation Deed, Crescent is entering into this deed poll to covenant in favour of Scheme Optionholders that it will observe and perform its obligations under the Option Scheme, as if named as a party to the Option Scheme.

**IT IS AGREED** as follows:

---

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this deed poll:

- (a) **Option Scheme** means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between Coventry and the Scheme Optionholders, a copy of which is annexed to this deed poll; and
- (b) capitalised terms have the meanings given to them in the Option Scheme, unless the context requires otherwise.

**1.2 Interpretation**

In this deed poll, unless the context otherwise requires:

- (a) a word importing the singular includes the plural and vice versa, and word indicated each gender includes every other gender;
- (b) references to a **person** includes an individual, the estate of an individual, a corporations, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to a statute includes any regulation or agreement is to such a statute, regulations or other instruments made under it and a reference to a statute or any regulation or other instrument made under it or a provision of any such statute, regulation or instrument includes consolidations, amendments, re-enactments and replacements;
- (d) a reference to a **party** includes a reference to a party's executors, administrators, successors, and permitted assigns, including, without limitation, persons taking by novation and, in the case of a trustee, includes any substituted or additional trustee;
- (e) if a time period is specified and dates from a given date or the day of an act or event, it is to be calculated exclusive of that day;
- (f) a reference to any time is a reference to that time in Perth, Western Australia;
- (g) a reference to "A\$" is to the lawful currency of the Commonwealth of Australia;
- (h) a reference to a document is that document as varied, novated, ratified or replaced from time to time;
- (i) annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this deed poll, and a reference to this deed poll includes all schedules, exhibits, attachments and annexures to it
- (j) this deed poll must not be construed adversely to a party just because that party prepared it or caused it to be prepared; and
- (k) the word **including** or any form of that word is not a word of limitation.

### 1.3 Nature of Deed Poll

Crescent acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Optionholder in accordance with its terms even though the Scheme Optionholders are not party to it; and
- (b) under the Option Scheme, each Scheme Optionholder irrevocably appoints Coventry as its agent and attorney to enforce this deed poll against Crescent.

---

## 2. CONDITION

### 2.1 Condition

The obligations of Crescent under his deed poll are subject to the Option Scheme becoming Effective.

## **2.2 Termination**

If the Merger implementation Deed is terminated or the Option Scheme does not become Effective on or before the End Date, the obligations of Crescent under this deed poll automatically terminate and the terms of this deed poll will be of no further force or effect.

## **2.3 Consequences of Termination**

If this deed poll is terminated under clause 2.2 then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Crescent is released from its obligations to further perform this deed poll except those obligations under clause 7.2 and any other obligations which by their nature survive termination; and
- (b) each Scheme Optionholder retains the rights they have against Crescent in respect of any breach of this deed poll by Crescent which occurs before this deed poll is terminated.

---

## **3. COMPLIANCE WITH OPTION SCHEME OBLIGATIONS**

### **3.1 Option Scheme Consideration**

Subject to clause 2, Crescent undertakes in favour of each Scheme Optionholder to:

- (a) provide or procure the provision of the Option Scheme Consideration to each Scheme Optionholder; and
- (b) undertake all other actions attributed to it under the Option Scheme, in accordance with the Option Scheme.

---

## **4. WARRANTIES**

Crescent represents and warrants that:

- (a) it is a corporation validly existing under the laws of the its place of incorporation;
- (b) the execution and delivery by it of this deed poll has been (or, prior to the Option Scheme becoming Effective, will be) properly authorised by all necessary corporate action and it has, or will have, full corporate power (including shareholder approval) and lawful authority (including all necessary approvals and/or waivers from the TSX-V) to perform or cause to be performed its obligations under this deed poll and to carry out or cause to be carried out the transactions contemplated by this deed poll; and
- (c) this deed poll will constitute legally valid and binding obligations on it enforceable in accordance with its terms (subject to any necessary stamping) and does not conflict with or result in a breach of a default under:
  - (i) the constitution or equivalent constituent documents of it or any of its Related Bodies Corporate; or

- (ii) any writ, order or injunction, judgment, law, rule or regulation to which it is party, or by which it is bound.

---

**5. CONTINUING OBLIGATIONS**

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Crescent has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.2.

---

**6. OPTION SCHEME**

Without limiting anything in clause 3, Crescent will be bound by and will comply with all provisions of the Option Scheme.

---

**7. GENERAL**

**7.1 Notices**

- (a) All notices or other communication to Crescent in respect of this deed poll must be:
  - (i) in writing;
  - (ii) signed by the sender or by a person duly authorised by the sender;
  - (iii) must be delivered or sent by fax to the fax number, of Crescent or given in any other way permitted by law, in each case addressed in the manner relevantly described below:

Address: Suite 1490 - 1075 West Georgia Street  
Vancouver, British Columbia, V6E 3C9

Fax number: (604) 688-9458

Email: don@crescentresourcescorp.com

For the attention of: Don Halliday with a copy to:

Address: Unit 1 – 15782 Marine Drive  
White Rock, British Columbia, V4B 1E6

Fax: (604) 536-2788

Email: Doris@goldenoakcorporate.com

For the attention of: Doris Meyer

- (b) Any notice or other communication given in accordance with clause 7.1(a) will, in the absence of proof of earlier receipt, be deemed to have been duly given as follows:
  - (i) if delivered by hand, on delivery at the address of the addressee, unless that delivery is made on a non-Business Day, or after 5.00 pm on a Business Day, in which case that

communication will be deemed to be received at 9.00 am on the next Business Day; and

- (ii) if sent by facsimile, at the local time (in the place of receipt of the facsimile) which then equates to the time at which that facsimile is sent as shown on the transmission report which is produced by the machine from which that facsimile is sent and which confirms transmission of that facsimile in its entirety, unless that local time is a non-Business Day, or after 5.00 pm on a Business Day, in which case that communication will be deemed to be received at 9.00 am on the next Business Day.

## **7.2 Stamp Duty**

Crescent will:

- (a) pay or procure the payment of all transaction duties and any related fines and penalties in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under this deed poll (including in connection with the transfer of Coventry Options to Crescent in accordance with the terms of the Option Scheme); and
- (b) indemnify each Scheme Optionholder against any liability arising from failure to comply with clause 7.2(a).

## **7.3 Waiver**

- (a) Waiver of any right arising from a breach of this deed poll or of any right, power, authority, discretion or remedy arising upon default under this deed poll must be in writing and signed by the party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
  - (i) a right arising from a breach of this deed poll; or
  - (ii) a right, power, authority, discretion or remedy created or arising upon default under this deed poll,does not result in a waiver of that right, power, authority, discretion or remedy.
- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this deed poll or on a default under this deed poll as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A party may not rely on any conduct of another party as a defence to the exercise of a right, power, authority, discretion or remedy by that other party.
- (e) This clause may not itself be waived except in writing.

#### **7.4 Variation**

A provision of this deed poll may not be varied unless:

- (a) before the Second Court Date, the variation is agreed to in writing by Coventry; or
- (b) on or after the Second Court Date, the variation is agreed to in writing by Coventry and is approved by the Court,

in which event Crescent will enter into a further deed poll in favour of the Scheme Optionholders giving effect to such amendment or variation.

#### **7.5 Cumulative Rights**

The rights, powers and remedies of Crescent and each Scheme Optionholder under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by the law independently of this deed poll.

#### **7.6 Assignment**

The rights and obligations of Crescent and the rights of each Scheme Optionholder under this deed poll are personal and must not be assigned, charged or otherwise dealt with at law or in equity.

#### **7.7 Further Action**

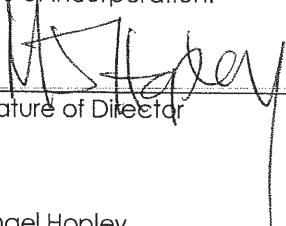
Crescent will promptly do all things and execute and deliver all further documents required by law to give effect to this deed poll.

#### **7.8 Governing Law and Jurisdiction**

- (a) This deed poll is governed by the laws of the state of Western Australia.
- (b) Crescent irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the state of Western Australia for any proceedings in connection with this deed poll and waives any right it may have to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum.

**EXECUTED** by the Parties as a Deed Poll.

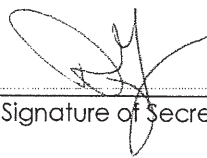
**EXECUTED BY** )  
**CRESCENT RESOURCES CORP.** )  
in accordance with its constituent )  
documents and the laws applicable in its )  
place of incorporation:



Signature of Director

Michael Hopley

Full name of Director



Signature of Secretary

Doris Meyer

Full Name of Secretary

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## APPENDIX 6 – NOTICE OF SHARE SCHEME MEETING

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### COVENTRY RESOURCES LIMITED NOTICE OF SHARE SCHEME MEETING

#### Notice of Court Ordered Meeting of Coventry Shareholders

Notice is hereby given that, by order of the Federal Court of Australia (Court) made on 9 November 2012 pursuant to section 411(1) of the Corporations Act, a meeting of Coventry Shareholders will be held at 10.00 am on 13 December 2012 at Holiday Inn, 778-788 Hay Street, Perth, Western Australia (**Share Scheme Meeting**).

The Court has also directed that Michael Haynes act as chairman of the Share Scheme Meeting or failing him, Toby Hicks, and has directed the chairman to report the result of the Share Scheme Meeting to the Court.

#### Purpose of the Share Scheme Meeting

The purpose of the Share Scheme Meeting is to consider and, if thought fit, to agree (with or without modification) to a scheme of arrangement (the **Share Scheme**) proposed to be made between Coventry and the Coventry Shareholders.

Copies of the Share Scheme and the explanatory statement required by section 412 of the Corporations Act in relation to the Share Scheme are contained in the Scheme Booklet of which this Notice forms part. Terms used (and not otherwise defined) in this Notice have the same meaning as set out in the glossary of defined terms in section 17.1 of the Scheme Booklet of which this Notice forms part.

#### Resolution

The Share Scheme Meeting will be asked to consider and, if thought fit, to pass, with or without modification, the following resolution:

*"That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between Coventry and the Coventry Shareholders, as contained in and more particularly described in the document of which the notice convening this meeting forms part, is approved (with or without modification as approved by the Federal Court of Australia)."*

#### Voting

##### Majority Required

To pass the resolution approving the Share Scheme, votes in favour of the Share Scheme must be cast by:

- a majority in number (more than 50%) of Coventry Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and
- at least 75% of the total number of votes cast on the Share Scheme Resolution by Coventry Shareholders entitled to vote on that resolution.

Voting at the Share Scheme Meeting will be by poll rather than by show of hands.

##### How to Vote

Coventry Shareholders can vote in either of two ways:

- by attending the Share Scheme Meeting and voting in person or by attorney or, in the case of corporate Coventry Shareholders, by corporate representative; or

- by appointing a proxy to attend and vote on their behalf, using the Share Scheme proxy form accompanying the Scheme Booklet.

### **Voting in person (or by attorney or corporate representative)**

Coventry Shareholders or their attorneys who plan to attend the Share Scheme Meeting are asked to arrive at the venue 30 minutes prior to the time designated for the meeting so that their shareholdings can be checked against the Coventry Share Register and attendances can be noted. Coventry Shareholders who do not plan on attending the Share Scheme Meeting in person will need to provide Coventry with original or certified copies of the power of attorney under which they authorise the attorney to attend and vote at the meeting at least 48 hours prior to the commencement of the Share Scheme Meeting. Alternatively, the attorney must bring the original or certified copies of the power of attorney to the Share Scheme Meeting.

In order to vote in person at the Share Scheme Meeting, a Coventry Shareholder that is a corporation may appoint an individual to act as its representative. Such an appointment must comply with the requirements of section 250D of the Corporations Act. A corporate Coventry Shareholder should obtain an "Appointment of Corporate Representative" form from the Coventry Share Registry and complete that form in accordance with its instructions. The corporate representative should bring this form, duly completed, to the Share Scheme Meeting and any authority under which it is signed, unless this has already been provided to and is kept at the offices of the Coventry Share Registry.

### **Jointly Held Securities**

If Coventry Shares are jointly held, only one of the joint shareholders is entitled to vote. If more than one shareholder votes in respect of jointly held Coventry Shares, only the vote of the shareholder whose name appears first on the Coventry Share Register will be counted.

### **Proxy Instructions**

- A Coventry Shareholder entitled to attend and vote at the Share Scheme Meeting is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where two proxies are appointed, and unless the appointment specifies the proportion or number of the Coventry Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (fractions will be disregarded).
- A proxy need not be a Coventry Shareholder.
- If a proxy is instructed to abstain from voting on any item of business, that person is directed not to vote on the Coventry Shareholder's behalf on a poll and the shares the subject of the proxy appointment will not be counted in computing the required majority.
- If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting, as that person thinks fit.
- Coventry Shareholders who return their proxy forms with a direction on how to vote but without nominating the identity of their proxy will be taken to have appointed the chairman of the Share Scheme Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Share Scheme Meeting, the chairman of the Share Scheme Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the chairman of the Share Scheme Meeting, the secretary or any director which do not contain a direction will, in the absence of a change in circumstances, be used to vote in favour of the Share Scheme.

- A vote given in accordance with the terms of a proxy is valid despite the revocation of the proxy, unless notice in writing of the revocation has been received by Coventry or the Coventry Share Registry before commencement of the Share Scheme Meeting.
- Appointing a proxy will not preclude you from attending the Share Scheme Meeting in person and voting at the Share Scheme Meeting instead of your proxy.
- Completed proxy forms may be lodged by:
  - using the reply paid envelope enclosed with the Scheme Booklet; or
  - posting, delivery or facsimile transmission to Coventry Share Registry as follows:

Postal address *	Fax
Computershare Investor Services Pty Ltd GPO Box 242 Melbourne VIC 3001 Australia	Computershare Investor Services Pty Ltd +61 3 9473 2555

\* Use envelope supplied with the Scheme Booklet.

To be valid for the Share Scheme Meeting, completed proxy forms (and any power of attorney under which they are signed) must be received by **no later than 10.00 am (WST) on 11 December 2012.**

The proxy form must be signed by the Coventry Shareholder or the Coventry Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Coventry Share Registry at the above addresses or by facsimile transmission by **10.00 am (WST) on 11 December 2012.** If facsimile transmission is used, the power of attorney must be certified.

### **Coventry Shareholders who are entitled to vote**

Pursuant to section 411 of the Corporations Act and all other enabling powers, the Court has determined that the time for determining a person's entitlement to vote at the Share Scheme Meeting is **4.00 pm (WST) on 11 December 2012.** Only those Coventry Shareholders entered on the Coventry Share Register as at that time will be entitled to attend and vote at the Share Scheme Meeting. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Share Scheme Meeting.

### **Court approval**

In accordance with section 411(4)(b) of the Corporations Act, the Share Scheme (with or without modification) will not be implemented unless it is approved by an order of the Court. If the resolution put to the Share Scheme Meeting is passed by the Requisite Majority, Coventry intends to apply to the Court for the necessary orders to give effect to the Share Scheme.

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## APPENDIX 7 – NOTICE OF OPTION SCHEME MEETING

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### COVENTRY RESOURCES LIMITED NOTICE OF OPTION SCHEME MEETING

#### Notice of Court Ordered Meeting of Coventry Optionholders

Notice is hereby given that, by order of the Federal Court of Australia (**Court**) made on 9 November 2012 pursuant to section 411(1) of the Corporations Act, a meeting of Coventry Optionholders will be held at 10.30 am (WST) on 13 December 2012 at Holiday Inn, 778-788 Hay Street, Perth, Western Australia (**Option Scheme Meeting**), or (if later) immediately after the conclusion of the Share Scheme Meeting.

The Court has also directed that Michael Haynes act as chairman of the Option Scheme Meeting or failing him, Toby Hicks, and has directed the chairman to report the result of the Option Scheme Meeting to the Court.

#### Purpose of the Option Scheme Meeting

The purpose of the Option Scheme Meeting is to consider and, if thought fit, to agree (with or without modification) to a scheme of arrangement (the **Option Scheme**) proposed to be made between Coventry and the Coventry Optionholders.

Copies of the Option Scheme and the explanatory statement required by section 412 of the Corporations Act in relation to the Option Scheme are contained in the Scheme Booklet of which this Notice forms part. Terms used (and not otherwise defined) in this Notice have the same meaning as set out in the glossary of defined terms in section 17.1 of the Scheme Booklet of which this notice forms part.

#### Resolution

The Option Scheme Meeting will be asked to consider and, if thought fit, to pass, with or without modification, the following resolution:

*"That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between Coventry and the Coventry Optionholders, as contained in and more particularly described in the document of which the notice convening this meeting forms part, is approved (with or without modification as approved by the Federal Court of Australia)."*

#### Voting

##### Majority Required

To pass the resolution approving the Option Scheme, votes in favour of the Option Scheme must be cast by:

- a majority in number (more than 50%) of Coventry Optionholders present and voting (whether in person, by proxy, by attorney or by corporate representative); and
- Coventry Optionholders who's Coventry Options amount to at least 75% of the total value of Coventry Options held by the Coventry Optionholders who vote at the meeting. For this purpose, the value of a Coventry Option will be calculated using a Black & Scholes valuation methodology. Further details are set out in section 13.4 of the Scheme Booklet.

Voting at the Option Scheme Meeting will be by poll rather than by show of hands.

## How to Vote

Coventry Optionholders can vote in either of two ways:

- by attending the Option Scheme Meeting and voting in person, by attorney or by corporate representative; or
- by appointing a proxy to attend and vote on their behalf, using the Option Scheme proxy form accompanying the Scheme Booklet.

### Voting in person (or by attorney or corporate representative)

Coventry Optionholders or their attorneys who plan to attend the Option Scheme Meeting are asked to arrive at the venue 30 minutes prior to the time designated for the meeting so that their option holding can be checked against the Coventry Option Register and attendances can be noted. Coventry Optionholders who do not plan on attending the Option Scheme Meeting will need to provide Coventry with original or certified copies of the power of attorney under which they authorise the attorney to attend and vote at the meeting at least 48 hours prior to the commencement of the Option Scheme Meeting. Alternatively, the attorney must bring the original or certified copies of the power of attorney to the Option Scheme Meeting.

In order to vote in person at the Option Scheme Meeting, a Coventry Shareholder that is a corporation may appoint an individual to act as its representative. Such an appointment must comply with the requirements of section 250D of the Corporations Act. A corporate Coventry Optionholder should obtain an "Appointment of Corporate Representative" form from the Coventry Option Registry and complete that form in accordance with its instructions. The corporate representative should bring this form, duly completed, to the Option Scheme Meeting and any authority under which it is signed, unless this has already been provided to and is kept at the offices of the Coventry Option Registry.

### Jointly Held Securities

If Coventry Options are jointly held, only one of the joint shareholders is entitled to vote. If more than one shareholder votes in respect of jointly held Coventry Option, only the vote of the shareholder whose name appears first on the Coventry Share Register will be counted.

### Proxy Instructions

- A Coventry Optionholder entitled to attend and vote at the meeting is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where two proxies are appointed, and unless the appointment specifies the proportion or number of the Coventry Optionholder's votes each proxy may exercise, each proxy may exercise half of the votes (fractions will be disregarded).
- A proxy need not be a Coventry Optionholder.
- If a proxy is instructed to abstain from voting on any item of business, that person is directed not to vote on the Coventry Optionholder's behalf on a poll and the options the subject of the proxy appointment will not be counted in computing the required majority.
- If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting, as that person thinks fit.
- Coventry Optionholders who return their proxy forms with a direction on how to vote but without nominating the identity of their proxy will be taken to have appointed the chairman of the Option Scheme Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Option Scheme Meeting,

the chairman of the Option Scheme Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the chairman of the Option Scheme Meeting, the secretary or any director which do not contain a direction will, in the absence of a change in circumstances, be used to vote in favour of the Option Scheme.

- A vote given in accordance with the terms of a proxy is valid despite the revocation of the proxy, unless notice in writing of the revocation has been received by Coventry or the Coventry Option Registry before commencement of the Option Scheme Meeting.
- Appointing a proxy will not preclude you from attending the Option Scheme Meeting in person and voting at the Option Scheme Meeting instead of your proxy.
- Completed proxy forms may be lodged by:
  - using the reply paid envelope enclosed with the Scheme Booklet; or
  - posting, delivery or facsimile transmission to Coventry's option registry as follows:

Postal address *	Fax
Computershare Investor Services Pty Ltd GPO Box 242 Melbourne VIC 3001 Australia	Computershare Investor Services Pty Ltd +61 3 9473 2555

\* Use envelope supplied with the Scheme Booklet.

To be valid for the Option Scheme Meeting, completed proxy forms (and any power of attorney under which they are signed) must be received by no later than 10.30 am (WST) on 11 December 2012.

The proxy form must be signed by the Coventry Optionholder or the Coventry Optionholder's attorney. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by Security Transfer Registrars at the above addresses or by facsimile transmission by 10.30 am (WST) on 11 December 2012. If facsimile transmission is used, the power of attorney must be certified.

### **Coventry Optionholders who are entitled to vote**

Pursuant to section 411 of the Corporations Act and all other enabling powers, the Court has determined that the time for determining a person's entitlement to vote at the Option Scheme Meeting is **4.00 pm (WST) on 11 December 2012**. Only those Coventry Optionholders entered on the Coventry Option Register as at that time will be entitled to attend and vote at the Option Scheme Meeting.

### **Court approval**

In accordance with section 411(4)(b) of the Corporations Act, the Option Scheme (with or without modification) will not be implemented unless it is approved by an order of the Court. If the resolution put to the Option Scheme Meeting is passed by the Requisite Majority, Coventry intends to apply to the Court for the necessary orders to give effect to the Option Scheme.

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## **APPENDIX 8 – RIGHTS ATTACHING TO CHESS DEPOSITARY INTERESTS**

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### **1. DEFINITIONS**

Capitalised terms used in this Appendix and not otherwise defined have the same meaning as set out in the Glossary of the Explanatory Statement.

### **2. INTRODUCTION**

Crescent intends to participate in the electronic transfer system known as the Clearing House Electronic Subregister System or CHESS operated by ASX Settlement Pty Ltd (**ASTC**).

CHESS cannot be used directly for the transfer of securities of companies domiciled in certain foreign jurisdictions, such as the Canada. Accordingly, to enable companies such as Crescent to have their securities cleared and settled electronically through CHESS, depositary interests called CDIs are issued.

CDIs are financial products which confer holders with beneficial ownership in foreign securities such as Crescent Shares, with the legal title to such shares held by an Australian depositary entity. Crescent will appoint CHESS Depositary Nominees Pty Ltd (the Depositary), a subsidiary of ASX, to act as its Australian depositary and hold the legal title to any Crescent CDIs issued by Crescent.

If the Share Scheme becomes Effective, Scheme Shareholders will received the Scheme Consideration in the form of Crescent CDIs unless they an Ineligible Overseas Holder, a resident of the United States of America or Canada or have elected to received Crescent Shares. Scheme Shareholders may elect to receive the Share Scheme Consideration in the form of Crescent Shares listed on the TSX instead of Crescent CDIs quoted on the ASX, by making an election to receive Crescent Shares rather than Crescent CDIs, which election is made by following the procedure in section 6.4(e) under "How to make a Share Election", unless they are an Ineligible Overseas Shareholder.

A summary of the rights and entitlement of Crescent CDI holders and CDI holders generally is set out below.

### **3. WHAT IS CHESS?**

Settlement of trading of quoted securities on ASX market takes place on CHESS, which is ASX's electronic transfer and settlement system. CHESS electronically manages the transfer and settlement of transactions in securities quoted on ASX without using paper documentation. No share or security certificates are issued in respect of shareholdings or security holdings which are quoted on ASX and settled on CHESS, nor is it a requirement for transfer forms to be executed in relation to transfers which occur on CHESS.

CHESS cannot be used directly for the transfer of securities of companies domiciled in countries whose law have the effect that CHESS cannot be used for the holding of legal title to securities. ASX has addressed this issue be developing a form of financial product referred to as CDIs which may be issued by such foreign companies and which are used to transfer and hold foreign securities in CHESS.

Crescent, which is subject to the laws of Canada, cannot facilitate Crescent Shares being settled electronically or held in CHESS, because the laws of Canada do not recognise uncertificated holdings or electronic transfer of legal title. To overcome this, Crescent will issue Crescent CDIs.

#### **4. OVERVIEW OF CDIS**

CDIs are financial products quoted on the ASX. CDIs represent an interest in the beneficial ownership in security of a foreign company. This allows investors to trade interests in foreign securities by trading the relevant CDI on ASX.

The main difference between holding CDIs and holding shares is that the holder of CDIs has beneficial ownership of the underlying shares in Crescent instead of legal title. Crescent has appointed the Depository, as a depository nominee, to hold legal title to Crescent Shares on behalf of CDI holders.

CDI holders will be able to transfer and settle transactions electronically on ASX in CHESS.

Crescent will operate a certificated register of Crescent Shares, an uncertificated issuer sponsored subregister of CDIs and an uncertificated CHESS subregister of CDIs. The certificated register will be the register of legal title and the two uncertificated CDI subregisters combined will make up the register of beneficial title (with the certificated register reflecting the record ownership by the Depository of the Crescent Shares underlying the CDIs recorded in the two uncertificated CDI subregisters).

#### **5. ENTITLEMENTS OF CDI HOLDERS**

The ASTC Settlement Rules, which are recognised under the Corporations Act, contain provisions which ensure that CDI holders have all the director economic and other benefits of holding the underlying securities (See ASTC Settlement Rules Section 13).

Except for certain differences noted below, CDI holders receive all the economic benefits of actual ownership of the underlying shares whilst the Depository holds legal title to the shares on behalf of the CDI holders. Generally, CDI holders are treated as if they are holders of Crescent Shares. This means that economic benefits such as dividends, bonus issues and rights issues will generally flow through to holders of Crescent CDIs as if they were the registered holders of the UNDERLYING Crescent Shares.

#### **6. RATION OF CDIS TO UNDERLYING SECURITIES**

CDIs are generally, but not always, structured so that each holding of CDIs represents an equivalent number of underlying securities. Accordingly, Each Crescent CDI will represent one Crescent Share, held by the Depository, and will confer a beneficial interest in that Crescent Share.

Accordingly, each Scheme Shareholder will receive the same number of Crescent CDIs as they would Crescent Shares.

#### **7. CESSATION OF TRADING IN COVENTRY SHARES**

Suspension of trading on ASX in Coventry Shares will occur from the close of trading on the date on which Coventry lodges the Court order approving the Scheme with the ASIC (being the Effective Date).

#### **8. TRADING IN CRESCENT CDIS ON ASX**

Crescent will apply for quotation of the Crescent CDIs on ASX. However, there is no guarantee as to when this will occur or that it will occur at all. Accordingly, a Scheme Shareholders should be aware that immediately following implementation of the Schemes, there may not be a market for trading Crescent CDIs. However, if this occurs, Scheme Shareholders will receive Crescent Shares.

Crescent Shares will trade on the TSX but will not trade on ASX. If CDI holders wish to trade the Crescent Shares represented by their Crescent CDIs on the TSX, they can do

so by first converting their Crescent CDIs to Crescent Shares. Once the Crescent CDIs have been converted, holders are able to trade their Crescent Shares on the TSX.

Upon Crescent being admitted to the official list of the ASX, Crescent CDIs will be quoted and traded on the ASX in Australian dollars. They will not be listed, and will not be able to be traded on the TSX.

## **9. VOTING**

CDI holders will receive notices of general meetings of Crescent Shareholders.

CDIs holders must be permitted to attend the meeting of foreign company unless the laws of a jurisdiction in which it is established prevent this.

As CDI holders are not the legal owners of the underlying Crescent Shares represented by the Crescent CDIs, they cannot vote personally at a meeting of security holders. The Depository, which holds legal title to the Crescent Shares represented by the Crescent CDIs, is entitled to vote at Crescent meetings and the CDI holder can direct how it will vote or the can require the Depository to appoint the CDI holder. (or a person nominated by the CDI holder) as the Depository's proxy for the purposes of attending and voting at a Crescent Shareholder meeting. In these circumstances the Crescent CDI holder may, as proxy, attend and vote in person at a general meeting of Crescent Shareholders.

## **10. TAKEOVERS**

The ASTC Settlement Rules provide that the Depository may only accept a takeover offer in respect of Crescent Shares which it holds on behalf of a CDI holder if the CDI holder instructs the Depository to accept the offer. The Depository is required to accept a takeover offer if instructed by the CDI holder to do so and accordingly, the Depository must ensure that the bidder processes the CDI holders' takeover acceptance.

If the CDIs are held on the CHESS Subregister, takeover acceptances from CDI holders will be processed electronically in the same way that other CHESS approved securities are processed.

## **11. COMMUNICATION WITH CDI HOLDERS**

Crescent's Australian share registry will have access to the registration details and holding balances of each CDI holding. This will enable Crescent to communicate directly with CDI holders when processing corporate actions, such as dividends, bonus issues and rights issues and when sending notices and announcements from Crescent, such as Crescent's annual report. Documents, such as notices of meeting, will be send to holders of Crescent CDIs at the same time as they are send to holders of Crescent Shares.

## **12. DIVIDENDS AND ENTITLEMENTS**

Under the ASTC Settlement Rules, Crescent is required to treat holders of Crescent CDIs as if they are holders of the underlying Crescent Shares. The ASTC Settlement Rules require that all economic benefits such as dividends, bonus issues, rights issues or similar corporate actions flow through the CDI holders as if they were the legal owners of the underlying securities.

Any cash dividends or distributions made in a currency other than Australian dollars will be converted and paid to CDI holders, in Australian dollars by Crescent's Australian share registry, as agent for the Depository.

### **13. CONVERTING FROM A CDI HOLDING TO A DIRECT HOLDING OF CRESCENT SHARES**

Holders of Crescent CDIs in CHESS who want to convert their Crescent CDIs to Crescent Shares listed on the TSX can do so by instructing their sponsoring participant. The participant will then advise Crescent to transfer the securities from the Depository into the name of the holder, and Crescent's share registry will issue a certificate.

Holders of issuer sponsored Crescent CDIS (i.e. they are held on the Crescent CDI Subregistry) who want to convert their Crescent CDIS can do so by contacting Crescent's CDI registry directly. The registry will then transfer the securities from the name of the Depository into the name of the holder, and Crescent's share registry will issue a certificate.

The transfer will cause Crescent Shares to be registered in the name of the holder on the Crescent share register and trading on ASX will no longer be possible. It is expected that this process will be completed in a relatively short time period; however, no guarantee can be given about the time for this conversion to take place. No trading in the Crescent Shares should take place on TSX until this transfer process is complete.

### **14. CONVERTING FROM A CRESCENT SHARE TO A CDI**

If holders of Crescent Shares wish to convert their holdings to Crescent CDIs, they can do so by contacting Crescent's share registry, or if you wish to be sponsored in CHESS, your Broker for assistance.

In this instance, underlying Crescent Shares will be transferred to the Depository and a holding statement for the Crescent CDIs will be issued to the relevant security holder. For CHESS holders that statement will be issued in the days following the end of the calendar month in which the conversion is affected. No trading in the Crescent CDIs should take place on ASX until this transfer process is complete.

CDIs can be issued on a ratio basis whereby each CDI represents a multiple or a fraction of the underlying foreign financial products. The number of CDIs or foreign financial products that you receive upon conversion of one form of financial product to the other is determined by the applicable ratio.

### **15. RESTRICTION ON TRANSFERABILITY OF CRESCENT SHARES**

Crescent proposes to file the Crescent Prospectus on or as soon as practicable after the Implementation Date. If Crescent does not file and obtain a receipt for the Crescent Prospectus on the Implementation Date, then, unless an exemption from the requirement to file a prospectus in respect of such trade is otherwise available, certain restrictions may apply to the transfer of Crescent Shares (but not Crescent CDIs or Crescent Shares transferred outside of Canada) for up to four months after the date Crescent becomes a reporting issuer in Canada. The restriction on transfer will cease as soon as Crescent files and obtains a receipt for the Crescent Prospectus or the four month period expires. No restrictions will apply to the transfer of Crescent CDIs on the ASX.

### **16. CDI HOLDING STATEMENTS**

If Crescent CDIs are issued to you under the Share Scheme, you will be sent a holding statement in respect of your issuer sponsored Crescent CDIs rather than a holding statement or share certificate for the underlying Crescent Shares. If your holding is in CHESS, the registry will provide a confirmation of issue. Holding statements will be dispatched in the first week after the month following a change in the number of New CDIs held by you. Crescent CDIs may be held on an issuer sponsored subregister or on a CHESS subregister. If you receive Crescent CDIs under the Share Scheme, you will receive them:

- (a) on the Crescent CDI issuer sponsored subregister, to the extent they are issued for Coventry Shares held on the Coventry issuer sponsored subregister; and
- (b) on the Crescent CDI CHESS subregister, to the extent they are issued for Coventry Shares held on the Coventry CHESS subregister.

**17. ASX FEES**

There are no additional ASX or ASTC fees for using the CDI facility. The Depository does not charge fees for acting as the depository but may charge an administration fee where in a takeover offer is made for the Crescent and the offeror appoint a receiving agent to process takeover acceptances from CDI holders, or if the underlying securities are not held in a register in Australia.

**18. TRADING**

Following the quotation of Crescent CDIs on ASX, Crescent CDIs will be able to be traded on ASX. They will not be tradeable on TSX.

If a holder of Crescent CDIs wishes to trade on TSX, they must convert Crescent CDIs into Crescent Shares (see above).

**19. FURTHER INFORMATION**

Further information in relation to Crescent CDIs and the matters referred to above may be obtained by calling the Company's Share Registry or any stockbroker.

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**APPENDIX 9 – INDEPENDENT EXPERT’S REPORT**

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**COVENTRY RESOURCES LIMITED**  
**Independent Expert's Report**

8 November 2012



## Financial Services Guide

8 November 2012

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (“we” or “us” or “ours” as appropriate) has been engaged by Coventry Resources Limited (“Coventry”) to provide an independent expert’s report on the proposal to merge with Crescent Resources Corp. by way of a Scheme of Arrangement. You will be provided with a copy of our report as a retail client because you are a shareholder of Coventry.

### Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

### Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

### Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

### General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

## **Fees, commissions and other benefits that we may receive**

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee for this engagement is approximately \$30,000.

In the past two years BDO has prepared an independent expert's report for Coventry on a transaction which did not eventuate. The fee charged for this was \$30,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

## **Remuneration or other benefits received by our employees**

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Coventry for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

## **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

## **Complaints resolution**

### *Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

## **Referral to External Dispute Resolution Scheme**

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ("FOS"). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website [www.fos.org.au](http://www.fos.org.au) or by contacting them directly via the details set out below.

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001  
Toll free: 1300 78 08 08  
Facsimile: (03) 9613 6399  
Email: [info@fos.org.au](mailto:info@fos.org.au)

## **Contact details**

You may contact us using the details set out at the top of our letterhead on page 1 of this FSG.

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8 November 2012

The Directors  
Coventry Resources Limited  
Suite 9, 5 Centro Avenue  
SUBIACO WA 6008

Dear Sirs

## INDEPENDENT EXPERT'S REPORT

### 1. Introduction

On 10 September 2012, Coventry Resources Limited (“Coventry” or “the Company”) announced that it had entered into a Merger Implementation Agreement with Crescent Resources Corp. (“Crescent”) to create a merged entity (the “Merged Entity”).

Under the terms of the proposed merger Crescent will acquire all Coventry shares and all Coventry options on issue. In consideration, the non-associated shareholders of Coventry (“Coventry Shareholders”) will receive Chess Depository Interests (“CDIs”) of Crescent on the basis of 0.2513 Crescent CDIs for each Coventry share (post consolidation of Crescent’s shares on a 1:5 basis). If approved by Coventry shareholders the proposed acquisition will be implemented by way of a share scheme of arrangement (“Share Scheme”).

Coventry is also undertaking a separate scheme of arrangement with option holders of Coventry (“Coventry Optionholders”) which, if implemented, will result in each outstanding Coventry option being exchanged for an option in Crescent which will entitle the Optionholder to receive 0.2513 shares in the Merged Entity in lieu of one Coventry share on the same terms and conditions as the original option (a “Merged entity Option”). If approved by Coventry Optionholders the proposed acquisition will be implemented by way of an option scheme of arrangement (“Option Scheme”).

The Option Scheme is conditional on the implementation of the Share Scheme, however the Share Scheme is not conditional on implementation of the Option Scheme.

It is a condition of the Share Scheme that prior to completion of the Share Scheme Crescent will complete a private placement to raise gross proceeds of C\$750,000. Each five securities issued in the placement will be consolidated into one Merged Entity share upon completion of the Share Scheme.

## 2. Summary and Opinion

### 2.1 Purpose of the report

The directors of Coventry have requested that BDO Corporate Finance (WA) Pty Ltd (“BDO”) prepare an independent expert’s report (“our Report”) to express an opinion as to whether or not the proposed Scheme is in the best interests of Shareholders and whether or not the Option Scheme is in the best interest of Coventry Optionholders.

Our Report is prepared pursuant to section 411 of the Corporations Act and is to be included in the Scheme Booklet for Coventry in order to assist the Shareholders and Optionholders in their decision whether to approve the Share Scheme and Option Scheme (together, “the Schemes”).

### 2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 60 (“RG 60”) ‘Schemes of Arrangements’, Regulatory Guide 111 (“RG 111”), ‘Content of Expert’s Reports’ and Regulatory Guide 112 (“RG 112”) ‘Independence of Experts’.

In arriving at our opinion, we have assessed the terms of the Schemes as outlined in the body of this report. We have considered:

- A comparison of the value of a Coventry share prior to the Share Scheme to the value of 0.2513 Merged Entity shares following the Share Scheme;
- A comparison of the value of a Coventry option prior to the Scheme to the value of a Merged Entity Option following the Option Scheme;
- The likelihood of a superior alternative being available to Coventry;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Schemes; and
- The position of Shareholders and Optionholders should the Schemes not proceed.

### 2.3 Opinion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of a superior offer, the Share Scheme is not fair but reasonable and therefore in the best interests of Shareholders and that the Option Scheme is fair and reasonable and therefore in the best interests of Optionholders.

In particular we note that, being an exploration company, it is vital for Coventry to raise funds to enable the continued exploration activities of its projects and the Schemes will enable Coventry to increase its cash by approximately \$1.7 million (before costs of the Schemes).

Although Coventry, as a company listed on the ASX, could seek to raise funds from a placement on the ASX, this is likely to also be dilutive to Shareholders and would not expose Coventry to any of the advantages that are offered by listing on the TSX-V.

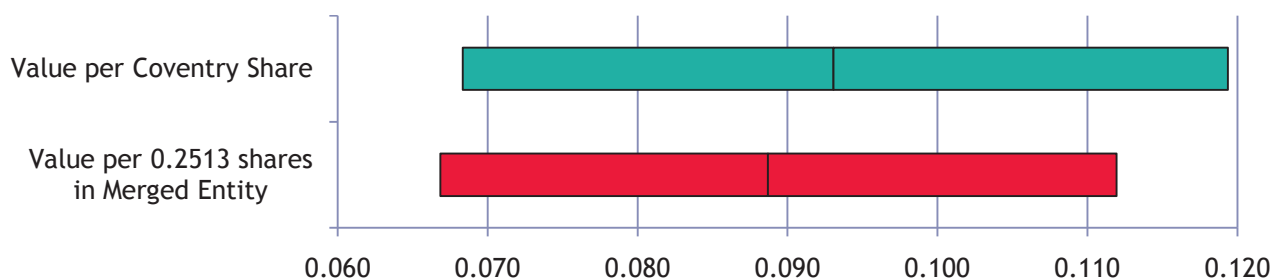
Coventry could also seek to undertake a compliance listing on the TSX-V which would not be dilutive, however there would be associated transaction costs, as well as time delays associated with a compliance listing. The Merged Entity will also have a greater base of Canadian shareholders than Coventry, increasing the liquidity of the Merged Entity when compared to a compliance listing by Coventry.

## 2.4 Fairness

In Section 13.1 we determined that the value of a Coventry Share prior to the Schemes compares to the value of 0.2513 shares in the Merged Entity as detailed hereunder.

	Low \$	Preferred \$	High \$
Value of a Coventry Share	\$0.068	\$0.093	\$0.119
Value of 0.2513 shares in the Merged Entity	\$0.067	\$0.089	\$0.112

The above valuation ranges are shown graphically below.



We note from analysis above that the value of a Coventry Share is greater than the value of 0.2513 shares in the Merged Entity. The above pricing indicates that, in the absence of any other relevant information, and a superior offer, the Share Scheme is not fair for Shareholders. Although the overall range of values of a Coventry Share and 0.2513 shares in the Merged Entity overlaps, the Share Scheme is dilutive and there is not a scenario in which the value of a Shareholder's interest would not decrease as a result of the Share Scheme.

In Section 13.2 we determined that the values of the Coventry Options and the Merged Entity Options are as follows.

Option Scheme	Value of a Coventry Option \$	Value of a Merged Entity Option \$	Premium/ (Discount) \$
Tranche A	\$ 0.0047	\$ 0.0069	\$ 0.0022
Tranche B	\$ 0.0002	\$ 0.0006	\$ 0.0004
Tranche C	\$ 0.0001	\$ 0.0003	\$ 0.0002
Tranche D	\$ 0.0007	\$ 0.0014	\$ 0.0008
Tranche E	\$ 0.0193	\$ 0.0259	\$ 0.0066
Tranche F	\$ 0.0031	\$ 0.0054	\$ 0.0023
Tranche G	\$ 0.0215	\$ 0.0269	\$ 0.0054
Tranche H	\$ 0.0210	\$ 0.0263	\$ 0.0053
Tranche I	\$ 0.0368	\$ 0.0443	\$ 0.0076
Tranche J	\$ 0.0416	\$ 0.0461	\$ 0.0045
Tranche K	\$ 0.0561	\$ 0.0606	\$ 0.0045
Tranche L	\$ 0.0537	\$ 0.0582	\$ 0.0046

As shown in the table above, the value of a Coventry Option is less than the value of a Merged Entity Option. Therefore we conclude that the Option Scheme is fair to Optionholders.

## 2.5 Reasonableness

We have considered the analysis in Section 14 of this report, in terms of both

- advantages and disadvantages of the Schemes; and
- other considerations, including alternatives and the position of Shareholders if the Schemes do not proceed.

### 2.5.1. Advantages to the Schemes

Advantage	Section
<p><b>1. Direct exposure to the TSX-V</b></p> <p>The Merged Entity will have a primary listing on the TSX-V and a secondary listing on the ASX. This will allow Coventry Shareholders to access deeper pools of capital, and the increased liquidity of the TSX-V, with potential for the Merged Entity to graduate to the TSX.</p> <p>The Merged Entity will have a new profile in a more diverse North American market, with potential greater market presence.</p> <p>The Merged Entity will have greater access to equity capital markets through public offerings which will increase market capitalisation.</p>	14.1.1
<p><b>2. Company and senior management based in Canada</b></p> <p>Following implementation of the Schemes the Merger entity's senior management team and material exploration assets will be located in Canada. This will assist in increasing the Merged Entity's exposure to the Canadian investor community. Future income generated from the Merged Entity's assets will be reported in Canadian dollars, reducing exposure to foreign exchange risk.</p>	14.1.2
<p><b>3. Position amongst large peer group</b></p> <p>By being listed on the TSX-V, the Merged Entity will be positioned among a large geographic peer group of companies. This will allow investors to better assess its relative merit and value.</p>	14.1.3
<p><b>4. Stronger financial position</b></p> <p>The Merged Entity will have a stronger financial position than Coventry, with the cash balance increasing by approximately \$1.7 million. This will enable the Merged Entity to complete the preliminary economic assessment on the Cameron Gold Project, recommence exploration in the first quarter of 2013, and to pursue future growth opportunities.</p>	14.1.4
<p><b>5. Flow through financing</b></p> <p>The Merged Entity will be able to issue 'flow-through' shares which allow a company to flow through to investors the tax deductions that cannot be utilised, as the company does not have any foreseeable taxable income against which deductions could be offset. Investors are typically willing to subscribe for flow through shares at a premium and the Merged Entity will therefore benefit from a higher price for its shares.</p>	14.1.5
<p><b>6. Enhanced board and management</b></p> <p>The Merged Entity will benefit from the addition of two board members who are experienced in the Canadian gold mining industry.</p>	14.1.6
<p><b>7. Broader shareholder base</b></p> <p>The Merged Entity will have an increased chance of achieving a more diversified institutional shareholder base. A Canadian incorporated company may attract a wider range of North American investor interest than a company domiciled and primarily listed outside of North America. The Merged Entity will also not be subject to the foreign investments restrictions which may have prevented Canadian institutional investors from investing in Coventry.</p>	14.1.7

## 2.5.2. Disadvantages to the Schemes

Disadvantage		Section
1. Dilution of investment	Following the implementation of the Schemes, Coventry Shareholders' interests will be diluted to 87% of the Merged Entity.	14.2.1
2. Additional cost and administration	Transaction costs estimated at \$300,000 will be incurred in respect of the Schemes, although the majority of these costs will have been incurred by the point that Shareholders are asked to approve the Schemes. The Merged Entity will also bear the cost of ongoing compliance, administration and operating costs of being listed on the TSX-V and having a secondary listing in the ASX, estimated at approximately \$20,000 per annum.	14.2.2
3. Change in jurisdiction	The Merged Entity will be incorporated in Canada and will not be subject to all the provisions of the Corporations Act to which Coventry is currently subject. Some Shareholders and Optionholders may not be familiar with the provisions of Canadian corporate and securities laws.	14.2.3
4. Ineligible shareholders	Ineligible Shareholders will not be issued shares in the Merged Entity. Instead a nominee will be appointed by Crescent to sell their shares in the Merged Entity on the TSX-V and pay the ineligible shareholders the proceeds.	14.2.4
5. Optionholders will be bound by decision of Shareholders	The Option Scheme is conditional on the Share Scheme becoming effective however the Share Scheme is not dependent on the approval of the Option Scheme. If Crescent does not take any action with regard to the options if the Option Scheme is not approved then Coventry Optionholders who exercised their options after the record date would receive shares in Coventry, which would be an unlisted company following implementation of the Share Scheme.	14.2.5

## 2.5.3. Other considerations

Consideration		Section
1. Alternative proposals	<p>The directors of Coventry considered a number of alternative proposals:</p> <p><b>Compliance listing on TSX-V:</b></p> <ul style="list-style-type: none"> <li>A compliance listing on the TSX-V would provide Coventry access to the advantages of exposure to the TSX-V without diluting the holdings of the Shareholders. However a compliance listing would take longer to implement, thereby delaying Coventry in accessing exposure to the TSX-V and the associated advantages. In addition a compliance listing would incur significant costs estimated at approximately \$300,000.</li> </ul> <p>We further note that the Merged Entity will have a shareholder base that includes Canadian based investors providing immediate liquidity of Coventry's shares on the TSX-V which would be reduced if Coventry was to undertake a compliance listing. Coventry announced a placement to raise \$1.3 million from institutional investors following announcement of the Schemes, thereby indicating the support of institutional investors in the Schemes.</p> <p><b>Fund raising on the ASX:</b></p> <ul style="list-style-type: none"> <li>As Coventry is listed on the ASX it could seek to raise funds through a placement. However the average of comparable placements made on the ASX has been at a discount to the share price. It would therefore be expected that any such fund</li> </ul>	14.3.1

Consideration	Section
<p>raising would be dilutive to Coventry Shareholders.</p> <p>In addition, any fund raising on the ASX would not provide the advantages offered by exposure to the TSX-V.</p>	
<p><b>2. Practical level of control</b></p> <p>If the Scheme is approved then Crescent’s shareholders will have an interest of approximately 12.5% in the net assets of the Merged Entity. The board of the Merged Entity will also include two members nominated by Crescent, representing 33% of the board.</p> <p>Therefore if the Scheme is approved Crescent shareholders will be able to influence the activities of the Merged Entity but will not be able to exercise a similar level of control as if it held 100%, and will not be able to pass or block special or general resolutions.</p>	14.3.2
<p><b>3. Foreign exchange implications</b></p> <p>The Merged Entity would have a primary listing on the TSX-V. Australian shareholders would be exposed to foreign exchange risk when converting returns denominated in Canadian dollars to Australian dollars.</p>	14.3.3
<p><b>4. Consequences of not approving the Schemes</b></p> <p>Due to the increased size and the expected activities of the Merged Entity, its shares are likely to be more liquid than the shares of Coventry. As such, if the Schemes do not proceed then Shareholders are likely to experience decreased marketability of their shares.</p> <p>Following the announcement of the Schemes on 10 September 2012 Coventry’s share price increased from an average of \$0.063 in the prior month to \$0.080. If the Schemes are not approved, Coventry’s share price may decline to pre-announcement levels.</p> <p>If the Schemes are not approved and Coventry remains listed on the ASX, Coventry will need to continue to attract interest of ASX investors to raise funds for exploration.</p> <p>If the Share Scheme is not approved then Coventry must pay Crescent a break fee of \$150,000 in recognition of costs incurred in connection with the Schemes.</p>	14.3.4
<p><b>5. Impact on investment portfolios</b></p> <p>Institutional investors or fund managers may have requirements to hold a certain percentage of stock of entities listed on particular exchanges or having certain market capitalisations. The requirements of certain investors may not be met by the Merged Entity.</p>	14.3.5
<p><b>6. Volatility implications</b></p> <p>The TSX-V is comparatively more volatile than the ASX. As the volatility of a stock increase the level of risk associated with holding that stock increases. Depending on each individual Shareholder’s and Optionholder’s risk preference this may be an advantage or disadvantage.</p>	14.3.6
<p><b>7. Recent performance of TSX-V</b></p> <p>As the Merged Entity will be listed on the TSX-V it may be subject to market wide factors to which Coventry Shareholders would not be subject. These could be positive or negative factors going forward. Historically the share prices of ASX listed mining companies have been highly correlated with those of mining companies listed on the TSX-V.</p>	14.3.7
<p><b>8. Shareholder protection and regulations</b></p> <p>The reports and regulatory environment in Canada is comparable to that in Australia. Coventry shareholders will have a similar regulatory protection to that currently available under the Corporations Act.</p>	14.3.8
<p><b>9. Tax implications</b></p> <p>If the Schemes are approved then Australian shareholders may be able to utilise rollover relief in respect of capital gains tax.</p>	14.3.9

In our opinion, the position of Shareholders if the Schemes are approved is more advantageous than the position if the Schemes are not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal we believe that the Schemes are reasonable for Shareholders and Optionholders.

### 3. Scope of the Report

#### 3.1 Purpose of the Report

The Scheme is to be implemented pursuant to section 411 of the Corporations Act 2001 (Cth) (“the Act”). Part 3 of Schedule 8 to the Corporations Act Regulations prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to section 411 of the Act (“Section 411”).

Schedule 8 of the Act requires an independent expert’s report if:

- The corporation that is the other party to the scheme has a common director or directors with the company which is the subject of the scheme; or
- The corporation that is the other party is entitled to more than 30% of the voting shares in the subject company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interest of the members of the company the subject of the scheme and setting out his or her reasons for that opinion.

Crescent does not hold any shares in Coventry and there are no common directors, hence an independent expert’s report is not specifically required in relation to the Schemes. However, for reasons of corporate governance and under the terms of the Merger Implementation Agreement, the Directors of Coventry have engaged us to prepare an independent expert’s report in relation to the Schemes as if such a report was required under the Regulations.

#### 3.2 Regulatory guidance

Neither the Act nor the Regulations defines the term ‘in the best interests of’. In determining whether the Scheme is in the best interests of Shareholders, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is therefore representative of a change of ‘control’ transaction. We do not consider the Schemes to be a control transaction as Crescent shareholders would not be acquiring a controlling interest in the Merged Entity. As such, we have used RG 111 as a guide for our analysis but have considered the Schemes as if they were not a control transaction.

RG 111 suggests that an opinion as to whether transactions are fair and reasonable should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to effect the transaction.

Schemes of arrangement pursuant to section 411 can encompass a wide range of transactions. Accordingly, “in the best interests” must be capable of a broad interpretation to meet the particular circumstances of each transaction. This involves a judgment on the part of the expert as to the overall commercial effect

of the transaction, the circumstances that have led to the transaction and the alternatives available. The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether shareholders are likely to be better off if the proposed transaction is implemented than if it is not. This assessment is the same as that required for a ‘fair and reasonable’ assessment in the case of a takeover. If the expert would conclude that a proposal was ‘fair and reasonable’; if it was in the form of a takeover bid, the expert will also be able to conclude that the scheme is in the best interests of shareholders. An opinion of ‘in the best interests’ does not imply the best possible outcome for shareholders.

### 3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being ‘not fair’ the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in three parts:

- A comparison between the value of a Coventry share and the value of 0.2513 shares in the Merged Entity, and a comparison between the value of a Coventry Option and the value of a Merged Entity Option convertible into 0.2513 shares (fairness - see Section 13 “Are the Schemes fair?”);
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Schemes, after reference to the value derived above (reasonableness - see Section 15 “Are the Schemes reasonable?”); and
- A consideration of whether the Schemes are in the best interests of Shareholders and Optionholders.

RG 111 states that if a transaction is fair and reasonable then the expert can conclude that the transaction is in the best interests of shareholders; if a transaction is not fair but reasonable an expert can still conclude that the transaction is in the best interests of shareholders; if a transaction is neither fair nor reasonable then the expert would conclude that the transaction is not in the best interests of shareholders.

RG 111 suggests that the main purpose of an independent expert’s report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the transaction.

This assignment is a Valuation Engagement as defined by APES 225 Valuation Services. A Valuation Engagement means an engagement or assignment to perform a valuation and provide a valuation report where we determine an estimate of value of a company by performing appropriate valuation procedures and where we apply the valuation approaches and methods that we consider to be appropriate in the circumstances.

## 4. Outline of the Scheme

On 10 September 2012, Coventry announced that it had entered into a Merger Implementation Agreement with Crescent. Under the terms of the proposed merger the security holders of Coventry will receive CDIs of Crescent on the basis of 0.2513 Crescent CDIs for each Coventry share (post consolidation of Crescent's shares on a 1:5 basis).

If approved by Coventry shareholders the proposed merger will be implemented by way of a share scheme of arrangement ("Share Scheme").

### Conditions precedent

Completion of the Share Scheme is subject to a number of conditions including, amongst other matters:

- All relevant regulatory approvals are received;
- The Independent Expert's Report concludes that the Share Scheme is in the best interests of Coventry Shareholders;
- Crescent completes a private placement to raise gross proceeds of C\$750,000;
- No material adverse change in respect of Coventry or Crescent;
- No regulated event occurring or becoming known to Coventry or Crescent;
- Coventry Shareholders approving the Share Scheme by the majorities required under Section 411 of the Act and Crescent shareholders approving the Share Scheme;
- The Treasurer of the Commonwealth of Australia either providing unconditional written notice that there is no objection to the Schemes under the Foreign Acquisitions and Takeovers Act 1975 (Cth) or Australian foreign investments policy, or becoming precluded from exercising any power to make an order under the Foreign Acquisitions and Takeovers Act 1975 (Cth) in relation to the Share Scheme;
- Other customary conditions.

A reciprocal break fee of \$150,000 is in place if the Schemes are not completed in certain circumstances, including if the Independent Expert's Report does not conclude that the Share Scheme is in the best interests of Shareholders, or the Share Scheme is not approved by Shareholders. Full disclosure of the conditions precedent to the Share Scheme is included in the Scheme Booklet.

### Capital structure

The Share Scheme will result in Crescent acquiring 100% of the issued capital of Coventry. In consideration, the Shareholders of Coventry will receive CDIs of Crescent on the basis of 0.2513 Crescent CDIs for each Coventry share (post consolidation of Crescent's shares on a 1:5 basis).

It is a condition of the Share Scheme that prior to completion of the Share Scheme Crescent will complete a private placement to raise gross proceeds of C\$750,000.

The table below outlines the share structure of Crescent should the Share Scheme be approved.

Summary of Merged Entity share structure				
Crescent shares on issue			29,091,872	
Placement:	Proceeds to raise	C750,000		
	Issue price	@ C\$0.05	15,000,000	
Total Crescent shares pre consolidation			44,091,872	
Crescent shares consolidated 1:5			8,818,375	
Merged Entity Shares to Crescent shareholders			8,818,375	12.7%
Scheme issue:	Coventry shares on issue	240,256,037		
	Merged entity shares per Coventry share	@ 0.2513	60,376,342	
Merged Entity Shares to Coventry shareholders			60,376,342	87.3%
Total Merged Entity shares			69,194,716	100.0%

In addition to the current shares on issue and those to be issued under the Share Scheme as outlined above, Coventry and Crescent are committed under separate agreements to make future share issues. These share issues are not dependant on the approval of the Schemes:

- Coventry is to issue 1.3 million Coventry shares in relation to its exploration projects;
- Crescent is to issue 2.6 million Crescent shares to Millrock in consideration for the Uncle Sam Gold Project; and
- Coventry is to issue 7.7 million Coventry shares to Houston Lake Mining Inc. in consideration for the West Cedartree Gold Project. This is not currently a commitment of Coventry as the agreement is still in the due diligence period.

## Option scheme

Coventry is also undertaking a separate scheme of arrangement with Coventry Optionholders. At the date of signing the Merger Implementation Agreement Coventry had 47.1 million options on issue.

Under the Option Scheme each outstanding Coventry option will be exchanged for an option in Crescent entitling the Optionholder to receive 0.2513 Crescent shares in lieu of one Coventry share.

The new options in Crescent will be on the same terms and conditions as the original option, other than the fact that the options will be immediately capable of exercise.

The Option Scheme is conditional on the implementation of the Share Scheme, however the Share Scheme is not conditional on implementation of the Option Scheme. If the Share Scheme is approved and implemented but the Option Scheme is not approved, Coventry options that are deemed to be ‘in the money’ based upon the closing price of Coventry shares on the ASX will be acquired by Crescent for cash. Where the options are not ‘in the money’, Coventry will pay the Optionholder a nominal amount and the options will be cancelled.

Crescent currently has 1.3 million options on issue, and 5.3 million share purchase warrants. If all options and warrants were exercised following implementation of the Schemes, Coventry Shareholders would hold a 85.6% interest in the Merged Entity.

This would increase to 87.7% if the Merged Entity Options held by Coventry Optionholders were also exercised (47.1 million Merged Entity Options, convertible into 11.8 million Merged Entity Shares).

Summary of Merged Entity share structure (diluted)									
	Crescent shares		Crescent options	Crescent warrants	Diluted by Crescent securities		Coventry options	Diluted by Crescent & Coventry securities	
Current shares	29,091,872		1,295,000	5,314,380	35,701,252		-	35,701,252	
	15,000,000		-	-	15,000,000		-	15,000,000	
	44,091,872		1,295,000	5,314,380	50,701,252		-	50,701,252	
Consolidated 1:5 Scheme issue	8,818,374	12.7%	259,000	1,062,876	10,140,251	14.4%	-	10,140,250	12.3%
	60,376,342	87.3%	-	-	60,376,342	85.6%	11,845,968	72,222,311	87.7%
Merged Entity shares	69,194,716	100.0%	259,000	1,062,876	70,516,593	100.0%	11,845,968	82,362,562	100.0%

Under the Share Scheme, ineligible overseas Shareholders will not be issued shares or CDIs in the Merged Entity. Instead, Crescent will issue shares in the Merged Entity, to which the ineligible Shareholders would have been entitled if they were eligible, to a nominee appointed by Crescent. This nominee will sell the shares in the Merged Entity on the TSX-V and the proceeds will be paid to the ineligible Shareholders.

### Operations and Board members

It is proposed that on completion of the merger the Merged Entity's name will be changed to Coventry Resources Inc. The Merged Entity will be headquartered in Toronto, Ontario, and have its primary listing on the TSX-V and secondary listing on the ASX.

On completion of the schemes the board of directors will comprise six members, of which Coventry will nominate four and Crescent will nominate two members. It is anticipated that the board of directors of the Merged Entity will comprise:

- Michael Naylor      Managing Director      (Coventry nominee)
- Michael Haynes      Non-Executive Director      (Coventry nominee)
- Tony Goddard      Executive Director      (Coventry nominee)
- Steven Chadwick      Executive Director      (Coventry nominee)
- Don Holliday      Executive Director      (Crescent Nominee)
- Eric Edwards      Non-Executive Director      (Crescent Nominee)

## 5. Profile of Coventry

### 5.1 Overview

Coventry was listed on the ASX on 2 May 2000 and is based in Perth, Western Australia but also has an office in Toronto, Canada. Coventry's board of directors currently consists of Mr Michael Naylor as Managing Director and Chief Executive Officer, Mr Michael Haynes as Non-Executive Chairman, Mr Anthony Goddard as Technical Director, Mr Rhoderick Grivas and Mr Faldi Ismail as Non Executive Directors. The Company Secretary is Mr Nicholas Day and the Chief Financial Officer is Ms Beverley Nichols.

Coventry primarily explores for gold deposits and engages in the acquisition, exploration, and development of mineral properties in Ontario, Canada. The company's main area of exploration is the Superior Province in Eastern Canada which is one of the world's greatest mineral provinces and has a similar geology to the Yilgarn Craton in Western Australia. The gold deposits found in the Superior Province are however generally of a higher grade than those found in Western Australia.

Coventry's overall strategy is to position itself as a mid-tier gold producer with a pipeline of potential producing assets. It has documented its main objectives in terms of its major projects as being;

- to complete a pre-feasibility on the development of an open pit mining operation at the Cameron Gold Project;
- subject to a positive outcome of the preliminary economic assessment, develop the Cameron Gold Project into a profitable mining project; and
- expand its resource base through rapid exploration of existing ground and the acquisition of prospective new projects.

Coventry intends to identify, investigate, and, where appropriate, acquire tenement holdings in south-western Ontario through staking, joint ventures, and acquisitions from existing landholders.

### 5.2 Projects

#### Cameron Project

The Cameron Gold Project is located in the southern-most part of western Ontario in Canada. The project consists of three granted mining leases within a total project area of approximately 120 square kilometres. The project is well accessed with paved highway and high voltage power within 30 kilometres of the project and all weather gravel roads providing access to the site.



Source: [www.coventryres.com](http://www.coventryres.com)

A summary of the project is included in the Independent Valuation Report prepared by SRK and included in Appendix 5, and includes the following project details:

- Greater than 90,000 metres of diamond drilling completed by six companies prior to Coventry's involvement in 2010;
- Greenstone-hosted gold deposit with potential to expand the mineral resources as the mineralisation remains open at depth and along strike to the northwest;
- Generally good drill core recovery of around 98%;
- Associated with, and partially hosted by, the Cameron Lake Shear Zone which forms part of a number of structures related to the Cameron-Pipestone Fault, including the Monte Cristo shear Zone which is also associated with a number of gold occurrences such as the Victor and Monte-Cristo prospects.

A preliminary economic assessment study has commenced in order to confirm the economic viability of developing this deposit.

### Rainy River Project

The Rainy River Project is located in the western-most part of northern Ontario and was acquired in 2011. It is situated immediately north of the United States border and approximately 65 kilometres southwest of the Cameron Gold Project. Coventry consider this project a unique opportunity as it covers a virtually unexplored greenstone belt with a large and growing endowment and includes other high priority gold anomalies that have been subject to very limited follow up exploration.

It comprises three, largely-contiguous landholding blocks, with the properties comprising patented claims optioned from landholders, unpatented claims optioned from third parties and unpatented claims staked by Coventry. For all of these leased areas (patents) Coventry has the right to acquire 100% of the mineral

rights during the next seven years. These option agreements provide Coventry the right to purchase the surface rights, in the event that an economically viable deposit is discovered.

In February 2012 Coventry commenced a reverse circulation drilling program targeting known gold anomalies such as Martin, Stafford, Neilson and Stock.

### Ardeen Gold Project

The project is located approximately 110 kilometres west of Thunder Bay in North-Western Ontario



Source: [www.coventryres.com](http://www.coventryres.com)

Access to the claims is gained via a gravel all-season main logging road. This road transects the central portion of the claim block and connects with the numerous secondary logging roads which give access to most parts of the property.

The project comprises 153 unpatented mining claims and four patented mining claims for a total area of almost 5,000 hectares or 50km<sup>2</sup>. Coventry has the right to earn a 100% interest in the Ardeen Gold project from Pele Gold Corporation. Coventry has acquired a 51% interest in the project by spending at least CAD\$1.5 million and can earn 75% by the additional expenditure of CAD\$1.5 million prior to December 2013. Pele has the right to contribute to further expenditure on a pro-rata basis. If Pele does not so

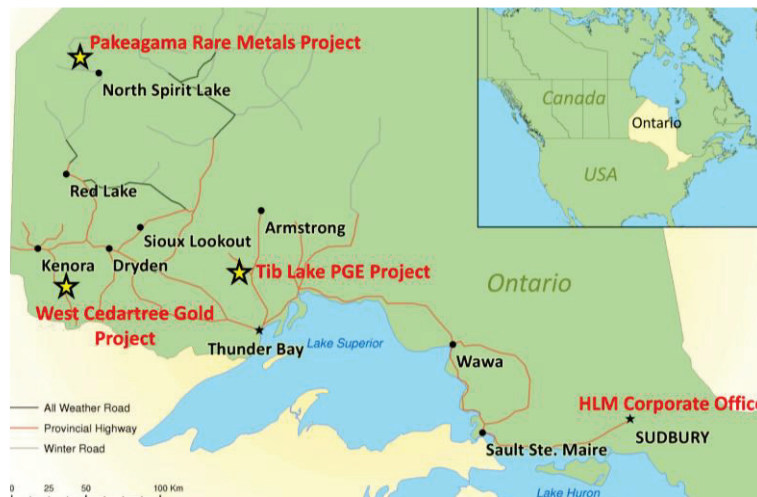
contribute to further expenditures and Coventry completes a bankable feasibility study, Coventry will earn 100%, with Pele reverting to a 2% NSR royalty.

### Nucanolan Property

Coventry has the right to earn an 80% interest in the Nucanolan Property by spending CAD\$1.0 million on exploration and making certain cash payments and issuing shares. The property is located along strike from and within five kilometres of the Cameron Gold Project, and comprises 20 granted mining claims covering 3.25 km<sup>2</sup>

### West Cedartree Gold Project

On 28 June 2012 Coventry agreed to acquire a 100% interest of the West Cedartree Gold Project from Houston Lake Mining Incorporated (“HLM”). The project is located in the Kenora region of Ontario, 12km from Coventry’s Cameron Gold Project. The project comprises 1,675 hectares.



Source: [houstonlakemining.com](http://houstonlakemining.com)

HLM will receive total consideration currently valued at approximately C\$1 million, allocated as follows:

- C\$500,000 in cash;
- 7.7 million Coventry shares; and
- A 2.5% net smelter return royalty on the West Cedartree Claim Block, representing 20% of the West Cedartree Gold Project’s total area, including the newly discovered Robertson Gold Zone.

The project consists of six gold zones, with three resources defined to date: Dubinski; Dogpaw; and Angel Hill. The project hosts a JORC-Code compliant Indicated and Inferred resource at the Dubenski Gold Deposit totalling 573,000 tonnes at a grade of 3.50 g/t gold for 64,500 ounces of gold.

### 5.3 Historical Statement of Financial Position

Statement of Financial Position	Audited as at 30-Jun-12 \$	Audited as at 30-Jun-11 \$	Audited as at 30-Jun-10 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2,985,446	7,968,108	6,039,292
Trade and other receivables	207,684	390,045	171,311
<b>TOTAL CURRENT ASSETS</b>	<b>3,193,130</b>	<b>8,358,153</b>	<b>6,210,603</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	354,744	351,267	73,967
Exploration and evaluation expenditure	26,481,592	22,321,346	16,793,462
<b>TOTAL NON-CURRENT ASSETS</b>	<b>26,836,336</b>	<b>22,672,613</b>	<b>16,867,429</b>
<b>TOTAL ASSETS</b>	<b>30,029,466</b>	<b>31,030,766</b>	<b>23,078,032</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	729,007	841,804	655,061
Provisions	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>729,007</b>	<b>841,804</b>	<b>655,061</b>
<b>TOTAL LIABILITIES</b>	<b>729,007</b>	<b>841,804</b>	<b>655,061</b>
<b>NET ASSETS</b>	<b>29,300,459</b>	<b>30,188,962</b>	<b>22,422,971</b>
<b>EQUITY</b>			
Contributed equity	51,009,974	46,556,617	35,665,011
Reserves	1,540,862	1,393,824	3,017,304
Accumulated losses	(23,340,377)	(17,761,479)	(16,259,344)
<b>TOTAL EQUITY</b>	<b>29,300,459</b>	<b>30,188,962</b>	<b>22,422,971</b>

Source: Audited financial report for the years ended 30 June 2012, 30 June 2011 and 30 June 2010.

## 5.4 Historical Statement of Comprehensive Income

Statement of Comprehensive Income	Audited for the year ended 30-Jun-12	Audited for the year ended 30-Jun-11	Audited for the year ended 30-Jun-10
	\$	\$	\$
<b>Revenue</b>			
Interest revenue	104,127	353,306	167,211
Other income	25,747	7,014	42,139
<b>Expenses</b>			
Public company costs	(78,906)	(78,024)	(54,138)
Legal fees	(548,168)	(99,302)	(128,258)
Consultants and Directors fees	(864,041)	(734,236)	(388,525)
Staff Costs	(148,151)	(148,230)	(79,736)
Travel expenses	(163,374)	(247,524)	(327,081)
Impairment of exploration expenditure	(3,025,140)	-	-
Other expenditure	(880,992)	(555,139)	(355,574)
<b>Loss from continuing operations before income tax</b>	<b>(5,578,898)</b>	<b>(1,502,135)</b>	<b>(1,123,962)</b>
Income tax expense	-	-	-
<b>Loss from continuing operations after income tax</b>	<b>(5,578,898)</b>	<b>(1,502,135)</b>	<b>(1,123,962)</b>
Foreign exchange translation	(156,297)	(2,248,490)	367,125
<b>Total comprehensive loss for the year</b>	<b>(5,735,195)</b>	<b>(3,750,625)</b>	<b>(756,837)</b>

Source: Audited financial report for the years ended 30 June 2012, 30 June 2011 and 30 June 2010.

The most significant assets of Coventry relate to the deferred exploration and evaluation expenditure on its projects. The total related balance increased from \$22.3 million at 30 June 2011 to \$26.5 million at 30 June 2012. The majority of this increase related to the Cameron Gold Project, partially offset by an impairment of the Ardeen Project which has not been the focus of Coventry in recent years. Total project expenditure by project is as follows:

	Expenditure \$m
Cameron Gold Project	20.2
Ardeen Gold Project	2.9
Rainy River Project	2.0
Nucanolan Property	1.3
West Cedartree Gold Project	0.1
<b>Total exploration expenditure</b>	<b>26.5</b>

Cash levels have decreased from \$8.0 million at 30 June 2011 to \$3.0 million ended 30 June 2012.

Exploration expenditures of \$7.3 million incurred in the year to 30 June 2012, funded by the cash held at 30 June 2011, and by proceeds of \$4.5 million (net of costs) received from the issue of shares.

For the year ended 30 June 2012 Coventry made a loss of \$5.7 million. Being an exploration company, Coventry would be expected to be loss making. The loss increased compared with the year ended 30 June 2011, from a \$3.8 million loss, primarily owing to impairment of exploration expenditure relating to the Ardeen Project, and legal and consultancy fees increased in the year ended 30 June 2012 as a result of an aborted transaction.

## 5.5 Capital Structure

The share structure of Coventry as at 13 September 2012 is outlined below:

	Number
Total Ordinary Shares on Issue	240,256,037
Top 20 Shareholders	134,612,521
Top 20 Shareholders - % of shares on issue	56.0%

Source: Share register as at 13 September 2012 adjusted for allotment of shares issued to institutional investors and 50,000 issued 4 October 2012 to secure tenements in Ontario

The range of shares held in Coventry as at 13 September 2012 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	% Issued Capital
1-1,000	675	101,858	0.0%
1,001-5,000	114	320,348	0.1%
5,001-10,000	90	749,162	0.3%
10,001-100,000	508	23,556,081	9.8%
100,001 - 1,000,000	238	71,657,794	29.8%
1,000,000 and over	28	143,870,794	59.9%
<b>TOTAL</b>	<b>1,652</b>	<b>240,256,037</b>	<b>100.0%</b>

Source: Share register as at 13 September 2012 adjusted for allotment of shares issued to institutional investors and 50,000 issued 4 October 2012 to secure tenements in Ontario

The ordinary shares held by the most significant shareholders as at 13 September 2012 are detailed below:

Name	No of Ordinary Shares Held	Percentage of Issued Shares (%)
Citicorp Nominees Pty Limited	35,744,616	14.9%
Macquarie Bank Limited	25,209,790	10.5%
HSBC Custody Nominees	22,044,257	9.2%
National Nominees Limited	7,638,803	3.2%
<b>Total Top 4</b>	<b>90,637,466</b>	<b>37.7%</b>
Others	149,618,571	62.3%
<b>Total Ordinary Shares on Issue</b>	<b>240,256,037</b>	<b>100.0%</b>

Source: Share register as at 13 September 2012 adjusted for allotment of shares issued to institutional investors and 50,000 issued 4 October 2012 to secure tenements in Ontario

Coventry has the following options outstanding:

Expiry Date	Number	Exercise Price	Cash raised if exercised
18/12/2012	3,230,770	\$0.26	\$840,000
30/01/2013	10,000,000	\$0.30	\$3,000,000
28/02/2013	1,000,000	\$0.28	\$280,000
30/04/2013	19,257,982	\$0.20	\$3,851,596
30/07/2013	500,000	\$0.30	\$150,000
8/08/2014	750,000	\$0.20	\$150,000
24/08/2014	400,000	\$0.20	\$80,000
25/03/2015	500,000	\$0.30	\$150,000
17/06/2015	500,000	\$0.12	\$60,000
1/12/2016	6,000,000	\$0.26	\$1,560,000
8/03/2017	500,000	\$0.12	\$60,000
17/08/2017	4,500,000	\$0.12	\$540,000
	<b>47,138,752</b>		<b>\$10,721,597</b>

Source: Option information maintained by Coventry, and unaudited financial statements 30 June 2012

## 6. Profile of Crescent

### 6.1 Overview

Crescent Resources Corp. is a publicly-traded company located in Canada and listed on the TSX Venture Exchange. Crescent is engaged in the identification, acquisition, exploration and, if warranted, development of exploration and evaluation assets in the United States. Crescent is considered to be in the exploration stage as it has not placed any of its exploration and evaluation assets into production. Crescent's management team consists of Michael Hopley, Don Holliday, Greg Davis and Doris Meyer with over 60 years collective experience in the mining and exploration business with companies such as Sunridge Gold Corp., Nevsun Resources Ltd. and Bema Gold Corp.

Crescent is in the process of exploring its exploration and evaluation asset interests and has not yet determined whether any of its properties contain mineral reserves that are economically recoverable. The recoverability of the amounts spent for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of Crescent to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production of proceeds from the disposition of the properties.

### 6.2 Projects

#### Uncle Sam Gold Project, Alaska, USA

The Uncle Sam Gold Property is located 75 kilometers southeast of the city of Fairbanks and 20 kilometers north of the Richardson Highway. The project is an intrusion related gold target hosted in a similar age of intrusive rocks to those which host the Pogo Gold Mine in east-central Alaska approximately 60 kilometers to the east of Uncle Sam. The Pogo Mine was discovered in the mid 1990's and reportedly hosts over 5 million ounces of gold. An extensive exploration data package provided to Millrock by a former operator indicates that the Uncle Sam project consists of extensive anomalous areas defined by surface gold geochemistry.

On December 15, 2010, Millrock Resources Inc. and Millrock Alaska LLC ("Millrock") entered into an option agreement with Crescent, whereby Crescent was granted an option to purchase an undivided 100% interest in and to Millrock's right, title and interest in the Uncle Sam property.

Crescent has satisfied all required expenditure to exercise the option for 100%. After exercising the option, Crescent will issue to Millrock an additional 2.6 million common shares in connection with independently verified gold resources defined on the Uncle Sam property as Measured or Indicated resources.

### 6.3 Significant shareholders

The most significant shareholder currently has a 97.2% holding in Crescent (28,266,825 shares, equating to 5,653,365 shares post consolidation). This shareholder would hold an 8.2% interest in the Merged Entity (assuming this shareholder does not participate in the placement to raise C\$750,000). We note that this shareholder, CDS & Co (NCI), relates to a centralised deposit company which represents the investments of numerous individuals.

## 6.4 Historical Balance Sheet

Statement of Financial Position	Reviewed as at 30-Jun-12 C\$	Audited as at 31-Dec-11 C\$	Audited as at 31-Dec-10 C\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1,002,307	1,317,419	216,451
Trade and other receivables	24,717	17,309	15,904
<b>TOTAL CURRENT ASSETS</b>	<b>1,027,024</b>	<b>1,334,728</b>	<b>232,355</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation expenditure	1,074,919	867,660	25,075
Property, plant and equipment	1,627	2,072	1,212
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,076,546</b>	<b>869,732</b>	<b>26,287</b>
<b>TOTAL ASSETS</b>	<b>2,103,570</b>	<b>2,204,460</b>	<b>258,642</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10,275	43,141	138,507
Provisions	-	-	98,143
<b>TOTAL CURRENT LIABILITIES</b>	<b>10,275</b>	<b>43,141</b>	<b>236,650</b>
<b>TOTAL LIABILITES</b>	<b>10,275</b>	<b>43,141</b>	<b>236,650</b>
<b>NET ASSETS</b>	<b>2,093,295</b>	<b>2,161,319</b>	<b>21,992</b>
<b>EQUITY</b>			
Share capital	23,818,000	23,698,000	18,816,838
Share subscriptions	-	-	220,000
Obligation to issue common shares	-	-	20,000
Contributed surplus	1,596,177	1,593,531	1,054,413
Deficit	(23,320,882)	(23,130,212)	(20,089,259)
<b>TOTAL EQUITY</b>	<b>2,093,295</b>	<b>2,161,319</b>	<b>21,992</b>

Source: Audited financial statements for the years ended 31 December 2010 and 31 December 2011 and reviewed financial statements for the six months ended 30 June 2012.

## 6.4 Historical Statement of Comprehensive Income

Statement of Comprehensive Income	Reviewed for the 6 months ended 30-Jun-12 C\$	Audited for the year ended 31-Dec-11 C\$	Audited for the year ended 31-Dec-10 C\$
<b>Expenses</b>			
Consulting fees	(101,018)	(207,925)	(79,402)
Depreciation	(445)	(1,173)	(2,009)
Directors fees	(4,500)	(9,000)	(9,000)
Exploration costs	(50,831)	(2,302,524)	(104,686)
Foreign exchange	1,944	62,672	448
Interest expense	-	(2,011)	(19,653)
Legal and audit fees	(16,206)	(83,302)	(92,163)
Office and general	(2,801)	(8,197)	(11,128)
Regulatory and filing fees	(12,217)	(24,277)	(21,008)
Rent	(3,000)	-	(15,802)
Shareholder relations	(3,622)	(23,163)	(17,022)
Share based compensation	(2,646)	(441,407)	(130,308)
Travel	(813)	(12,301)	(2,142)
<b>Loss before other items</b>	<b>(196,155)</b>	<b>(3,052,608)</b>	<b>(503,875)</b>
Interest income	5,485	11,655	115
Write off of exploration assets	-	-	(926,791)
<b>Total comprehensive loss for the year</b>	<b>(190,670)</b>	<b>(3,040,953)</b>	<b>(1,430,551)</b>

Source: Audited financial statements for the years ended 31 December 2010 and 31 December 2011 and reviewed financial statements for the six months ended 30 June 2012.

The most significant assets of Crescent relate to exploration and evaluation expenditure on its Uncle Sam Gold Project. Crescent held cash of C\$1.0 million at 30 June 2012.

On January 1, 2010, Crescent changed its accounting policy for exploration and evaluation expenditures. In prior years Crescent capitalized the acquisition cost of exploration and evaluation assets and exploration expenditures directly related to specific mineral properties, net of recoveries received.

Under the new policy, exploration expenditures incurred prior to the determination of the feasibility of mining operations, and a decision to proceed with development has been made, are charged to operations as incurred. As a result, Crescent wrote-off costs of C\$926,791 during the year ended December 31, 2010.

On 4 October 2012 Crescent received notice that it had been named as a party in arbitration proceedings in the Paraguay Centre for Arbitration relating to a contractual dispute arising from April 2007. A summary of this dispute is outlined in section 15.32 of the Scheme Booklet. The maximum liability of Crescent under this arbitration is approximately US\$1.5 million. Should an adverse result arise from the arbitration, Crescent may be required to pay financial compensation which would need to be funded from the Merged Entity. Crescent has advised Coventry that it considers that this claim is without merit and will be defended vigorously by Crescent. No related adjustment has been made to the valuation of the Merged Entity in section 11 to reflect such a payment in the event that it becomes a liability of Crescent.

## 6.5 Capital Structure

The range of shares held in Crescent as at 13 September 2012 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Common Shares	% Issued Capital
1 - 1,000	3	68	0.0%
1,001 - 5,000	1	1,219	0.0%
5,001 - 10,000	1	8,661	0.0%
10,001 - 100,000	3	138,214	0.5%
100,001 - and over	4	28,943,710	99.5%
<b>TOTAL</b>	<b>12</b>	<b>29,091,872</b>	<b>100.0%</b>

Source: Share registry information

The ordinary shares held by the most significant shareholders as at 13 September 2012 are detailed below:

Name	No. of Common Shares Held	Percentage of Issued Shares (%)
CDS & CO (NCI)	28,266,825	97.2%
CRAIG ANGUS	400,000	1.4%
MICHAEL J HOPLEY	150,000	0.5%
EXCHANGE CONTROL FOR CLASS C01	126,885	0.4%
<b>Total Top 4</b>	<b>28,943,710</b>	<b>99.5%</b>
Others	148,162	0.5%
<b>Total Ordinary Shares on Issue</b>	<b>29,091,872</b>	<b>100.0%</b>

Source: Share registry information

Crescent has the following options outstanding:

Expiry Date	Number	Exercise Price	Cash raised if exercised
2/1/2013	25,000	C\$1.12	C\$28,000
10/9/2014	98,750	C\$1.00	C\$98,750
16/10/2014	25,000	C\$1.00	C\$25,000
7/1/2015	146,250	C\$0.80	C\$117,000
31/1/2016	1,000,000	C\$0.37	C\$370,000
	<b>1,295,000</b>		<b>C\$638,750</b>

Source: Option information maintained by Crescent

## 7. Economic analysis

### Australian economy

Having picked up in the early months of 2012, growth in the world economy has since softened. Current assessments are that global GDP will grow at no more than average pace in 2012, with risks to the outlook still on the downside. Economic activity in Europe is contracting, while growth in the United States is only modest. Growth in China remained reasonably robust in the first half of this year, albeit well below the exceptional pace seen in recent years. Some recent indicators have been weaker, which has added to uncertainty about near-term growth. Around Asia generally, growth is being dampened by the more moderate Chinese expansion and the weakness in Europe.

Markets for key natural resources are adjusting accordingly. Some commodity prices of importance to Australia have fallen sharply in recent weeks. The terms of trade peaked a year ago and have declined significantly since then, though they remain historically high.

Financial markets have responded positively over the past couple of months to signs of progress in addressing Europe's financial problems, but expectations for further progress are high. Low appetite for risk has seen long-term interest rates faced by highly rated sovereigns, including Australia, remain at exceptionally low levels. Nonetheless, capital markets remain open to corporations and well-rated banks, and Australian banks have had no difficulty accessing funding, including on an unsecured basis. Share markets have generally risen over the past couple of months, on very light volumes.

In Australia, most indicators available suggest growth has been running close to trend, led by very large increases in capital spending in the resources sector. Consumption growth was also quite firm in the first half of the year, though some of that strength was temporary. Labour market data has shown moderate employment growth, even with job shedding in some industries, and the rate of unemployment has thus far remained low.

Inflation remains low, with underlying measures near 2 per cent over the year to June, and headline CPI inflation lower than that. The introduction of the carbon price is starting to affect consumer prices in the current quarter, and this will continue over the next couple of quarters. The Reserve Bank of Australia's assessment is that inflation will be consistent with the target over the next one to two years. Maintaining low inflation will, however, require growth in domestic costs to remain contained as the effects of the earlier exchange rate appreciation wane.

As a result of the sequence of earlier decisions, interest rates for borrowers are a little below their medium-term averages. The impact of those changes is still working its way through the economy, but dwelling prices have firmed a little and business credit has picked up this year. The exchange rate has declined over the past month or two, though it has remained higher than might have been expected, given the observed decline in export prices and the weaker global outlook.

Source: [www.rba.gov.au](http://www.rba.gov.au) *Statement by Glenn Stevens, Governor: Monetary Policy Decision 4 September 2012*

### Canadian Economy

The pace of growth of the Canadian economy is expected to be moderate going forward despite uncertainty about the global economic and financial environment. The Canadian economy is expected to grow in line with its production potential in the short run, with the Bank of Canada estimating that the economy will grow by 2.1 per cent in 2012, 2.3 per cent in 2013 and 2.5 per cent in 2014. The economy is expected to reach full capacity in the second half of 2013. Consumption and business investment are

expected to drive growth in the economy. Net exports are expected to contribute little to growth and are projected to remain below their pre-recession peak until the beginning of 2014. This reflects moderate foreign demand and ongoing competitiveness challenges, including the persistent strength of the Canadian dollar. In addition housing activity is expected to slow down. The Bank of Canada estimates that core inflation is expected to remain steady at approximately 2.0 per cent between 2012 and 2014. Total CPI inflation however is expected to fall as low as 1.5 per cent in the first half of 2013 given the recent drop in gasoline prices and with futures prices suggesting persistently lower oil prices. Total CPI inflation is expected to return to the target level of 2.0 per cent in the second half of 2013.

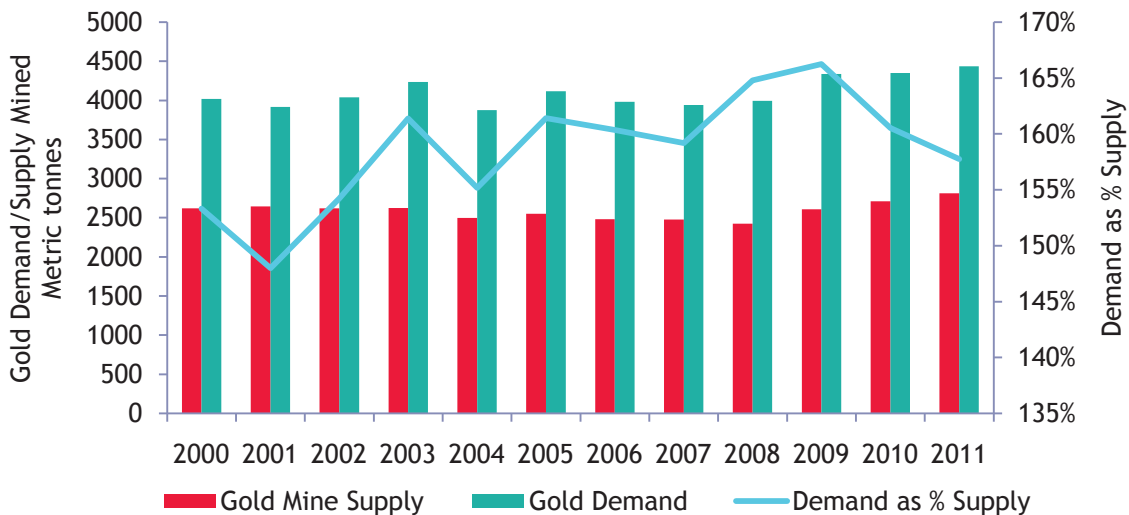
Source: <http://www.bankofcanada.ca> Monetary Policy Report Summary July 2012

## 8. Industry analysis

Gold is both a commodity and an international store of monetary value. Once mined, gold continues to exist indefinitely, often melted down and recycled to produce alternative or replacement products. This characteristic means that gold demand is supported by both mine production and gold recycling.

As illustrated in the chart below, gold mine production was approximately 2,812 metric tonnes in 2011 and gold consumption was 4,436 metric tonnes. Demand for gold has consistently exceeded supply over the last 10 years, and the recently escalated level of economic and financial uncertainty has caused investors to move capital from risky assets to gold assets, which are perceived to be a good store of monetary value. As a result, total gold demand increased by 8% between 2009 and 2011, with demand as a percentage of supply remaining at over 150% for the same period.

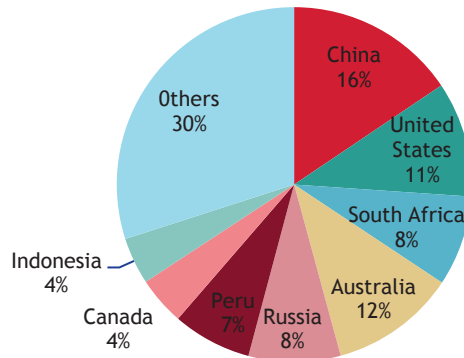
Gold Supply and Demand



Source: Bloomberg and BDO Analysis

Until the late 1980's South Africa produced approximately half of total gold production. More recently however, gold production has become geographically segmented, as shown in the chart below, with production dominated by China.

### Production by Country - Q4 2011



Source: Bloomberg and BDO Analysis

### Prices

The price of gold fluctuates on a daily basis depending on global demand and supply factors. The price trend over the last two years is reflective of weak global economic conditions driving demand for gold for investment purposes. As can be seen in the graph below, the value of gold peaked at USD\$1,900 per ounce on 5 September 2011. This peak was largely caused by the recent debt market crisis in Europe, but it was also driven by the Standard and Poor’s downgrade of the US credit rating. This sent global stock markets tumbling and a flood of investors towards safer havens such as gold. Prices contracted in December 2011 reaching a low of USD\$1,545 per ounce however 2012 has seen the gold price recover reaching USD\$1,780 at 23 February 2012.

The current forward rate suggests that the price of gold will stabilise at current levels over the next three years. Nevertheless, growth in global money supply, U.S dollar depreciation and overall uncertainty in global financial markets may continue to drive investors toward using precious metals as a store of value. This could be further fuelled by the rapidly increasing appetite for precious metals from China.

### Gold Spot Price



Source: Bloomberg and BDO Analysis

## Outlook

The global financial crisis has caused a great amount of uncertainty within the financial markets. Gold prices have experienced a large amount of volatility over the past twelve months which has led to a great deal of uncertainty over future prices. Although long term price forecasts show a downward trend, the consensus among analysts is that growth in the global money supply, US dollar depreciation and overall uncertainty in the global financial markets should continue to drive investors towards gold and other precious metals in the short run.

## 9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings (“FME”)
- Discounted cash flow (“DCF”)
- Quoted market price basis (“QMP”)
- Net asset value (“NAV”)
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

### Valuation of a Coventry share

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. In our assessment of the value of a Coventry share we have chosen to employ the following methodologies:

- Net asset value as our primary method; and
- Quoted market price as our secondary method.

We have chosen these methodologies for the following reasons:

Being an exploration company, the core value of Coventry is in the exploration assets it holds. These assets are recorded in the balance sheet. In valuing the exploration assets of Coventry we have relied on an independent specialist report prepared by SRK Consulting (Australia) Pty Ltd (“SRK”) accordance with the Code of Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (“the Valmin Code”) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“JORC Code”). We are satisfied with the valuation methodologies adopted by SRK which we believe are in accordance with industry practices and compliant with the requirements of the Valmin Code. A copy of SRK’s report is attached in Appendix 5.

- Coventry is listed on the ASX and this provides an indication of the market value where an observable market for the securities exists;
- Coventry does not generate regular trading income. Therefore, as there are no historic profits that could be used to represent future earnings, the FME valuation is not appropriate;
- Coventry has no foreseeable future net cash inflows and therefore the application of DCF is not possible.

### Valuation of a share in the Merged Entity

In our assessment of the value of a share in the Merged Entity we have chosen to employ the sum-of-parts methodology, which estimates the market value of a company by separately valuing each asset and liability of the company. The component parts of the Merged Entity are valued using the NAV.

We have chosen this methodologies for similar reasons as outlined for Coventry above, with Coventry and Crescent both being listed exploration companies with no foreseeable future cash inflows and that do not generate trading incomes. We have not relied on an independent specialist valuation for the purposes of valuing the exploration assets of Crescent. The value of these exploration assets have been taken to be the net book value as recorded in the balance sheet of Crescent as their value is not considered to be material in the context of the Merged Entity.

### Valuation of Options

In our assessment of the value of the Coventry options and the Crescent options to be issued to Coventry Optionholders, we have used the Black Scholes option pricing model. Under the option valuation theory, no discount is made to the fundamental value derived from the option valuation model for unlisted options over listed shares. Option pricing models assume that the exercise of an option does not affect the value of the underlying asset.

All assumptions regarding the inputs required for the option pricing model are set out in section 12.

## 10. Valuation of a Coventry share

### 10.1 Net Asset Valuation of a Coventry Share

The value of Coventry's assets on a going concern basis is reflected in our valuation below:

Coventry net assets	Low value \$	Preferred value \$	High value \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3,016,427	3,016,427	3,016,427
Trade and other receivables	207,684	207,684	207,684
<b>TOTAL CURRENT ASSETS</b>	<b>3,224,111</b>	<b>3,224,111</b>	<b>3,224,111</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	354,744	354,744	354,744
Exploration expenditure	19,882,000	27,082,000	34,182,000
<b>TOTAL NON-CURRENT ASSETS</b>	<b>20,236,744</b>	<b>27,436,744</b>	<b>34,536,744</b>
<b>TOTAL ASSETS</b>	<b>23,460,855</b>	<b>30,660,855</b>	<b>37,760,855</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	483,055	483,055	483,055
<b>TOTAL CURRENT LIABILITIES</b>	<b>483,055</b>	<b>483,055</b>	<b>483,055</b>
<b>TOTAL LIABILITIES</b>	<b>483,055</b>	<b>483,055</b>	<b>483,055</b>
<b>NET ASSETS</b>	<b>22,977,800</b>	<b>30,177,800</b>	<b>37,277,800</b>
Shares on issue (number)	240,256,037	240,256,037	240,256,037
Value per share	\$0.096	\$0.126	\$0.155

We have been advised that there has not been a significant change in the net assets of Coventry since 30 June 2012 other than:

- A placement of 23.6 million shares at \$0.055 per share, to raise \$1.3 million; and
- Ongoing operating and exploration activities of \$1.0 million.

The table above indicates the net asset value of a Coventry share is between \$0.096 and \$0.155.

The following adjustments were made to the net assets of Coventry as at 30 June 2012 in arriving at our valuation.

#### Cash and cash equivalents

We have increased the cash balance of Coventry by \$1.3 million to reflect the placement made to institutional investors on 12 September 2012.

We have decreased cash by \$1.3 million relating to expenditure on ongoing operations, exploration activities on the Cameron Gold Project and Rainy River Project, and payments to trade creditors since 30 June 2012. Trade and other payables have been decreased by \$0.2 million to reflect the settlement of creditors since 30 June 2012.

## Valuation of Coventry's exploration assets

We instructed SRK to provide an independent market valuation of the exploration assets held by Coventry. SRK have valued the Cameron Gold Project of Coventry.

SRK applied the comparable transaction methodology in valuing the Cameron Gold Project, utilising transactions relating to resource stage projects since August 2011 for Canada and the United States. The comparable transaction method involves calculating a value per common attribute in a comparable transaction and applying that value to the subject asset. A common attribute could be the amount of resource or the size of a tenement. We consider these methods to be appropriate given the stage of development for the Cameron Gold Project.

In valuing the Rainy River Project and West Cedartree Gold Project we have considered their values to be equivalent to the recorded book values, on the basis that they were acquired by way of recent arm's length transactions (October 2011 and June 2012 respectively) and have had minimal associated exploration expenditure. We consider that as they have had little exploration costs devoted to them, the market value of the assets is unlikely to vary significantly from the book value. We have included \$0.2 million expenditure on the Rainy River Project that has been spent by Coventry since 30 June 2012.

In valuing the Ardeen Gold Project we have considered the book value to be the value of the project. The Company has incurred minimal exploration expenditure on the project in recent years, and no resources or reserves are reported on the project. Coventry originally acquired its interest in the Ardeen Gold Project for C\$3.5 million in July 2009 (approximately \$3.1million), and the project value has been impaired in Coventry's financial statements to \$2.9 million at 30 June 2012.

In valuing the other mining tenements held by Coventry we have used the cost approach which is based on the total past expenditure incurred on those tenements (whether capitalised or not capitalised in the financial statements). We have used this approach where the mining tenements are not material to the overall value of the company's assets.

The range of values for each of Coventry's exploration assets is set out below:

Exploration asset	Low Value \$m	Preferred Value \$m	High Value \$m
Cameron Gold Project	13.4	20.6	27.7
Rainy River Project	2.2	2.2	2.2
Ardeen Gold Project	2.9	2.9	2.9
Nucanolan Property	1.3	1.3	1.3
West Cedartree Gold Project	0.1	0.1	0.1
Total exploration assets	19.9	27.1	34.2

The table above indicates a range of values between \$19.9 million and \$34.2 million, with a preferred value of \$27.1 million.

## 10.2 Discount for minority interest

The value of the Merged Entity derived from the NAV method is reflective of a controlling interest. RG 111.11 suggests that when considering the value of a company's shares for the purposes of a control transaction the expert should consider the value of the company shares assuming a 100% ownership of the

target including a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company.

As stated in section 3.2 the Schemes are not a control transaction. Crescent shareholders will not be acquiring a controlling stake in the Merged Entity and therefore there will be no change in control as a result of the Schemes.

As Crescent will not be obtaining control of the Merged Entity we have calculated the value a Coventry share excluding a premium for control. The value excluding a premium for control has been calculated by deducting a discount for a minority interest to arrive at a value that excludes a premium for control.

A minority interest discount is the inverse of a premium for control. We have reviewed announced control premiums paid by acquirers of gold mining companies listed on the ASX for the period 2006 to date. We have summarised our findings below:

Year	Number of Transactions	Announced Average Deal Value (A\$m)	Announced Average Control Premium
2012	1	532.65	78.90
2011	4	116.32	42.83
2010	11	1348.05	60.30
2009	10	183.98	20.52
2008	3	481.64	28.54
2007	10	222.11	24.74
2006	10	76.07	10.37
<b>Median</b>		<b>222.11</b>	<b>28.54</b>
<b>Mean</b>		<b>422.97</b>	<b>38.03</b>

We have also reviewed announced control premiums paid by acquirers of mining companies listed on the ASX for the period 2006 to date. We have summarised our findings below:

Year	Number of Transactions	Announced Average Deal Value (A\$m)	Announced Average Control Premium
2012	8	86.90	60.81
2011	20	598.20	26.02
2010	30	665.30	41.57
2009	33	91.18	34.36
2008	8	591.43	38.87
2007	28	570.63	25.26
2006	28	71.94	23.30
<b>Median</b>		<b>570.63</b>	<b>34.36</b>
<b>Mean</b>		<b>382.22</b>	<b>35.74</b>

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;

- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer’s business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree’s securities.

Based on the tables above, we observe that an average control premium of 38.03% has been paid when acquiring gold companies over the measurement period. Across the general Australian mining industry, the average annual control premium paid averaged 35.74% over the measurement period. We note that that the average control premium paid by acquirers of gold companies and companies across the general Australian mining industry has been relatively high for the year 2012 to date.

Based on the results above, we have concluded that an appropriate discount for a minority interest is between 30% and 40%, with a preferred discount of 35%. We have applied this discount to the net asset value per share as follows:

	Low \$	Preferred \$	High \$
Net asset value per share	\$0.096	\$0.126	\$0.155
Minority interest discount	40%	35%	30%
<b>Net asset value including a minority interest discount</b>	<b>\$0.068</b>	<b>\$0.093</b>	<b>\$0.119</b>

Therefore, our valuation of a share in Coventry based on the NAV method discounted for a minority interest is between \$0.068 and \$0.119 with a preferred value of \$0.093.

### 10.3 Quoted Market Prices for Coventry Shares

To provide a comparison to the valuation of Coventry in Section 10.1, we have also assessed the quoted market price for a Coventry share.

The quoted market value of a company’s shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

#### Minority interest value

Our analysis of the quoted market price of a Coventry share is based on the pricing prior to the announcement of the Schemes. This is because the value of a Coventry share after the announcement may include the affects of any change in value as a result of the Schemes. However, we have considered the value of a Coventry share following the announcement when we have considered reasonableness in Section 14.

Information on the Schemes was announced to the market on 10 September 2012. Therefore, the following chart provides a summary of the share price movement over the 12 months to 7 September 2012 which was the last trading day prior to the announcement.

### CVY share price and trading volume history



Source: Bloomberg

The daily price of a Coventry shares from 10 September 2012 to 7 September 2012 has ranged from a low of \$0.048 on 16 August 2012 to a high of \$0.215 on 21 October 2011. The chart indicates that the daily share price of Coventry has generally trended downwards throughout the measurement period.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement \$ (movement)	Closing Share Price Three Days After Announcement \$ (movement)
31/07/2012	Quarterly Cashflow & Activities Report	0.054 ( ▶ nil)	0.054 ( ▶ Nil)
19/07/2012	Excellent Metallurgical Test work Results - Cameron Project	0.060 ( ▶ Nil)	0.060 ( ▶ Nil)
28/06/2012	Additional Resources Acquired Proximal to Cameron Deposit	0.065 ( ▲ 8.3%)	0.067 ( ▲ 3.1%)
21/05/2012	Appointment of Managing Director/ Chief Executive Officer	0.075 ( ▶ Nil)	0.079 ( ▲ 5.3%)
30/04/2012	Quarterly Cashflow & Activities Report	0.100 ( ▶ Nil)	0.099 ( ▼ 1.0%)
2/04/2012	\$5 Million Placement	0.135 ( ▼ 3.6%)	0.135 ( ▶ Nil)
29/03/2012	Trading Halt	0.140 ( ▶ Nil)	0.135 ( ▼ 3.6%)
9/02/2012	Drilling Program Commences at Rainy River Gold Project	0.130 ( ▶ Nil)	0.130 ( ▶ Nil)
31/01/2012	Quarterly Cashflow Report	0.140 ( ▶ Nil)	0.140 ( ▶ Nil)

Date	Announcement	Closing Share Price Following Announcement	Closing Share Price Three Days After Announcement
31/01/2012	Quarterly Activities Report	0.140 ( ▶ Nil)	0.140 ( ▶ Nil)
21/11/2011	Follow-up Drilling Program Commences - Cameron Gold Project	0.150 ( ▼ 11.8%)	0.145 ( ▼ 3.3%)
9/11/2011	Resource Upgrade for the Cameron Gold Deposit	0.190 ( ▼ 5.0%)	0.185 ( ▼ 2.6%)
31/10/2011	Quarterly Cashflow & Activities Report	0.195 ( ▶ Nil)	0.175 ( ▼ 10.3%)
20/10/2011	Up to 289 g/t Gold Returned from Drilling at Cameron Project	0.185 ( ▼ 7.5%)	0.185 ( ▶ Nil)
4/10/2011	Project Secured Adjacent to 6.7Moz Rainy River Gold Deposit	0.170 ( ▼ 5.6%)	0.185 ( ▲ 8.8%)
30/09/2011	Positive Drill Results Along Strike - Cameron Gold Deposit	0.180 ( ▲ 9.1%)	0.180 ( ▶ Nil)

On 28 June 2012 Coventry announced that it had acquired 100% of Houston Lake Mining Inc.'s (“**Houston Lake**”) West Cedartree Gold Project. The West Cedartree Gold Project, located 10 kilometres west-north-west of the Cameron Gold Deposit, has an indicated and inferred JORC resource. Coventry’s share price increased by 8.3% which we consider reflects an appropriate response by the market.

On 21 November 2011 Coventry announced to the market that a follow up drilling program had commenced on the Cameron Gold Project and that following the initial drilling in September 2011, Coventry had since upgraded its measured, indicated and inferred mineral resource estimate. Despite this seemingly positive news Coventry’s share price decreased 12% following the announcement which we consider to be an unexplained price movement.

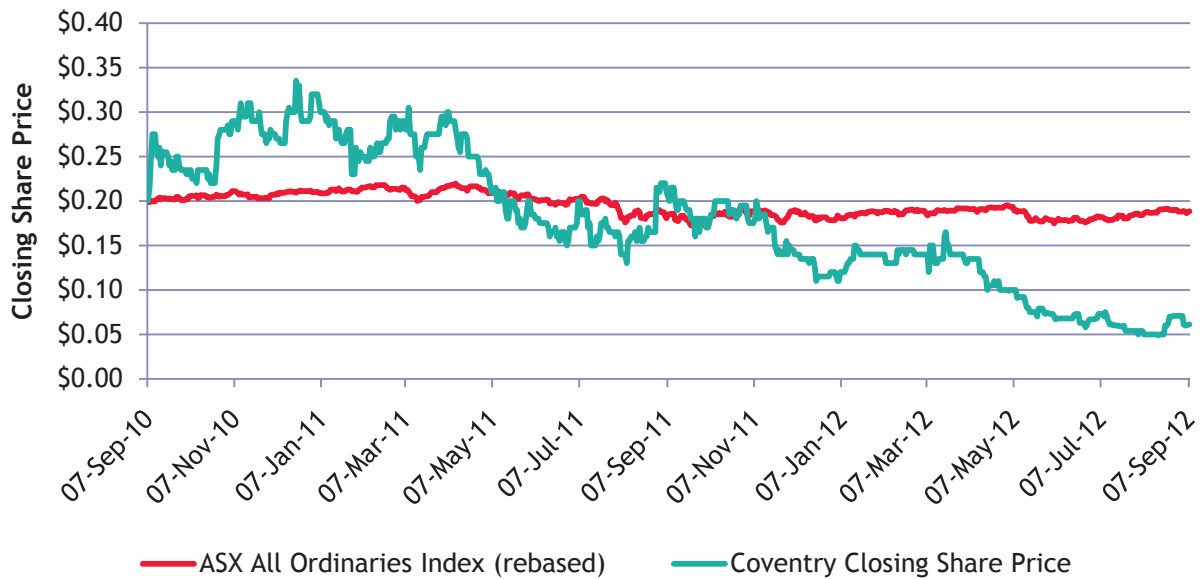
On 9 November 2011 Coventry announced a resource upgrade at the Cameron Gold Deposit. The share price closed 5.0% lower following the announcement. On 20 October 2011 Coventry announced successful drilling results at its Cameron Gold Deposit. Coventry’s share price decreased 7.5% following the announcement. From 20 October 2011 to 9 November 2011, the value of the All Ordinaries Index was experiencing a period of growth. We consider the response of Coventry’s share price to both of these announcements to be significant and unexplainable.

To provide further analysis of the market prices for a Coventry share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 7 September 2012.

	7 September 2012	10 Days	30 Days	60 Days	90 Days
Closing Price	\$0.061				
Weighted Average		\$0.064	\$0.058	\$0.058	\$0.062

The above weighted average prices are prior to the date of the announcement of the Schemes, to avoid the influence of any increase in price of a Coventry share that has occurred since the Schemes were announced.

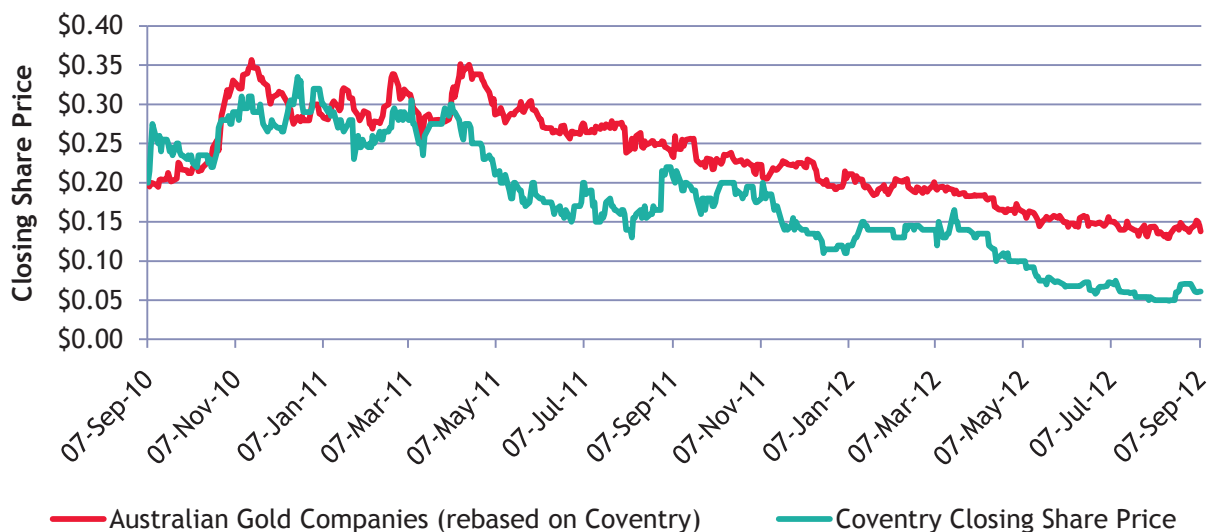
The chart below sets out the performance of Coventry’s shares compared to the performance of the Australian market as proxied by the All Ordinaries Index. For comparative purposes we have rebased the All Ordinaries Index on the closing price of Coventry at 7 September 2012.



Source: Bloomberg and BDO analysis

The chart above indicates that Coventry outperformed the Australian market in the period from the beginning of November 2010 to the end of April 2011. Coventry’s recent performance has not however been as favourable with the stock underperforming the market from May 2011 to date.

By constructing an index comprising seven comparable ASX listed gold mining companies and rebasing it on Coventry’s closing share price at 7 September 2010 we are able to analyse Coventry’s share price performance over a two year period relative to the performance of the most directly comparable companies. The comparable companies were selected from a list of ASX listed gold explorers with a market capitalisation of between \$5 million and \$30 million. In applying our screening criteria we also excluded the companies that had generated operating revenues as to ensure that the comparables were in the infant stages of exploration. Details of the comparable companies used in our analysis can be found in Appendix 4.



Source: Bloomberg and BDO Analysis

Whilst trending closely with its Australian comparables over the two year period to 7 September 2012, Coventry's share price has predominantly underperformed its comparable companies. At September 7 2012 the Coventry share price finished approximately 58% lower than its Australian comparable gold companies over this two year period.

An analysis of the volume of trading in Coventry shares for the twelve months to 7 September 2012 is set out below:

	Share price low	Share price high	Cumulative Volume traded	As a % of Issued capital
1 day	\$0.060	\$0.061	223,500	0.10%
10 days	\$0.060	\$0.071	1,188,401	0.55%
30 days	\$0.048	\$0.075	4,028,776	1.86%
60 days	\$0.048	\$0.075	6,646,183	3.07%
90 days	\$0.048	\$0.076	12,639,649	5.84%
180 days	\$0.048	\$0.165	23,591,150	10.89%
1 year	\$0.048	\$0.165	58,116,517	26.83%

This table indicates that Coventry's shares display a low level of liquidity, with 10.89% of Coventry's current issued capital being traded in a 180 day period. For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.69 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'deep', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Coventry, we do not consider the market to be deep. This view is supported by irregular trading of Coventry's securities as well significant but unexplained movements in the share price.

Our assessment is that a range of values for a Coventry share based on market pricing, after disregarding post announcement pricing, is between \$0.058 and \$0.064, with a preferred value of \$0.61.

## 10.4 Assessment of value of a Coventry Share

The results of the valuations performed are summarised in the table below:

	Low \$	Preferred \$	High \$
Net asset value per share	\$0.068	\$0.093	\$0.119
ASX market prices	\$0.058	\$0.061	\$0.064

The NAV methodology is the most reliable for this purpose due to the core value of Coventry being in the exploration assets that it holds in its balance sheet, of which we have received an independent valuation.

From our analysis of the quoted market price of a Coventry share we note that 10.89% of the Coventry's issued capital had been traded in the 180 days up until the date of announcement, which represents a low level of liquidity. We also note that in the same period, Coventry's shares have traded between a low of \$0.048 and a high of \$0.215 on a minority interest basis. Due to the range of trading values of a Coventry share and the low level of liquidity we consider that the QMP methodology is not as reliable as the NAV methodology in determining the value of a Coventry share. We have therefore based our valuation of a Coventry share on the NAV methodology.

Based on the results above we consider the value of a Coventry share to be between \$0.068 and \$0.119, with a preferred value of \$0.093.

## 11. Valuation of a Merged Entity share

Upon completion of the Share Scheme, the Merged Entity will hold both the assets of Crescent and the assets of Coventry. In valuing a share in the Merged Entity, we have employed the sum-of-the-parts method in estimating the fair market value of the Merged Entity by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the following:

- The adjusted net asset value of Coventry, including the value of mining tenements held;
- The exploration assets of Crescent;
- The value of other assets and liabilities of Coventry and Crescent;
- Cash proceeds to be received by Crescent following the C\$750,000 private placement that is a condition of the Share Scheme;
- The resulting number of shares upon completion of the Share Scheme;
- An exchange rate from the Canadian dollar to the Australian dollar of 1.02 sourced from Bloomberg on 24 September 2012; and
- A discount for a minority interest.

In valuing the exploration assets held by Crescent we have used the cost approach which is based on the total past expenditure incurred on those tenements (whether capitalised or not capitalised in the financial statements). We have used this approach where the mining tenements are not material to the overall value of the companies' assets and/or they have had little exploration costs devoted to them such that the market value of the assets is unlikely to vary significantly from cost based value.

On 4 October 2012 Crescent received notice that it had been named as a party in arbitration proceedings relating to a contractual dispute arising from April 2007 under which Crescent's maximum liability is approximately US\$1.5 million. Crescent has advised Coventry that it considers that this claim is without merit and will be defended vigorously by Crescent. No related adjustment has been made to the valuation of the Merged Entity to reflect such a payment in the event that it becomes a liability of Crescent.

The table below outlines the share structure of the Merged Entity should the Scheme be approved.

Summary of Merged Entity share structure			
Crescent shares on issue			29,091,872
Placement:	Proceeds to raise	C750,000	
	Issue price	@ C\$0.05	15,000,000
Total Crescent shares pre consolidation			44,091,872
Crescent shares consolidated 1:5			8,818,374
Merged Entity Shares to Crescent shareholders			8,818,374
Scheme issue:	Coventry shares on issue	240,256,037	
	Merged entity shares per Coventry share	@ 0.2513	60,363,777
Merged Entity Shares to Coventry shareholders			60,376,342
Total Merged Entity shares			69,194,716

The value of the Merged Entity derived from the sum-of-parts method is summarised below.

Merged Entity	Low value \$	Preferred value \$	High value \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4,734,375	4,734,375	4,734,375
Trade and other receivables	231,916	231,916	231,916
<b>TOTAL CURRENT ASSETS</b>	<b>4,966,291</b>	<b>4,966,291</b>	<b>4,966,291</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	356,334	356,334	356,334
Exploration expenditure	20,935,842	28,135,842	35,235,842
<b>TOTAL NON-CURRENT ASSETS</b>	<b>21,292,181</b>	<b>28,492,181</b>	<b>35,592,181</b>
<b>TOTAL ASSETS</b>	<b>26,258,473</b>	<b>33,458,473</b>	<b>40,558,473</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	493,129	493,129	493,129
<b>TOTAL CURRENT LIABILITIES</b>	<b>493,129</b>	<b>493,129</b>	<b>493,129</b>
<b>TOTAL LIABILITIES</b>	<b>493,129</b>	<b>493,129</b>	<b>493,129</b>
<b>NET ASSETS</b>	<b>25,765,344</b>	<b>32,965,344</b>	<b>40,065,344</b>
Shares on issue (number)	69,194,716	69,194,716	69,194,716
Value per share	\$0.372	\$0.476	\$0.579

Value per 0.2513 shares	\$0.094	\$0.120	\$0.146
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The table above indicates the net asset value of 0.2513 of a share in the Merged Entity is between \$0.094 and \$0.146 with a preferred value of \$0.120.

The value of the Merged Entity derived from the sum-of-parts method is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the company which allows them to have an individual influence in the operations and value of that company.

### 11.1 Discount for minority interest

The value of the Merged Entity derived from the sum-of-parts method is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the company which allows them to have an individual influence in the operations and value of that company. However, if the Share Scheme is approved Coventry shareholders will each be minority holders of shares in the Merged Entity, meaning that their individual holding will not be considered significant enough to have an individual influence in the operations and value of that company.

Therefore, we have adjusted our valuation of a share in the Merged Entity to reflect a minority interest holding.

We determined in section 10.2 that an appropriate minority interest for a Coventry share is between 30% and 40%. Applying a minority interest discount to the price per share of the Merged Entity results in the following value per 0.2513 shares:

	Low \$	Preferred \$	High \$
Sum of parts value per 0.2513 shares on a control basis	\$0.094	\$0.120	\$0.146
Minority interest discount	40%	35%	30%
<b>Valuation per 0.2513 shares including a minority interest discount</b>	<b>\$0.067</b>	<b>\$0.089</b>	<b>\$0.112</b>

Therefore, our valuation of 0.2513 shares in the Merged Entity based on the sum-of-parts method discounted for a minority interest is between \$0.067 and \$0.112 with a preferred value of \$0.089.

## 12. Valuation of options

### 12.1 Assessment of Coventry Options

The terms of the Coventry Options can be found in Appendix 3.

#### Valuation Methodology

We have used the Black Scholes option pricing model to calculate the value of the Coventry Options.

Under option valuation theory, no discount is made to the fundamental value derived from the option valuation model for unlisted options over listed shares. Option pricing models assume that the exercise of an option does not affect the value of the underlying asset.

In valuing the Coventry Options, we made the following assumptions regarding the inputs required for our option pricing model.

### Value of the Underlying Shares

As this is not a control transaction we have used the value of a Coventry share on a minority basis (ie excluding a premium for control) as an input to our valuation of the Coventry Options.

Based on our assessment of the value of a Coventry share in section 10.3, we have used \$0.093 as the underlying share price in valuing the Coventry Options as this reflects the current position of Coventry Optionholders.

### Exercise Price of the Options

The exercise price is the price at which the underlying ordinary shares will be issued. The exercise price for the Coventry Options are set out in Appendix 3.

### Valuation Date

We have valued the Options as at 17 September 2012.

### Life of the Options

We have estimated the life of the Coventry Options for the purpose of our valuation. The minimum life of an option is the length of any vesting period. The maximum life is based on the expiry date, which is the remaining term of an option from the valuation date of the options to the expiry date. The expiry dates for the Options are set out in Appendix 3.

There are many factors that determine the rationale for exercising options and therefore, the effective life of those options. Some of these factors include:

There is a limited track record of unlisted options being exercised early. Generally, early exercise occurs:

- If the options are deep in the money as it is profitable for the holder of the option to exercise the options
- If the stock pays a dividend as the opportunity cost of holding the option is high
- If the volatility of the underlying share price is low as the probability of the options becoming deeper in the money is low relative to a highly volatile stock
- When the options are held by junior level employees. Senior employees are more likely to continue their employment with the company and therefore there is no incentive to exercise their options.

For the purpose of this valuation, we have assumed an exercise date as the expiry date. The time to expiry for each tranche, which we have input into the Black Scholes option pricing model, is set out in Appendix 3.

### Expected Volatility of the Share Price

Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time.

Many techniques can be applied in determining volatility, with a summary of the methods we use below:

- The square root of the mean of the squared deviations of closing prices from a sample. This can be calculated using a combination of the opening, high, low, and closing share prices each day the underlying security trades for all days in the sample time period chosen

- The exponential weighted moving average model adopts the closing share price of Coventry in a given time period. The model estimates a smoothing constant using the maximum likelihood method, which estimates volatility assuming that volatility is not a constant measure and is predicted to change in the future
- The generalised autoregressive conditional heteroscedasticity model. This model takes into account periods of time where volatility may be higher than normal and/or lower than normal, as well as the tendency for the volatility to run at its long run average level after such periods of abnormality. The model will calculate the rate at which this is likely to occur from the sample of prices thereby enabling estimates of future volatility by time to be made.

Our analysis of the volatility of the share price of Coventry is based on the data prior to the announcement of the Schemes. This is because the volatility of the share price of Coventry Share after the announcement may include the affects of any change in value as a result of the Schemes. The recent volatility of the share price of Coventry was calculated over one, two, three and four year periods up until 10 September 2012, using data extracted from Bloomberg. On this basis, we used a future estimated volatility level of 80% for Coventry in our pricing model.

### Risk-Free Rate of Interest

We have used the Australian Government two-year, three- year and five-year bond rates as at the valuation date as the input to our option pricing model. The rates input into our option pricing model for the respective tranches are outlined in Appendix 3.

### Dividends Expected on the Shares

Coventry is not expected to pay a dividend during the life of the Coventry Options.

### Conclusion

We set out below our conclusions as to the value of the Coventry Options on a minority basis:

Coventry Options (Tranches)	Value per Coventry Option
Tranche A	\$ 0.0047
Tranche B	\$ 0.0002
Tranche C	\$ 0.0001
Tranche D	\$ 0.0007
Tranche E	\$ 0.0193
Tranche F	\$ 0.0031
Tranche G	\$ 0.0215
Tranche H	\$ 0.0210
Tranche I	\$ 0.0368
Tranche J	\$ 0.0416
Tranche K	\$ 0.0561
Tranche L	\$ 0.0537

## 12.2 Assessment of the Merged Entity Options

The terms of the Merged Entity Options can be found in Appendix 3.

### Valuation Methodology

We have used the Black Scholes option pricing model to calculate the value of the Merged Entity Options. Under option valuation theory, no discount is made to the fundamental value derived from the option valuation model for unlisted options over listed shares. Option pricing models assume that the exercise of an option does not affect the value of the underlying asset.

In valuing the Merged Entity Options, we made the following assumptions regarding the inputs required for our option pricing model.

### Value of the Underlying Shares

Optionholders will be receiving options which, when exercised, will enable Coventry shareholders to continue to be majority holders of shares in the Merged Entity. Therefore, we have not adjusted our valuation of a share in the Merged Entity to reflect a minority interest holding.

Based on our assessment of the value of a Merged Entity in section 11, we have used \$0.353 as the underlying share price in valuing the Merged Entity Options as this has been determined to be our preferred value of a Merged Entity share on this basis.

### Exercise Price of the Options

The exercise price is the price at which the underlying ordinary shares will be issued. The exercise price of the Merged Entity Options has been determined to be 3.980 times the corresponding Coventry Options exercise price. The exercise prices for the Merged Entity Options are set out in Appendix 3.

### Valuation Date

We have valued the options as at 17 September 2012.

### Life of the Options

We have estimated the life of the Merged Entity Options for the purpose of our valuation. The minimum life of an option is the length of any vesting period. The maximum life is based on the expiry date, which is the remaining term of an option from the valuation date of the options to the expiry date. The expiry dates for the Merged Entity Options are set out in Appendix 3.

There are many factors that determine the rationale for exercising options and therefore, the effective life of those options. Some of these factors include:

There is a limited track record of unlisted options being exercised early. Generally, early exercise occurs:

- If the options are deep in the money as it is profitable for the optionholder to exercise the options;
- If the stock pays a dividend as the opportunity cost of holding the option is high;
- If the volatility of the underlying share price is low as the probability of the options becoming deeper in the money is low relative to a highly volatile stock;
- When the options are held by junior level employees. Senior employees are more likely to continue their employment with the company and therefore there is no incentive to exercise their options.

For the purpose of this valuation, we have assumed an exercise date as the expiry date. The time to expiry for each tranche, which we have input into the Black Scholes option pricing model, is set out in Appendix 3.

## Expected Volatility of the Share Price

Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time.

Many techniques can be applied in determining volatility, with a summary of the methods we use below:

- The square root of the mean of the squared deviations of closing prices from a sample. This can be calculated using a combination of the opening, high, low, and closing share prices each day the underlying security trades for all days in the sample time period chosen
- The exponential weighted moving average model adopts the closing share price of the Company in a given time period. The model estimates a smoothing constant using the maximum likelihood method, which estimates volatility assuming that volatility is not a constant measure and is predicted to change in the future
- The generalised autoregressive conditional heteroscedasticity model. This model takes into account periods of time where volatility may be higher than normal and/or lower than normal, as well as the tendency for the volatility to run at its long run average level after such periods of abnormality. The model will calculate the rate at which this is likely to occur from the sample of prices thereby enabling estimates of future volatility by time to be made.

In determining the volatility of the Merged Entity we have assessed the volatility of both Coventry and Crescent. As discussed in section 0, we used a future estimated volatility level of 80% for Coventry. Our analysis of the volatility of the share price of Crescent is based on the data prior to the announcement of the Schemes. This is because the volatility of the share price of a Crescent share after the announcement may include the affects of any change in value as a result of the Schemes. We obtained the recent volatility of the share price of Crescent for one, two, three and four year periods up until 10 September 2012, using data extracted from Bloomberg. On this basis, we have calculated a future estimated volatility level of 160% for Crescent. Having determined estimates for the volatility of both Coventry and Crescent, we considered the following in order to arrive at a final estimate of volatility for the Merged Entity:

1. The nature of operations of the Merged Entity: We consider the nature of the operations of the Merged Entity to be more heavily aligned with Coventry's existing operations. Therefore in determining the volatility of the Merged Entity we have used the volatility of Coventry as the basis of our calculation.
2. A comparison of the volatility between the Metals and Mining indices on the ASX and the TSX: We compared the volatility between the ASX 300 Metals and Mining Index ("AS52XMM Index") and TSX Composite Metals & Mining Index ("STMETL Index") in order to determine the additional volatility that could be specifically attributable to mining companies listed on the TSX, over and above the volatility experienced by mining companies listed on the ASX. Our calculations are outlined in section 14.3.6. Based on the one-year volatilities of the respective indices, we have rebased the volatility of Coventry to arrive at a future estimated volatility of the Merged Entity:
  - Volatility of Merged Entity = Volatility of Coventry \* (Volatility of STMETL Index)/(Volatility of AS52XMM Index)
  - = 80% \* (32%/27%)
  - = 95%

Therefore, we have assumed that the future estimated volatility of the Merged Entity is 95% for our pricing model. The volatility of the Merged Entity is assumed to be higher than the volatility of Coventry.

### Risk-Free Rate of Interest

We have used the Australian Government two-year, three- year and five-year bond rates as at the valuation date as the input to our option pricing model. The rates input into our option pricing model for the respective tranches are outlined in Appendix 3.

### Dividends Expected on the Shares

The Merged Entity is not expected to pay a dividend during the life of the Merged Entity Options.

### Conclusion

We set out below our conclusions as to the value of the Merged Entity Options (convertible into 0.2513 Merged Entity shares):

Merged Entity Options (Tranches)	Value per Merged Entity Option (Convertible into one Merged Entity Share ) (\$)	Value per Merged Entity Option (\$)
Tranche A	\$ 0.0275	\$ 0.0069
Tranche B	\$ 0.0024	\$ 0.0006
Tranche C	\$ 0.0012	\$ 0.0003
Tranche D	\$ 0.0057	\$ 0.0014
Tranche E	\$ 0.1031	\$ 0.0259
Tranche F	\$ 0.0216	\$ 0.0054
Tranche G	\$ 0.1070	\$ 0.0269
Tranche H	\$ 0.1048	\$ 0.0263
Tranche I	\$ 0.1763	\$ 0.0443
Tranche J	\$ 0.1833	\$ 0.0461
Tranche K	\$ 0.2412	\$ 0.0606
Tranche L	\$ 0.2317	\$ 0.0582

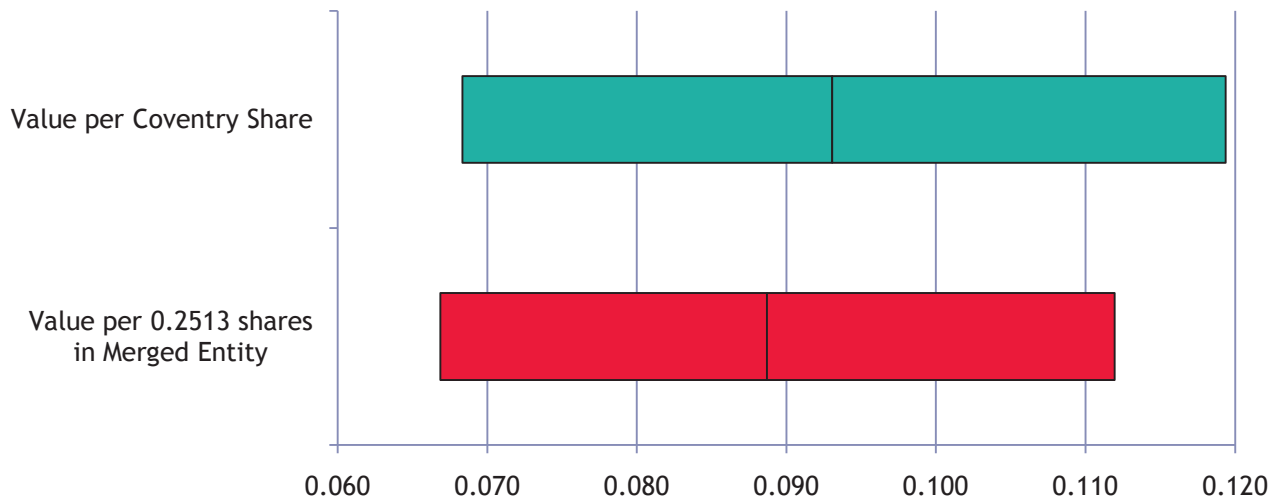
## 13. Are the Schemes fair?

### 13.1 Share Scheme

The values of a Coventry Share and 0.2513 shares in the Merged Entity are compared below.

	Low \$	Preferred \$	High \$
Value of a Coventry Share	\$0.068	\$0.093	\$0.119
Value of 0.2513 shares in Merged Entity	\$0.067	\$0.089	\$0.112

The above valuation ranges are shown graphically below.



We note from analysis above that the value of a Coventry share is greater than the value of 0.2513 shares in the Merged Entity. Therefore, we consider that the Share Scheme is not fair to Shareholders. Although the overall range of values of a Coventry share and 0.2513 shares in the Merged Entity overlap, the Share Scheme is dilutive and there is not a scenario in which the value of a Shareholder's interest would not decrease as a result of the Share Scheme.

### 13.2 Option Scheme

The values of the Coventry Options and the Merged Entity Options are compared below.

Option Scheme	Value of 1 Coventry Option	Value of Merged Entity Options	Premium/ (Discount)
Tranches	\$	\$	\$
Tranche A	\$ 0.0047	\$ 0.0069	\$ 0.0022
Tranche B	\$ 0.0002	\$ 0.0006	\$ 0.0004
Tranche C	\$ 0.0001	\$ 0.0003	\$ 0.0002
Tranche D	\$ 0.0007	\$ 0.0014	\$ 0.0008
Tranche E	\$ 0.0193	\$ 0.0259	\$ 0.0066
Tranche F	\$ 0.0031	\$ 0.0054	\$ 0.0023
Tranche G	\$ 0.0215	\$ 0.0269	\$ 0.0054
Tranche H	\$ 0.0210	\$ 0.0263	\$ 0.0053
Tranche I	\$ 0.0368	\$ 0.0443	\$ 0.0076
Tranche J	\$ 0.0416	\$ 0.0461	\$ 0.0045
Tranche K	\$ 0.0561	\$ 0.0606	\$ 0.0045
Tranche L	\$ 0.0537	\$ 0.0582	\$ 0.0046

As shown in the table above, the value of a Coventry Option is less than the value of the Merged Entity Options. Therefore we conclude that the Option Scheme is fair to Optionholders.

## 14. Are the Schemes reasonable?

### 14.1 Advantages of the Schemes

The implementation of the Schemes is expected to bring a number of benefits to Coventry Shareholders and Optionholders as well as to the Merged Entity as a combined group. We set out the key advantages below.

#### 14.1.1. Direct exposure to TSX-V

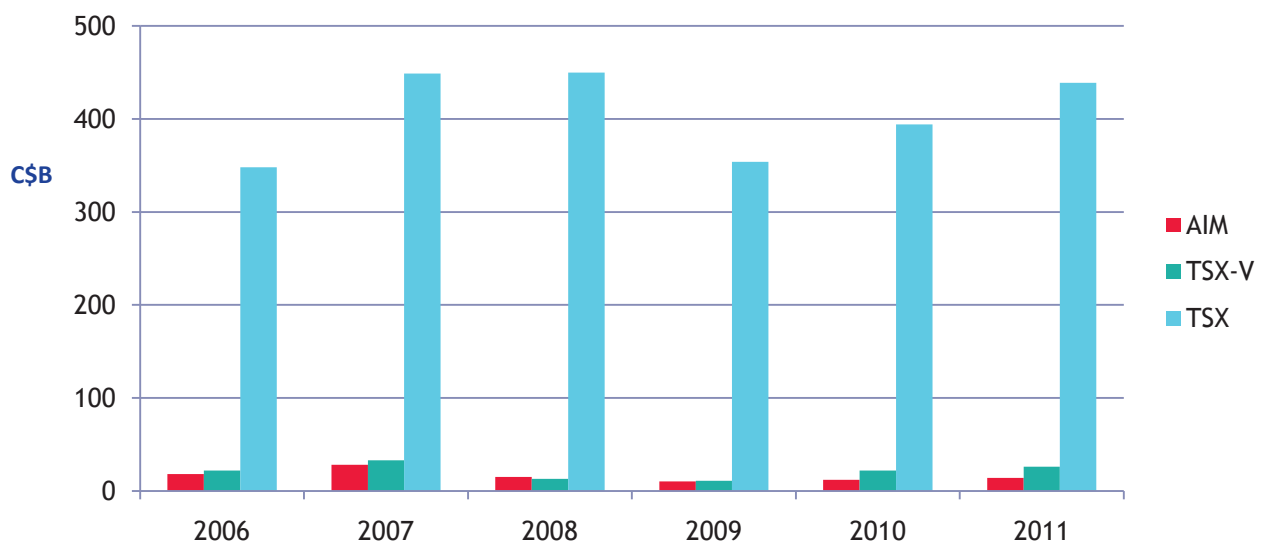
The Merged Entity will be listed on the TSX-V with a secondary listing on the ASX. By merging with Crescent, Coventry shareholders will thereby have immediate exposure to the TSX-V. This has a number of potential advantages as detailed below.

#### Increased liquidity

The mining sector of the TSX market is highly liquid with an average annual turnover of 102% in the 2011 calendar year meaning that on average the total value of the stocks in mining companies were turned over during 2011. This ratio was calculated based on the total value of metals and mining stocks traded on the TSX divided by the average market capitalisation of those stocks over the 2011 calendar year. The corresponding ratio for ASX listed metals and mining stocks was 76% indicating a lower level of trading activity and thus liquidity. Under the Schemes, Shareholders will have the opportunity to trade their shares in the Merged Entity on the TSX-V. As such, Shareholders will experience the increased liquidity of trading on the TSX-V with potential for a future increase in liquidity if the Merged Entity graduates to the TSX. The chart below outlines the additional value of shares that are traded on the TSX compared with the smaller exchanges which may imply a greater degree of liquidity offered by the larger Canadian market.

This advantage will only be experienced by those Shareholders who elect to convert their CDIs to shares in the Merged Entity and not those who elect to hold the ASX listed CDIs, however Shareholders may elect to convert their CDIs to Merged Entity shares at any time.

#### Value of Shares Traded



Source: TMX Mining Presentation

## Access to deeper pools of capital

The TSX-V is a leading market for resource companies and dominates global capital raisings for emerging mining companies. We have considered the number and value of public equity capital raisings by companies operating in the metals and mining industry on the ASX and TSX and TSX-V for the 2011 calendar year. The results of this analysis are tabulated below:

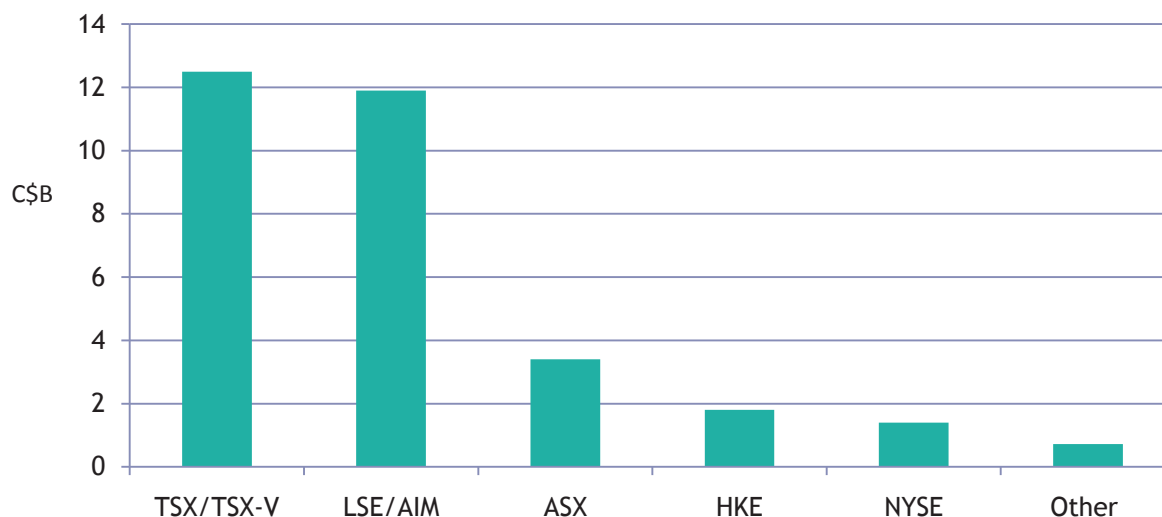
Exchange	Number of Financings	Value of Financings (C\$ billion)
ASX	63	3.4
TSX and TSX-V	2,021	12.5

Source: TMX Group

This indicates that by merging with Crescent which has a primary listing on the TSX-V, Coventry may have improved ability to obtain capital financing. We note that the 2,021 equity raisings worth \$12.5 billion includes those financings on the TSX as well as the TSX-V however we still regard the access to deeper pools of capital as an advantage to Shareholders and Optionholders.

This is also reflected in the chart below which shows the value of equity raised in 2011 in the mining sectors on each of the world's major exchanges.

### Value of Mining Sector Equity Financings in 2011



Source: TMX and BDO analysis

With greater access to equity financing comes less reliance on debt which in turn will reduce the cost of debt if Coventry were to leverage its operations in the future. Greater access to equity financing also means that the company limits its exposure to financial risk, providing a safer platform for investors. By raising funds via public share offerings the Merged Entity may have the opportunity to advance current exploration activities and pursue future growth opportunities when they arise.

## Market profile

The Schemes provide an opportunity to create a new profile in the larger, more diverse North American market. As a Canadian incorporated company, the Merged Entity will be eligible for inclusion on all major Canadian indices therefore increasing its media coverage and market presence. This can be regarded an advantage to Shareholders and Optionholders in the sense that a greater market presence can lead to an improvement in the ability to raise capital which in turn can accelerate growth in the company and create additional value to Shareholders and Optionholders in the long run.

As discussed above, the Merged Entity will have greater access to equity finance which will have the effect of increasing the market capitalisation of the company. This increased market capitalisation is likely to provide greater media coverage and increased liquidity. With the increased media coverage, the Merged Entity may have a greater ability to obtain debt and equity finance, including an increased level of investment interest in the financial markets and possibly an access to a wider range of investors.

## Potential to graduate to TSX

The TSX-V is a trading platform for small emerging mining companies, however traditionally it can be observed that the successful junior miners seek to graduate to the larger exchange, the TSX. In the period from January 2000 to December 2011, there have been 536 companies plus 111 mergers and acquisitions which have resulted in companies graduating from the TSX-V to the TSX. From January to August 2012 alone, there have been 22 graduates. These statistics indicate the potential for the Merged Entity to graduate to the TSX. This would generate the additional benefits as briefly outlined below:

- Increased access to capital;
- Enhanced reputation from meeting the minimum standards of a senior exchange;
- Greater visibility and media coverage;
- Additional access to institutional investors;
- Enhanced liquidity on global markets;
- Potential for inclusion on major Canadian indices; and
- TSX application fees are waived when graduating from the TSX-V.

### 14.1.2. Company and senior management based in Canada

The senior management team of the Merged Entity will be based in Toronto and Vancouver in order to assist in increasing the exposure to the Canadian investor and research community that is more familiar with the potential, development and valuations of Canadian mining projects.

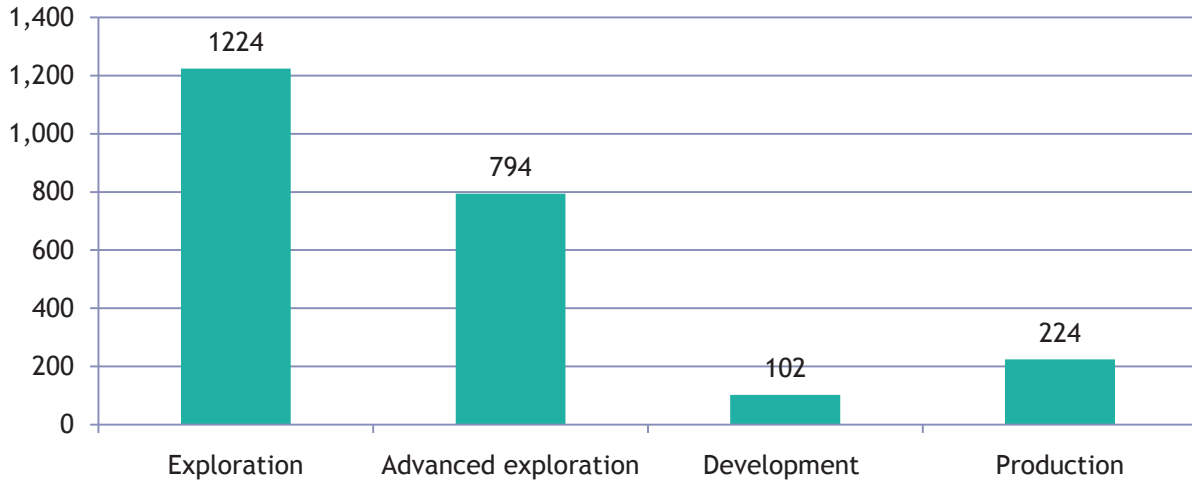
Coventry's operating assets are based in Canada therefore any future income that may be generated from these assets will be denominated in Canadian dollars. Similarly any exploration expenditure will also be denominated in Canadian dollars therefore by merging with Crescent which has a reporting currency of Canadian dollars, Coventry will be reducing its exposure to foreign exchange risk. This can benefit security holders by way of reducing the transaction costs borne and any hedging costs that may arise as a result of transacting in a foreign currency. By reducing these costs, additional shareholder value is generated.

### 14.1.3. Position among large geographic peer group

Being listed on the TSX-V, the Merged Entity will be positioned among a large geographic peer group of companies. This will allow investors to better assess its relative merit and value.

A majority of the mining companies listed on the TSX and TSX-V are in either the exploration or advanced exploration stage as evidenced by the chart below.

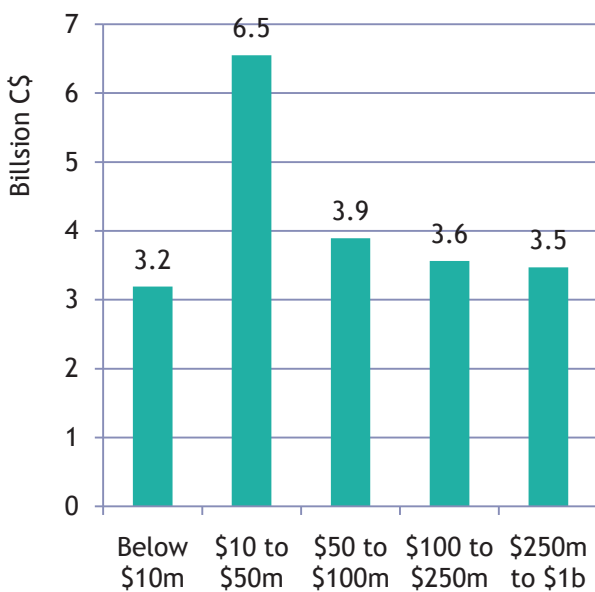
**Number of Mining Companies by Stage of Project**



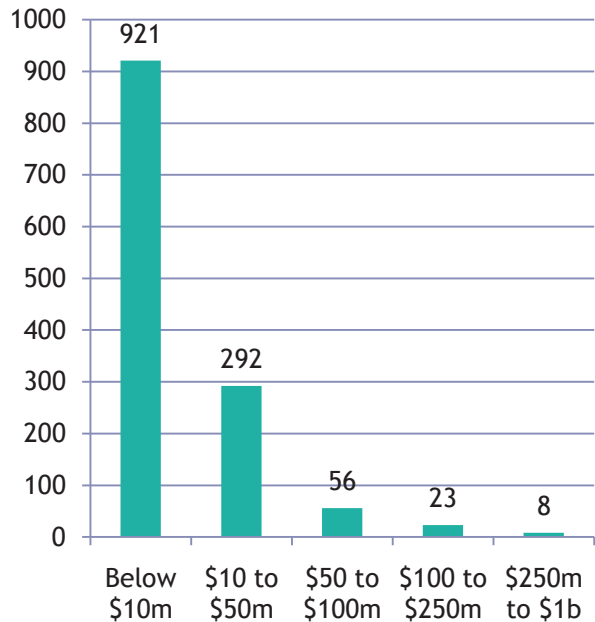
Source: TMX mining presentation, based on data as at 26 January 2012

The charts below outline the number and value of TSX-V listed mining companies in each market capitalisation band as at 31 July 2012.

**Value of companies by market capitalisation**



**Number of companies by market capitalisation**



Source: TMX, Bloomberg and BDO analysis

The Australian mining sector is dominated by two major players, being BHP Billiton and Rio Tinto. This is reflected by the fact that as at 17 September 2012 the market capitalisation of these two companies comprises approximately 76% of the total market capitalisation of all mining companies listed on the ASX. The TSX-V however is more evenly spread with the ten largest mining companies comprising only 19% of the total market capitalisation of all TSX-V listed mining companies.

The mining sector of the TSX-V had a turnover of approximately 33% in the 2012 calendar year to 31 July 2012, meaning that 33% of the total value of these mining stocks was traded in the first six months of 2012. This ratio was calculated based on the total value of metals and mining stocks traded on the TSX-V divided by the total market capitalisation of those stocks at 31 July 2012.

#### **14.1.4. Stronger financial position**

The Merged Entity would have a financial position with a combined:

- Cash position of over \$4.7 million and no debt (before costs of the Share Scheme are considered);
- Net asset position of approximately \$33 million;
- Market capitalisation based on ASX and TSX-V closing prices for the two companies on 24 September 2012 of approximately \$31 million.

The cash position will enable the Merged Entity to complete the preliminary economic assessment on the Cameron Gold Project and recommence exploration in the first quarter of 2013. It will also provide the Merged Entity with the ability to pursue future growth opportunities when they arise.

A stronger financial position and increased market capitalisation is expected to give the Merged Entity increased media coverage, a greater ability to obtain debt and equity finance, including an increased level of investment interest in the financial markets and possibly an access to a wider range of investors.

The creation of a combined group with a stronger position will also benefit Optionholders when they exercise their options. The stronger position provides greater upside potential for Optionholders in the future.

#### **14.1.5. Flow-through financing**

The Merged Entity will be able to issue 'flow-through shares' which allow a company to flow through to investors the tax deductions that cannot be utilised by the company as it does not have any foreseeable taxable income against which deductions could be offset.

Investors are typically willing to subscribe for flow-through shares at a premium, and the Merged Entity will therefore benefit by receiving a higher price for its shares than it otherwise would have. The extent of such a premium will be dependent on the tax deductions of the Company.

#### **14.1.6. Enhanced board and management**

The Merged Entity will benefit from the addition of two board members who are experienced in the Canadian gold mining industry. On completion of the Schemes, the board of directors of the Merged Entity will comprise six members, including four nominated by Coventry who are currently included in Coventry's board senior management team. The remaining two directors will be nominated by Crescent as follows:

- Don Holliday (Executive Director). Mr Holliday will bring a strong background in shareholder communication from his over 18 years experience in investor relations and corporate development. Mr Holliday is currently the President and Chief Executive Officer of Crescent; and
- Eric Edwards (Non-Executive Director). Mr Edwards is currently the President and Chief Executive Officer of TSX listed gold exploration company Lupaka Gold Corp., having held previous senior positions in TSX listed exploration companies, as well as numerous operating positions at gold mining companies.

#### **14.1.7. Broader shareholder base and exposure to Canadian institutional investors**

By being acquired by a company listed on the TSX-V, the Merged Entity will increase the chance of achieving a more diversified institutional ownership. A Canadian incorporated company may attract a wider range of North American investor interest than a company domiciled and primarily listed outside North America.

In addition, certain Canadian institutional investors continue to be subject to formal restrictions regarding their investment in foreign companies. This implies that if the Schemes are approved then Canadian institutional investors which were previously prohibited from investing in Coventry will be able to invest in the Merged Entity. This means that as a Canadian incorporated company, the Merged Entity will have full access to the capital pools of Canadian institutional investors and will not be subject to the foreign investment restrictions.

### **14.2 Disadvantages of the Schemes**

We have considered the following disadvantages when assessing the Schemes:

#### **14.2.1. Security holders' interests will be diluted**

Following the implementation of the Schemes, Shareholders' interests will be diluted to 87% of the Merged Entity.

#### **14.2.2. Additional cost and administrative burden**

Transaction costs relating to the Schemes will be incurred of approximately \$300,000. However, most of these costs have already been incurred, or will have been incurred by the date of the meeting to approve the Schemes, regardless of whether the Schemes are approved or not. As a consequence the costs of the Schemes are not considered to be material to the decision to be made by Shareholders and Optionholders. The Merged Entity would also incur the cost of any ongoing compliance, administration and operating costs as a result of the restructure. These costs are not anticipated to be material at approximately \$20,000 per annum.

#### **14.2.3. Change in jurisdiction and complex structure**

If the Schemes are approved, Coventry Shareholders will become Shareholders in the Merged Entity and Coventry Optionholders will become Optionholders in the Merged Entity. The Merged Entity, as a company incorporated in Canada, will not be subject to all of the provisions of the Corporations Act to which Coventry is currently subject and to which Coventry Shareholders and Optionholders are familiar. Some Coventry Shareholders and Optionholders may not be familiar with the provisions of Canadian corporate and securities laws to which the Merged Entity would be subject.

However the proposed senior management team of the Merged Entity includes Don Holliday, the current Chief Executive Officer of Crescent, and Eric Edwards, who is the President and Chief Executive Officer of Lupaka Gold Corp., a company listed on the TSX. Therefore the directors of Coventry consider that there will not be a knowledge gap in the senior management team of the Merged Entity regarding jurisdictional matters.

We note that the dual listing will enable shareholders in both jurisdictions to choose whether to accept CDIs that will be traded on the ASX or Merged Entity Shares which will be traded on the TSX-V. This will enable investors to trade in a market that is familiar to them.

#### **14.2.4. Ineligible shareholders may not receive shares in the Merged Entity**

Under the Share Scheme, ineligible overseas Shareholders will not be issued CDIs or shares in the Merged Entity. Instead, Crescent will issue the shares in the Merged Entity, to which the ineligible Shareholders would have been entitled if they were eligible, to a nominee appointed by Crescent. This nominee will sell the shares in the Merged Entity on the TSX-V and the proceeds will be paid to the ineligible Shareholders.

#### **14.2.5. Optionholders bound by the decision of Shareholders**

The Option Scheme is conditional on the implementation of the Share Scheme, however the Share Scheme is not conditional on implementation of the Option Scheme. If the Share Scheme is approved and implemented but the Option Scheme is not approved, Coventry options that are deemed to be ‘in the money’ based upon the closing price of Coventry shares on the ASX will be acquired by Crescent for cash. Where the options are not ‘in the money’, Coventry will pay the Optionholder a nominal amount and the options will be cancelled.

### **14.3 Other considerations**

We have considered the following factors when assessing whether the advantages of the Schemes outweigh the disadvantages:

#### **14.3.1. Alternative proposals**

The directors of Coventry have considered a number of alternative proposals to the Schemes which are not deemed to be superior to the Schemes. These alternatives are as follows:

##### **14.3.1.1 Compliance listing on the TSX-V**

Coventry could list directly on the TSX-V. This would provide Coventry with the advantages of being exposed to the TSX-V as outlined in section 14.1.1 above and retain a 100% holding in Coventry. However there are a number of advantages of the Schemes when compared to a compliance listing as outlined below.

#### **Time required to implement a compliance listing**

The Directors consider that it would take between five and six months to complete a compliance listing directly on the TSX-V. This would therefore delay Coventry in its ability to raise funds on this market. If the Schemes are approved then they are expected to be implemented in early December 2012, thereby allowing Coventry to gain access to the TSX-V market more quickly.

### Avoidance of listing costs

Listing costs associated with a compliance listing on the TSX-V would be incurred by Coventry if a compliance listing was undertaken, estimated by Coventry at \$300,000. This is comparable with the costs associated with the Schemes of approximately \$300,000.

### Broker Support

Coventry announced on 12 September 2012 that it has completed a placement with institutional investors to raise \$1.3 million at an issue price of \$0.055 per ordinary share, thereby indicating that institutional investors are in support of the proposed Schemes that were announced on 10 September 2012.

### Access to immediate liquidity

Approximately 8.9% of Coventry's shareholders are based in Canada. Therefore if Coventry was to list directly on the TSX-X then its shareholder base would primarily be Australian and this may result in limited liquidity of Coventry shares on the TSX-V.

The shareholder base of the Merged Entity would include the shareholders of Crescent and the Canadian based shareholders of Coventry. This may result in increased liquidity on the TSX-V as there would be an increased Canadian shareholder base that is familiar with the TSX-V market. The percentage of shareholders of the Merged Entity that would be Canadian is outlined below.

		Number of shares	% of Merged Entity shares
Coventry Canadian shareholders	21,157,745		
	@0.2513	5,316,941	7.7%
Crescent shareholders		8,818,374	12.7%
Total Canadian based shareholders		14,135,315	20.4%
Total Merged Entity shares		69,194,716	100.0%

Overall, the advantages of implementing the Schemes are considered to be superior when compared to a compliance listing on the TSX-V. In particular owing to the immediate access to liquidity and shorter period of time required for completing the Schemes which would facilitate quicker access to funds to allow Coventry to complete its ongoing preliminary economic assessment of the Cameron Gold Project.

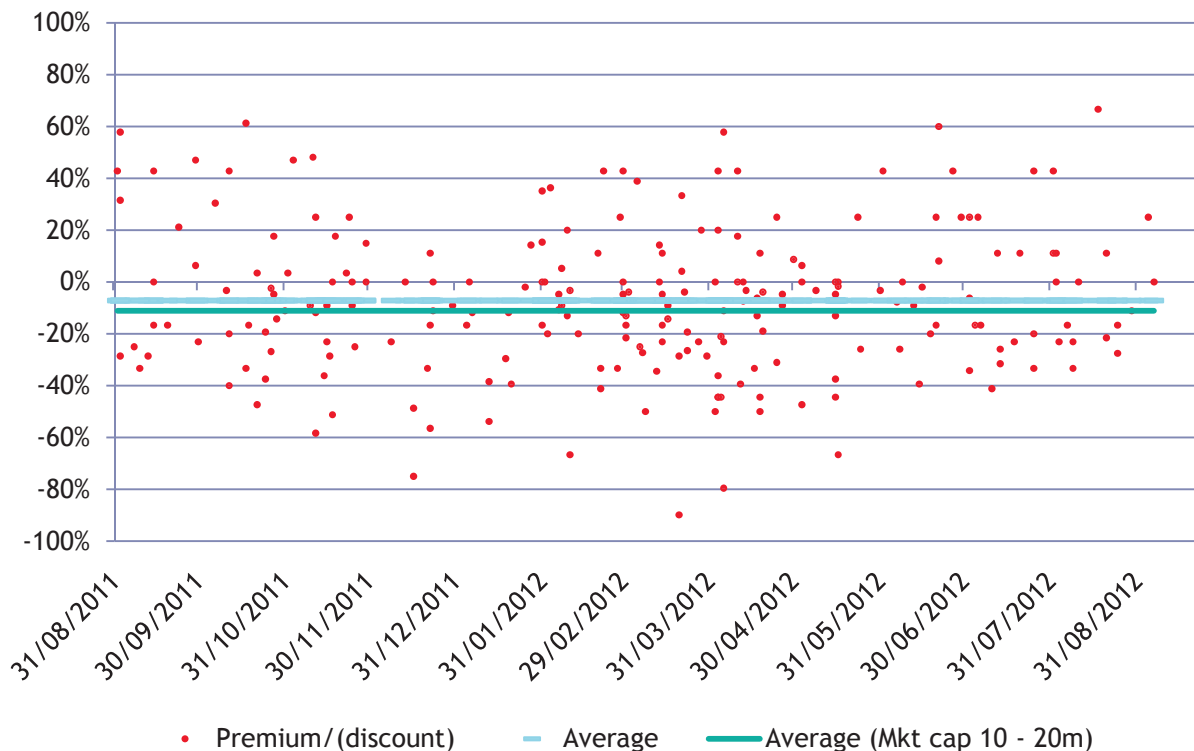
#### 14.3.1.2 Fund raising on the ASX

As Coventry is currently listed on the ASX it is able to seek to raise funds via the issue of shares, without listing on the TSX-V. Being an exploration company it is vital that Coventry raises additional funds for ongoing and future expenditure on its projects. Coventry has raised funds on the ASX via the following recent placements:

Date Announced	Date Listed	Amount sought	Amount listed	Issue Price	Share price prior to announcement	Discount to share price
29/01/2010	11/05/2010	\$10,000,000	\$10,000,000	\$0.220	\$0.250	12.0%
19/11/2010	29/12/2010	\$12,000,000	\$4,680,000	\$0.260	\$0.310	16.1%
2/04/2012	18/05/2012	\$5,000,000	\$5,000,000	\$0.120	\$0.140	14.3%
12/09/2012	12/09/2012	\$1,300,000	\$1,300,000	\$0.055	\$0.060	8.3%

We have considered the discount at which shares and options have been issued by ASX listed metals and mining companies when compared with the companies' share prices the day prior to the announcement of the placements.

**Premium/(discount) to share price on placements made by ASX metals and mining companies of market cap \$5m - \$30m**



Source: connect4.com.au, Bloomberg.com.au.

The average discount at which shares were issued by ASX listed metals and mining companies in the year to 17 September 2012 was 5.6%. The average discount at which shares were issued by ASX listed metals and mining companies with a market capitalisation of between \$5 million and \$30 million was 7.2%, and the discount of shares of companies with a market capitalisation of between \$10 million and \$20 million was 11.1%.

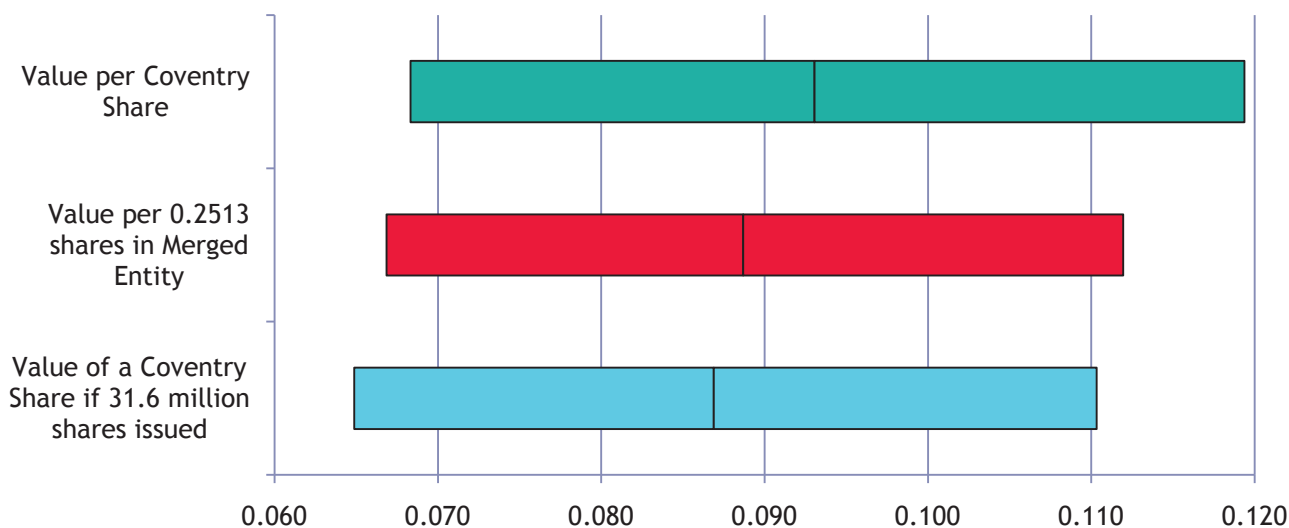
The above analysis indicates that any fund raising on the ASX is likely to be dilutive to shareholders. As a result of the Share Scheme the cash held by the Merged Entity will be approximately \$1.7 million greater than the cash held by Coventry (before costs of the Share Scheme are considered). Assuming an issue price that is an 11.1% discount to the pre-announcement Coventry share price of \$0.061, 31.6 million shares would need to be issued to raise \$1.7 million. This would result in the holdings of the Coventry Shareholders decreasing to 88.4% as follows:

Summary of Coventry share structure if 31.6 million shares issued			
Coventry shares on issue		240,256,037	88.4%
Shares issued to raise \$1.7 million:		\$1,700,000	
	\$0.061 - 11.1% =	@ \$0.054	
		31,679,508	11.6%
<b>Total Coventry shares if 31.6 million shares issued</b>		<b>271,935,545</b>	<b>100.0%</b>

Using the same valuation basis as outlined in our assessment of fairness in section 13, we have compared the value per Coventry Share and the value of 0.2513 shares in the Merged Entity to the calculated value per Coventry share if 31.6 million shares were issued on the ASX to raise \$1.7 million as follows:

	Low \$	Preferred \$	High \$
Value of a Coventry Share	0.068	0.093	0.119
Value of a Coventry Share if 31.6 million shares were issued to raise \$1.7 million	0.065	0.087	0.110
Value of 0.2513 shares in Merged Entity	0.067	0.089	0.112

The above valuation ranges are shown graphically below.



The above analysis indicates that the value per Coventry share if 31.6 million shares were issued to raise \$1.7 million is comparable to the value per 0.2513 shares in the Merged Entity. However a fund raising on the ASX will not offer the advantages of exposure to the TSX-V that are outlined in section 14.1.1.

### 14.3.2 Practical Level of Control

If the Share Scheme is approved then Crescent's shareholders will hold an interest of approximately 13% in the assets of the Merged Entity. In addition to this, the Merged Entity will have two Board members nominated by Crescent.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution requires 75% of shares on issue to be voted in favour to approve a matter. If the Share Scheme is approved then Crescent's current shareholders will be not be able to pass or block special or general resolutions.

Coventry's board currently comprises five directors. Under the Schemes, three of these directors would serve on the Board of the Merged Entity with one additional director nominated by Coventry and two

additional directors nominated by Crescent. This would take the Merged Entity’s Board to six directors, and Crescent’s nominated directors would make up 33% of the Board.

The most significant shareholder currently has a holding of 97.2% holding in Crescent (28,266,825 shares, equating to 5,653,365 shares post consolidation). This shareholder would hold an 8.2% interest in the Merged Entity (assuming this shareholder does not participate in the placement to raise C\$750,000). We note that this shareholder, CDS & Co (NCI), relates to a centralised deposit company which represents the investments of numerous individuals.

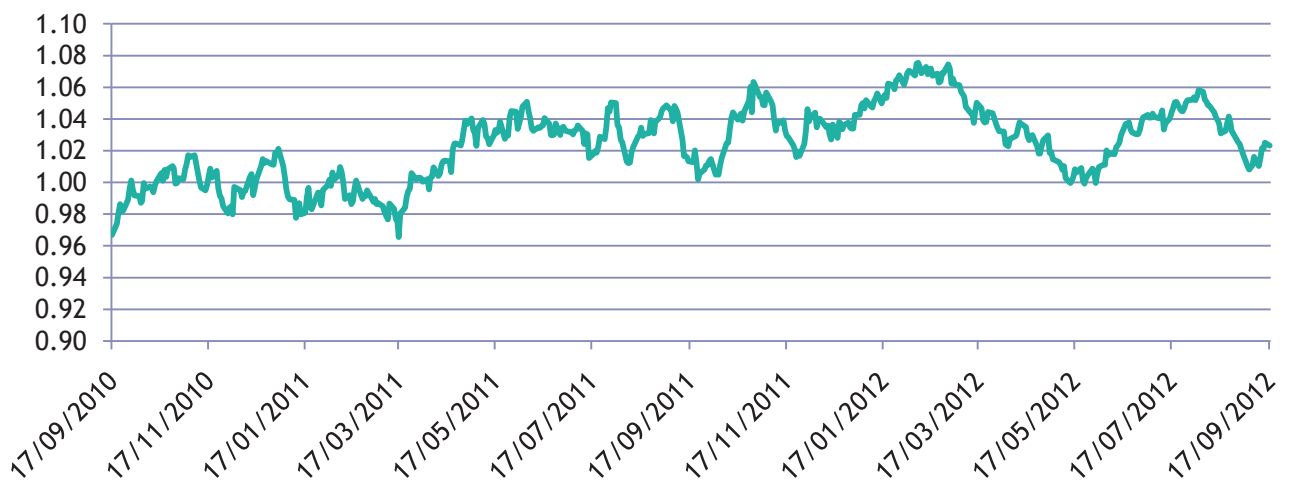
Therefore, in our opinion, Crescent’s current shareholders will be able to influence the activities of the Merged Entity but will not be able to exercise a similar level of control as if it held 100%. As such, Crescent should not be expected to pay a similar premium for control as if it were acquiring 100% control.

### 14.3.3 Foreign exchange implications

Under the Schemes Coventry will be delisted from the ASX and replaced by the Merged Entity, which will have a primary listing on the TSX-V and a secondary listing on the ASX. This will give existing Coventry Shareholders and Optionholders the option whether to apply for TSX-V listed Merged Entity shares or ASX listed CDIs.

If the Australian shareholders elect to subscribe to the TSX-V listed stock will be exposed to foreign exchange risk when converting Canadian dollar denominated returns into Australian dollars. It cannot be strictly considered a disadvantage to all investors, as Canadian Shareholders now eliminate their exposure to foreign exchange risk as their returns will now be denominated in their domestic currency. The chart below indicates the degree of volatility of the Australian dollar presented against the Canadian dollar and thus highlights the uncertainty of returns, giving rise to additional risk that will be borne by the Australian and other non-Canadian resident investors.

AUD:CAD historical exchange rate



Source: Bloomberg

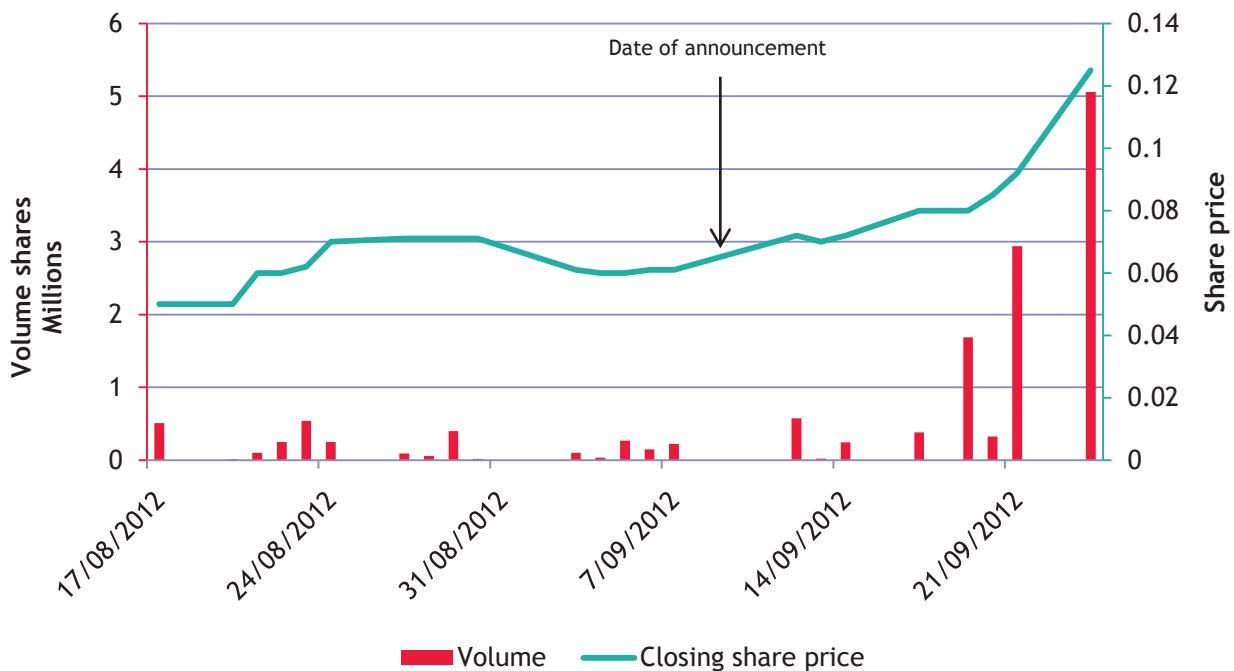
### 14.3.4 Consequences of not approving the Schemes

#### 14.3.4.1 Potential decline in the liquidity

Our QMP analysis in section 10.2 indicates that the shares of Coventry were thinly traded in the six months prior to the announcement of the Schemes, with only 10.9% of the issued capital being traded (equating to 0.42% per fourteen days). This low level of liquidity can imply a degree of non-marketability for the existing Coventry shares. Following the announcement, the volume of shares traded increased as is evidenced by the turnover of 4.7% of the issued capital in Coventry for the fortnight following the announcement. Due to the increased size and the expected activities of the Merged Entity, the shares of the Merged Entity are likely to be more liquid than the shares of Coventry without the implementation of the Schemes. As such, if the Schemes do not proceed, then Shareholders are likely to experience a decrease in the liquidity of their shares.

#### 14.3.4.2 Potential decline in share price

We have analysed movements in Coventry’s share price since the Schemes were announced. A graph of Coventry’s share price leading up to and following the announcement is set out below.



Source: Bloomberg

Following the announcement of the Schemes on 10 September 2012, Coventry’s share price increased from an average of \$0.063 over the past month to 0.125, an increase of 98%. Given the above analysis, it is possible that if the Schemes are not approved, Coventry’s share price would decline back to pre-announcement levels.

#### 14.3.4.3 Difficulty in raising funds

In the event the Schemes are not approved Coventry will remain listed on the ASX and Shareholders will retain their direct interest in Coventry. As such Coventry will need to continue to attract the required

interest of ASX investors to raise the funds necessary for the continued exploration of its assets in North America.

#### 14.3.4.4 Payment of a break fee

Under the Merger Implementation Agreement, if the Shareholders do not approve the Share Scheme by the requisite majority then Coventry must pay Crescent a break fee of \$150,000 in recognition of the costs incurred in connection with the Scheme. (We note that, similarly, Crescent must pay Coventry a break fee of \$150,000 in the event that Crescent Shareholders do not approve the Share Scheme.)

#### 14.3.5 Impacts on investment portfolios and risk preferences

The proposed Schemes will have potential impacts on the investment portfolio of Shareholders and Optionholders who may have preferences with regard to the jurisdiction of their investments. Similarly institutional investors or fund managers may have requirements to hold a certain percentage of stocks from particular exchanges or from particular market capitalisation bands. If the Schemes are approved then for certain investors these requirements may no longer be met and a restructure of their portfolio may be required. We have not considered this a disadvantage as certain risk averse investors as a result of the five to one consolidation may be attracted to the stock because of the higher stock price which can lead to a smaller perceived degree of speculation and risk surrounding the stock.

#### 14.3.6 Volatility implications of listing on the TSX-V

A perfectly efficient global capital market would imply that the returns of a stock would be identical regardless of which exchange it trades on, however in reality market imperfections arise which can violate this theoretical assumption. If the Schemes are approved then Coventry Shareholders will be exposed to different market wide factors from those to which they are currently subject. We have conducted an analysis of the volatility of returns of the ASX All Ordinaries Index and compared that with the volatility of the TSX-V Composite Index. The table below sets out the one, two and three year volatilities of these indices.

Volatilities	AS52XMM Index	STMETL Index
1 yr	27%	32%
2 yr	24%	29%
3 yr	24%	29%
<b>Average</b>	<b>25%</b>	<b>30%</b>

Source: Bloomberg and BDO analysis

If we were to assume that this historical volatility trend was to continue going forward and that the Merged Entity will be subject to a similar increase in volatility then Shareholders and Optionholders may be differently affected.

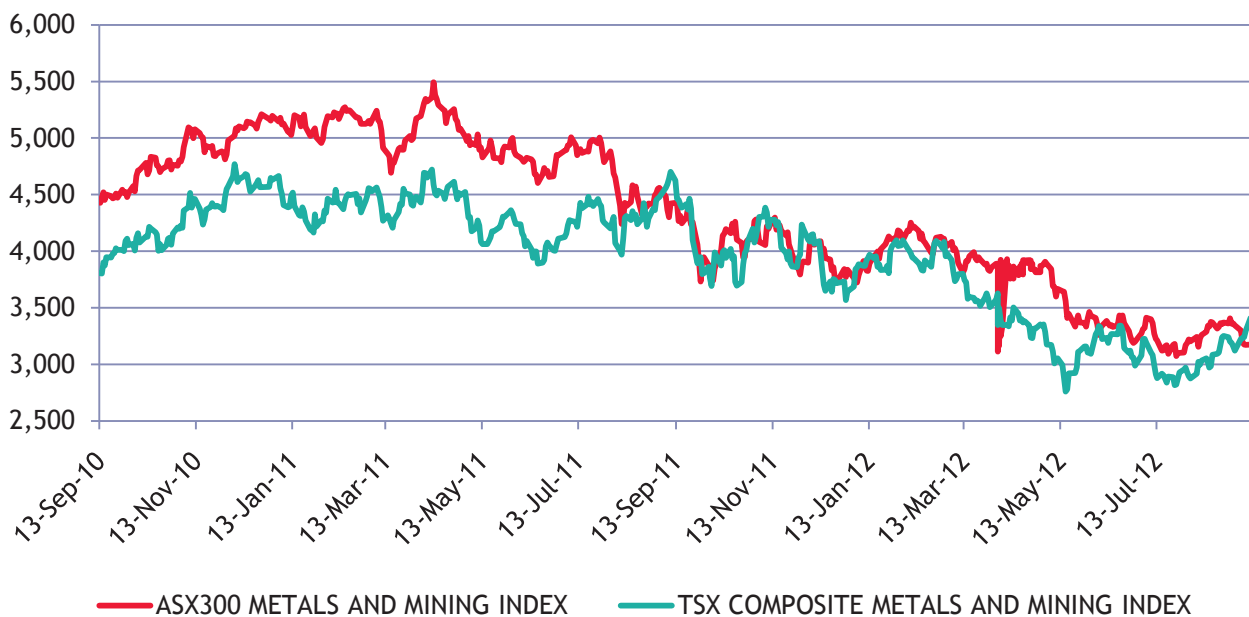
As the volatility of a stock increases, the level of risk associated with holding that stock also increases as there is a greater amount of uncertainty regarding the expected returns of that stock. Depending on each individual shareholder's risk preference this can be either an advantage or a disadvantage. For this reason as well as the fact that we cannot accurately predict the future volatility of the Merged Entity we have considered this as a consideration rather than a strict advantage or disadvantage.

The outstanding options of Coventry are currently deep out of the money, meaning that the exercise price is considerably higher than the current underlying share price. The potential for an increase in the volatility of the Crescent stock on the TSX-V could be considered an advantage to Optionholders in the sense that the existing options may have more of a chance of finishing in the money than the previously held Coventry options. We acknowledge that volatility relates to both increases and decreases of a stock price however Optionholders' downside risk is capped at the amount of the option premium which is a sunk cost.

Note that we are not regarding this as a strict advantage to Optionholders as it is very difficult to estimate the volatility of a stock going forward based on the historical volatility of a market index. For these reasons we are regarding it as an other matter for consideration.

### 14.3.7 Recent Performance of TSX-V Mining Stocks

Historically the trading prices of ASX listed mining companies are highly correlated with those of mining stocks listed on the TSX-V. This is evidenced in the chart below with the Australian mining companies being represented by the ASX300 Metals and Mining Index and the TSX-V listed mining companies represented by the TSX Composite Metals and Mining Index.



Source: Bloomberg

Despite this historically close relationship the ASX300 Metals and Mining Index is outperforming the TSX Composite Metals and Mining Index in the early stages of 2012. This means that a factor for Shareholders and Optionholders to consider is that by being listed on the TSX-V the Merged Entity may be subject to market wide factors to which Coventry Shareholders would otherwise not be subject. We have included this as an other consideration rather than an advantage as we acknowledge that the Merged Entity could be impacted by either positive or negative Canadian market specific factors going forward.

### **14.3.8 Comparable shareholder protection and regulations**

The Merged Entity will be regulated by the securities laws of each province and territory in which it will be a “reporting issuer” and the rules and policies of the TSX-V. The regulatory environment in Canada is comparable to that in Australia. As a result, Coventry Shareholders will have similar regulatory protection to that currently available under the Corporations Act. If the Schemes are approved this will allow for a smooth transition.

### **14.3.9 Tax implications**

If the Schemes are approved then there will be Capital Gains Tax (CGT) implications on the exchange of shares for the existing Australian resident Coventry Shareholders holding the shares on capital account. Australian Shareholders holding shares on capital account may be eligible for rollover relief. Refer to specialist tax information contained in the Scheme booklet for additional detail on the conditions that must be satisfied in order for Australian Shareholders and Optionholders to be entitled to this rollover relief.

## **15. Conclusion**

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that the Share Scheme is not fair but reasonable and in the best interests of Shareholders and the Option Scheme is fair and reasonable and in the best interests of Optionholders.

In particular we note that, being an exploration company, it is vital for Coventry to raise funds to enable the continued exploration activities of its projects and the Schemes will enable Coventry to increase its cash by approximately \$1.7 million (before costs of the Schemes).

Although Coventry, as a company listed on the ASX, could seek to raise funds from a placement on the ASX, this is also likely to be dilutive to Shareholders and would not expose Coventry to any of the advantages of a TSX-V listing.

Coventry could also seek to undertake a compliance listing on the TSX-V which would not be dilutive, however there would be associated transaction costs, as well as time delays associated with a compliance listing. The Merged Entity will also have a greater basis of Canadian shareholders than Coventry, increasing the liquidity of the Merged Entity when compared to a compliance listing by Coventry.

## **16. Sources of information**

This report has been based on the following information:

- Audited financial statements of Coventry for the years ended 30 June 2010, 30 June 2011 and 30 June 2012;
- Audited financial statement of Crescent for the years ended 31 December 2010 and 31 December 2011;
- Unaudited management accounts of Crescent for the period ended 30 June 2012;
- Independent Valuation Report of Coventry’s mineral assets dated 8 November 2012 performed by SRK Consulting (Australia) Pty Ltd;
- Share registry information;

- Information in the public domain; and
- Discussions with Directors and Management of Coventry.

## 17. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$30,000 (excluding GST and reimbursement of out of pocket expenses). Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Coventry in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Coventry, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Coventry and Crescent and any of their respective associates with reference to ASIC Regulatory Guide 112 "Independence of Experts". In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Coventry and Crescent and their respective associates.

A draft of this report was provided to Coventry and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

## 18. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Institute of Chartered Accountants in Australia. He has over twenty five years experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 200 public company independent expert's reports under the Corporations Act or ASX Listing Rules. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of BDO in Western Australia,

Corporate Finance Practice Group Leader of BDO in Western Australia and the Natural Resources Leader for BDO in Australia.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 14 years in the Audit and Assurance and Corporate Finance areas. Adam has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

## **19. Disclaimers and consents**

This report has been prepared at the request of the Directors of Coventry for inclusion in the Scheme Booklet which will be sent to all Coventry Shareholders. Coventry engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the Share Scheme and Option Scheme.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than this report.

BDO Corporate Finance (WA) Pty Ltd has not independently verified the information and explanations supplied to us, nor has it conducted anything in the nature of an audit or review of Coventry or Crescent in accordance with standards issued by the Auditing and Assurance Standards Board. However, we have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Coventry are responsible for conducting appropriate due diligence in relation to Crescent. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Coventry, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Coventry.

The valuer engaged for the mineral asset valuation, SRK Consulting (Australia) Pty Ltd, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.



The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully

**BDO CORPORATE FINANCE (WA) PTY LTD**

A handwritten signature in blue ink, appearing to read 'Adam Myers'.

**Adam Myers**

Director

A handwritten signature in black ink, appearing to read 'Sherif Andrawes'.

**Sherif Andrawes**

Director

## APPENDIX 1 - GLOSSARY OF TERMS

Reference	Definition
The Act	The Corporations Act
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
CDI	Chess Depository Interest
Coventry	Coventry Resources Limited
Crescent	Crescent Resources Corp.
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FME	Future Maintainable Earnings
The JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
Merged Entity	The merged entity following implementation of the Share Scheme, which will hold the combined assets of Coventry and Crescent
NAV	Net Asset Value
Option Scheme	Scheme under which each outstanding Coventry option being exchanged for an option in Crescent which will entitle the Optionholder to receive 0.2513 Crescent shares in lieu of one Coventry share on the same terms and conditions as the original option.
Optionholders	Option holders of Coventry
Our Report	This Independent Expert's Report prepared by BDO
RG60	Regulatory Guide 60: Schemes of Arrangements
RG111	Regulatory Guide 111: Content of expert reports (March 2011)
RG112	Regulatory Guide 112: Independence of experts (March 2011)
Share Scheme	The proposed acquisition of all outstanding Coventry shares by Crescent under which the Coventry Shareholders will receive CDIs of Crescent on the basis of 0.2513 Crescent CDIs for each Coventry share (post consolidation of Crescent's shares on a 1:5 basis)
Shareholders	The non-associated shareholders of Coventry
SRK	SRK Consulting (Australia) Pty Ltd, independent specialists reporting on the exploration assets of Coventry
The Valmin Code	Code of Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports
VWAP	Volume Weighted Average Price

## APPENDIX 2 - VALUATION METHODOLOGIES

Methodologies commonly used for valuing assets and businesses are as follows:

### 1 *Net asset value (“NAV”)*

Asset based methods estimate the market value of an entity’s securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity’s valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity’s value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity’s assets are liquid or for asset holding companies.

### 2 *Quoted Market Price Basis (“QMP”)*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a “deep” market in that security.

### **3 Capitalisation of future maintainable earnings (“FME”)**

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax (“EBIT”) or earnings before interest, tax, depreciation and amortisation (“EBITDA”). The capitalisation rate or “earnings multiple” is adjusted to reflect which base is being used for FME.

### **4 Discounted future cash flows (“DCF”)**

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

### **5 Market Based Assessment**

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

## APPENDIX 3 - VALUATION OF OPTIONS

Coventry Options (Tranches)	A	B	C	D	E	F	G	H	I	J	K	L
Underlying security spot price	0.0931	0.0931	0.0931	0.0931	0.0931	0.0931	0.0931	0.0931	0.0931	0.0931	0.0931	0.0931
Exercise price	0.200	0.300	0.260	0.280	0.300	0.300	0.200	0.200	0.260	0.120	0.120	0.120
Valuation Date	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12
Expiration date	30/04/13	30/01/13	18/12/12	28/02/13	25/03/15	30/07/13	24/08/14	8/08/14	1/12/16	17/06/15	17/08/17	8/03/17
Years to expiry	0.62	0.37	0.25	0.45	2.52	0.87	1.93	1.89	4.21	2.75	4.92	4.47
Volatility	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Risk free rate	2.86%	2.86%	2.86%	2.86%	2.71%	2.86%	2.86%	2.86%	2.80%	2.71%	2.80%	2.80%
Number of Options	19,257,982	10,000,000	3,230,770	1,000,000	500,000	500,000	400,000	750,000	6,000,000	500,000	4,500,000	500,000
Valuation per Option	0.0047	0.0002	0.0001	0.0007	0.0193	0.0031	0.0215	0.0210	0.0368	0.0416	0.0561	0.0537

Proposed Merged Entity (Tranches)	A	B	C	D	E	F	G	H	I	J	K	L
Underlying security spot price	0.353	0.353	0.353	0.353	0.353	0.353	0.353	0.353	0.353	0.353	0.353	0.353
Exercise price	0.796	1.194	1.035	1.114	1.194	1.194	0.796	0.796	1.035	0.478	0.478	0.478
Valuation Date	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12	17/09/12
Expiration date	30/04/13	30/01/13	18/12/12	28/02/13	25/03/15	30/07/13	24/08/14	8/08/14	1/12/16	17/06/15	17/08/17	8/03/17
Years to expiry	0.62	0.37	0.25	0.45	2.52	0.87	1.93	1.89	4.21	2.75	4.92	4.47
Volatility	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Risk free rate	2.86%	2.86%	2.86%	2.86%	2.71%	2.86%	2.86%	2.86%	2.80%	2.71%	2.80%	2.80%
Number of Options	4,839,531	2,513,000	811,893	251,300	125,650	125,650	100,520	188,475	1,507,800	125,650	1,130,850	125,650
Valuation per Option	0.0275	0.0024	0.0012	0.0057	0.1031	0.0216	0.1070	0.1048	0.1763	0.1833	0.2412	0.2317

## APPENDIX 4 - COMPARABLE COMPANIES

Ticker	Company name	Market capitalisation	Materials
ATV AU Equity	ATLANTIC GOLD NL	20.69	Gold
ZGM AU Equity	ZAMIA METALS LTD	5.94	Gold and other precious metals
MUB AU Equity	MONGOLIAN RESOUR	12.42	Gold
EUG AU Equity	EUROGOLD LTD	7.64	Gold and silver
GCY AU Equity	GASCOYNE RESOURC	27.32	Gold
ALY AU Equity	ALCHEMY RESOURCE	15.53	Gold
SGZ AU Equity	SCOTGOLD RES LTD	12.76	Gold and silver

We selected these comparable companies from a list of gold explorers listed on the ASX with a market capitalisation of between \$5 million and \$30 million. In applying our screening criteria we also excluded the companies that had generated sales revenue as to ensure that the comparables were in the infant stages of exploration. In constructing the index these companies were weighted according to market capitalisation.

A short description of each of the comparable companies is set out below:

**Atlantic Gold NL** is a gold exploration company that is focused on the exploration and development of the Touquoy Gold Project and the Cochrane Hill Gold Deposit in Nova Scotia, Canada.

**Zamia Metals Limited** operates as a mineral exploration company in Australia. The company's exploration targets are molybdenum, gold, and copper.

**Mongolian Resource Corporation Limited** engages in the acquisition, exploration, and development of natural resources primarily in Mongolia. The company holds interests in the Blue Eyes gold project located within the North Kentii gold belt of central north Mongolia and the Sujigtei gold project located to the east of the Blue Eyes project. It also holds interests in various iron ore and coal projects in Mongolia and gold, uranium, and base metal exploration projects in Western Australia.

**Eurogold Limited** seeks investment opportunities in resource projects focusing on the gold mining sector. The company is based in Perth, Australia.

**Gascoyne Resources Limited** engages in the exploration of gold and base metal mineral properties in Australia. It holds interests in Glenburgh, Mt James, Bustler Well, and Bassit Bore projects totalling approximately 1,100 square kilometers located in the Gascoyne Province of Western Australia.

**Alchemy Resources Limited** engages in the exploration and production of gold projects in Australia. The company owns a 100% interest in the Gascoyne projects comprising 2 advanced gold projects and 2 regional exploration projects consisting of 400 square kilometers of granted tenements located in north of Meekatharra and east of Peak Hill. It also holds an 80% interest in the Murchison projects, including 6 separate project areas consisting of approximately 750 square kilometers of granted tenements covering a strike length of approximately 100 kilometers situated in the Meekatharra-Wydege Greenstone Belt in the Murchison District of Western Australia.



**APPENDIX 5 - INDEPENDENT VALUATION REPORT BY SRK  
CONSULTING (AUSTRALIA) PTY LTD**

# Cameron Gold Project Independent Mineral Asset Valuation Report

Report Prepared for

**Coventry Resources Limited**



Report Prepared by

 **srk** consulting

SRK Consulting (Australasia) Pty Ltd

CVN001

October 2012

# Cameron Gold Project Independent Mineral Asset Valuation Report

## Coventry Resources Limited

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**SRK Project Number CVN001**

**October 2012**

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## Executive Summary

This document is an Independent Mineral Asset Valuation Report of the Cameron Gold Project of Coventry Resources Ltd (Coventry, ASX Code: CVY) which SRK Consulting (Australasia) Pty Ltd (SRK) has prepared for Coventry.

### Summary of principal objectives

Coventry commissioned SRK to write an Independent Mineral Asset Valuation Report for its Cameron Gold Project (the "Project") in Ontario, Canada. SRK understands that this report will be relied on by BDO (Australia) Ltd (BDO) as part of its Independent Expert's Report (IER) within a Scheme Booklet as part of the proposed transaction to be presented to shareholders. Coventry is proposing to merge with TSX-V listed company Crescent Resources (Crescent) via Scheme of Arrangement.

SRK has been advised by Coventry that the other properties owned by Coventry in Canada, as well as Crescent's assets located in Alaska, United States, are immaterial to the transaction and are not included in this report.

In undertaking this assessment, SRK has reviewed all relevant data and reports available on the asset and had numerous discussions with Coventry management. The geology (regional, local, as well as exploration details) and mineral resources estimates were reviewed to estimate a fair market valuation of the Project. A site visit was undertaken to the Cameron Gold Project in Canada. This report has been compiled under the guidelines of the VALMIN Code, which incorporates the JORC Code.

### Outline of work programme

The following aspects were considered in the writing of this report:

- Summary of the latest NI 43-101 Report compiled for the Cameron Gold Project by DataGeo Geological Consultants as of 30 March 2012 (DataGeo, 2012)
- Compilation of Comparable Transactions
- Valuation Component
- Report Preparation

These studies involved the review of existing company reports and public literature of the local conditions. Mineral Resource estimates were reviewed, but not re-estimated, due to time constraints.

### Focus on results

The result of this valuation is shown in Table ES-1.

**Table ES-1: Valuation – Cameron Gold Project**

Project	Comment	Low	SRK Preferred	High
Cameron Gold Project	Mineral Resources	13.4M	20.6M	27.7M

SRK's preferred valuation of the Cameron Gold Resource is AU\$20.6M.

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## Disclaimer

The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by Coventry Resources Ltd (Coventry). The opinions in this Report are provided in response to a specific request from Coventry to do so. SRK has exercised all due care in reviewing the supplied information. Whilst SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

## List of Abbreviations

Abbreviation	Meaning
Coventry	Coventry Resources Limited
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
bcm	bank cubic metres
CAPEX	capital expenditure
IER	Independent Expert Report
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), December 2004.
k	Thousand
kg	Kilogram
m	Metre
M	Million
m RL	metres reduced level
m <sup>3</sup>	cubic metre
MEG	Metals Economics Group
Mt	million tonnes
Mtpa	million tonnes per annum
RC	Reverse Circulation
SRK	SRK Consulting (Australasia) Pty Ltd
t	Tonne

# 1 Introduction and Scope of Report

Coventry Resources Ltd (Coventry) commissioned SRK Consulting (Australasia) Pty Ltd (SRK) to write an Independent Mineral Asset Valuation Report for its Cameron Gold Project (the Project) in Ontario, Canada. SRK understands that this report will be relied on by BDO (Australia) Ltd (BDO) within its Independent Expert's Report (IER) as part of the proposed transaction to be presented to shareholders. Coventry is in advanced discussions with a TSX-V listed company Crescent Resources (Crescent) with regards to a possible merger via Scheme of Arrangement.

The Report has been undertaken under the guidelines of the VALMIN Code, which incorporates the JORC Code.

The valuation is current at 7 September 2012 and monetary amounts are in United States dollars (US\$), Canadian dollars (CA\$) and Australian dollars (AU\$) as specified throughout the Report. The final valuation is provided in AU\$.

## 2 Background and Brief

### 2.1 Background of the Project

On 20 April 2010, Coventry completed the acquisition of a 100% interest in the mineral rights covering 3,205 hectares (ha) at the Cameron Gold Project, Ontario, Canada. During the summer of 2010, Coventry expanded the project area to approximately 120 km<sup>2</sup> (12,000 ha) by staking additional unpatented mining claims and executing options agreements. The new areas covered the known and interpreted strike extents of geological structures associated with gold mineralisation, primarily to the east and south of the original project area. The project is 100% owned by Cameron Gold Operations Limited, an indirect wholly owned subsidiary of Coventry Resources Limited.

SRK understands that the Cameron Gold Project consists of a total of 64 unpatented claims, 4 patented claims (mineral rights only) and 6 mining licences of occupation (MLO) plus 3 mining leases. The total area of the project is approximately 120 km<sup>2</sup> or 12,000 ha.

SRK has relied primarily on the latest NI 43-101 Report compiled for the Cameron Gold Project by DataGeo Geological Consultants as of 30 March 2012 (DataGeo, 2012). The latest Mineral Resource estimate (30 March 2012) was prepared by DataGeo Geological Consultants for the Cameron Gold Project and is presented in Table 2-1. Coventry states a current total resource estimate for the Project as 19.4 Mt @ 2.24 g/t gold for 1,397,200 ounces of gold (using a 1.0 g/t gold cut-off) (<http://www.coventryres.com/> website accessed 05/09/12). SRK notes that the Mineral Resource estimate has not been adjusted for previous underground extraction and understands that in 1987, underground development of about 65,000 m<sup>3</sup> of material was excavated and bulk sampling undertaken. SRK understands that, compared to the total volume of the resource, this volume is insignificant. Further, this material has been stockpiled and thus could be recovered in the future.

Coventry has advised SRK that it considers potential strike extensions to the resource and other prospects within the licence areas are immaterial and are not to be included in the valuation.

**Table 2-1: Coventry Mineral Resources as of 30 March 2012 at a cut-off grade of 1.0 g/t gold, total in situ (excluding till) and with no allowance for previous underground extraction**

Resource Classification	Tonnes	Gold grade (g/t Au)	Gold (oz)
Measured	2,472,000	2.68	213,000
Indicated	4,724,000	2.33	354,000
Inferred	12,226,000	2.11	829,000
<b>TOTAL</b>	<b>19,422,000</b>	<b>2.24</b>	<b>1,397,200</b>

*\*Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate.*

*The information in this Report that relates to Mineral Resources is based on information compiled by Mr Peter Ball who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ball is the Director of DataGeo Geological Consultants. Mr Ball has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasia Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Peter Ball consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.*

*The information in this Report that relates to Exploration Results is based on information compiled by or under the supervision of Mr Anthony Brendon Goddard. Mr Goddard is Technical Director of Coventry Resources Ltd and a Member of The Australasian Institute of Mining and Metallurgy. Mr Goddard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasia Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Goddard consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.*

## 2.2 Nature of the brief

The aim of this work is to provide a Valuation Report on Cameron Gold Project. The asset is currently at an advanced stage of exploration and only the stated resource is to be valued.

It is noted that Tony Goddard was the primary contact at Coventry during SRK's assessment of the project and subsequent valuation.

## 3 Programme Objectives and Work Programme

### 3.1 Programme objectives

SRK understands the objective of this study was to provide an Independent Mineral Valuation Report on the Cameron Gold Project for Coventry.

SRK has selected the most appropriate valuation technique for the assets, based on the development stages of the projects and the amount of available information.

This Report complies with the technical property information required under various securities laws of Australia and provides a review and valuation of the Cameron Gold Project.

## 3.2 Reporting standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report and Valuation Report under the guidelines of the VALMIN Code.

In this Report, identified Mineral Resources and Ore Reserves are quoted using categorisation in accordance with the JORC Code (2004) guidelines. The Report is prepared under the guidelines of the VALMIN Code. Both Codes provide standards that are binding upon all members of the Australasian Institute of Mining and Metallurgy (The AusIMM) and the Australian Institute of Geoscientists (AIG) members. The VALMIN Code incorporates the JORC Code for the reporting of Mineral Resources and Ore Reserves.

## 3.3 Work programme

The Project commenced in late August 2012, with a review of the company database and information sourced by SRK from literature and company websites as well as using subscription databases such as Intierra and Metals Economics Group (MEG) database services.

A site visit was undertaken by Lars Weiershäuser to the Cameron Gold Project in Canada in early September 2012. Concurrent with the site visit, SRK consultants reviewed company databases, in addition to compiling research on comparable market transactions to provide a basis for the valuation.

As per the VALMIN Code, this first draft of the report was supplied to Tony Goddard of Coventry to check for material accuracy on 7 September 2012.

## 3.4 Project team

Deborah Lord acted as Project Manager. Lars Weiershäuser compiled the geology and exploration sections, and Caue Pauli de Araujo and Trivindren Naidoo assisted on the comparable transactions research and reporting. The exploration valuation was carried out by Deborah Lord and the project report was peer reviewed by Matthew Greentree. All are permanent employees of SRK Consulting.

## 3.5 Note on tenement status and material contracts

SRK has not independently verified the current ownership status and legal standing of the material tenements that are the subject of this Report. SRK has reviewed the tenement listing provided by Coventry and reported in the latest Project NI 43-101 Report (DataGeo, 2012).

SRK is not qualified to make legal representations in this regard.

## 3.6 Statement of SRK independence

Neither SRK nor any of the authors 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 SRK.

SRK has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence.

SRK's fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The payment of that professional fee is not contingent upon the outcome of the Report.

### **3.7 Representation**

Coventry has agreed to provide a written representation to SRK 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.

### **3.8 Indemnities**

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

- which results from SRK's reliance on information provided by Coventry or to Coventry not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings, arising from this Report.

### **3.9 Consents**

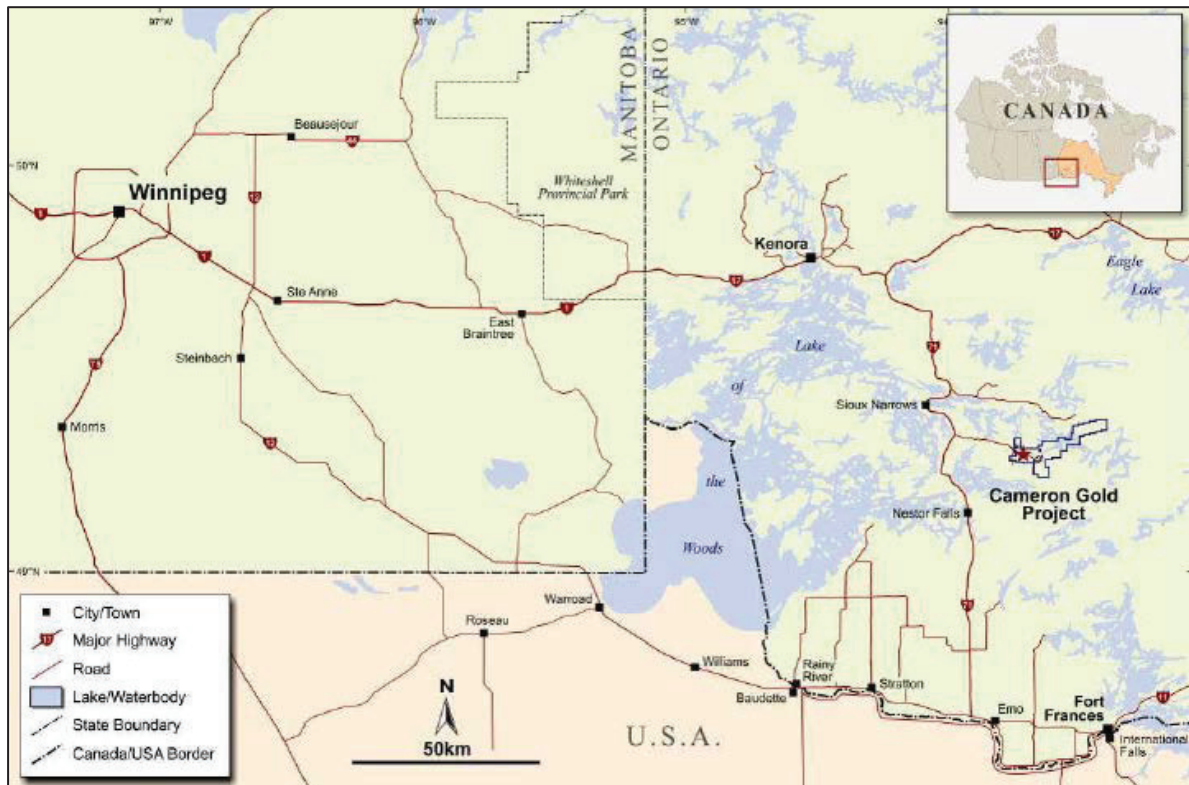
SRK consents to this Report being included, in full, in BDO's Independent Expert's Report (IER) and Coventry's information to shareholders, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK 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.

## 4 Summary of the Cameron Gold Project NI 43-101 Report

### 4.1 Introduction

The Cameron Gold Project is an advanced exploration project located in the southern part of Western Ontario, Canada (Figure 4-1), about 80 km southeast of the town of Kenora. The Cameron Gold Project can be accessible by public sealed and well-maintained unsealed roads and by float plane.



**Figure 4-1: Cameron Gold Project Location and Access**

Source: Coventry

The Project comprises a contiguous area of approximately 12,000 ha (Figure 4-2) that includes:

- 64 unpatented mining claims (10,480 ha – lands in which the surface and mining rights have been reserved by the Crown);
- 4 patented mining claims (mineral rights only, total of 42.9 ha - private property in which the surface and mining rights are not held by the Crown);
- 6 mining licences of occupation (57 ha – MLOs: type of claim that was once commonly issued to permit the mining of minerals under the beds of water bodies);
- 3 mining leases (1,296 ha).

The list of mining claims, licences and leases is included in Appendix A.

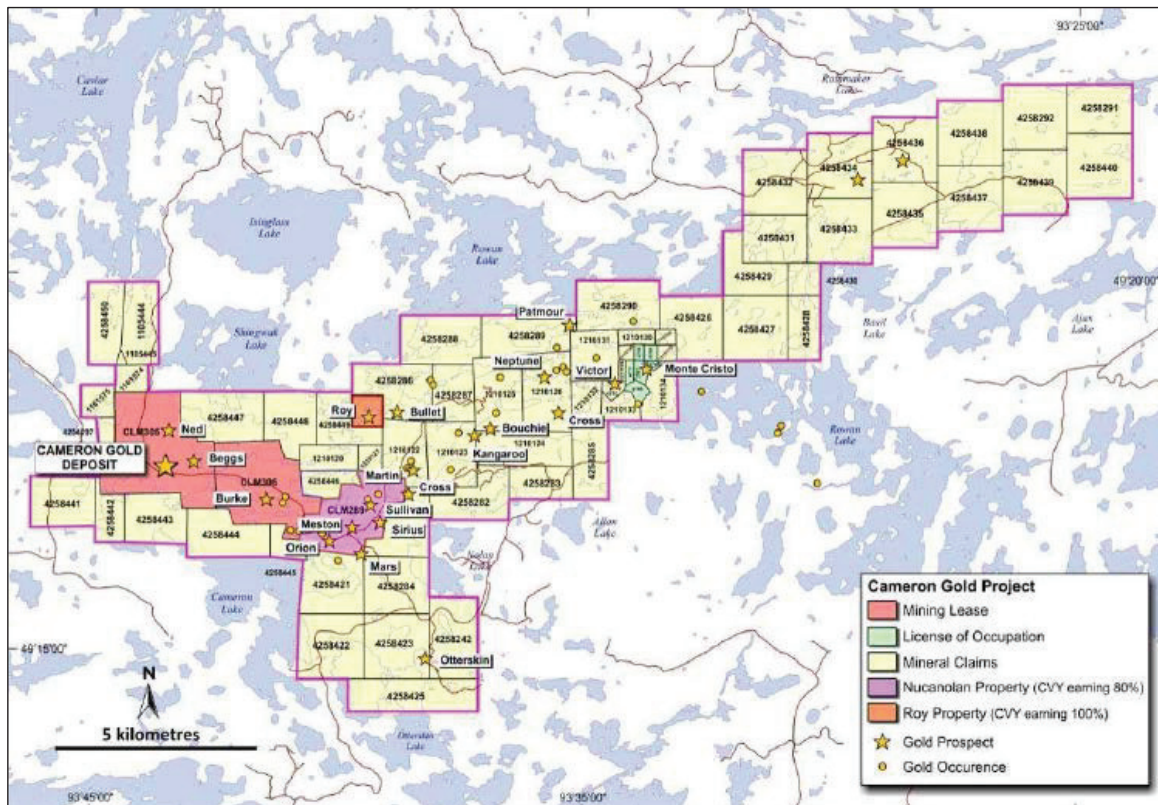


Figure 4-2: Land tenure map of the Cameron Gold Project

Source: Coventry

## 4.2 Geology

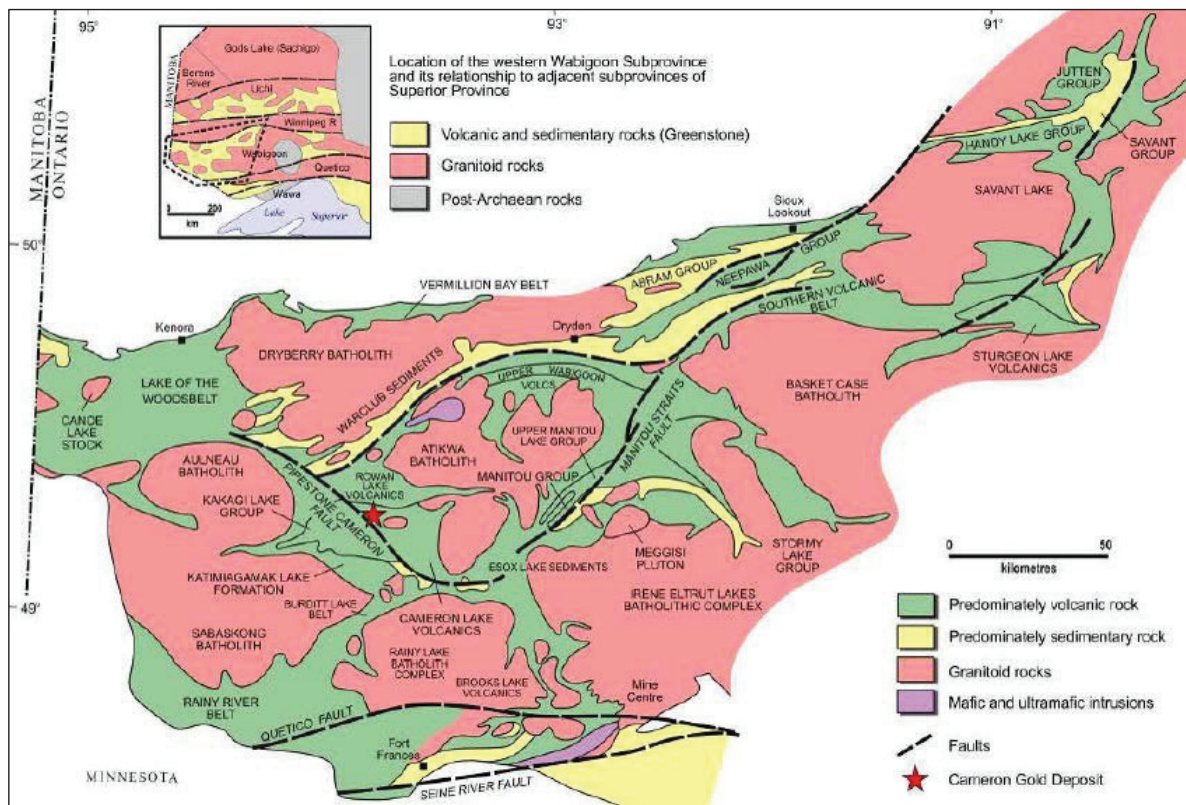
The Cameron Gold Project is located at the western end of the Late Archean Savant Lake-Crow Lake Belt in the Western Wabigoon Subprovince of the Superior Province in north-western Ontario. The Project region is dominated by Cameron-Pipestone Fault which extends over a strike southeast and extends for over 100 km (Figure 4-3 and Figure 4-4).

The Savant Lake-Crow Lake Belt comprises a number of individual greenstone belts separated by large-scale faults and shear zones; these include the Kakagi Lake and Rowan Lake Greenstone Belts.

The Kakagi Lake Greenstone Belt comprises of a supracrustal sequence is located southwest of the Cameron-Pipestone Fault. The Rowan Lake Greenstone Belt, which hosts the Cameron Gold Deposit, is located immediately northeast of this structure. The Rowan Lake Greenstone Belt is dominated by the Shingwak Lake Anticline located to the north of the project area. There are two geological sequences exposed within the Shingwak Lake Anticline, the Rowan Lake Volcanics and the Cameron Lake Volcanics (Figure 4-5).

The Rowan Lake Volcanics comprises a thick succession, of pillow basalts and volcanoclastic rocks. The pillow basalt outcrops in the core of the Shingwak Lake Anticline. This unit is overlain conformably by the Cameron Lake Volcanics, a succession of south-facing pillowed and massive basaltic rocks, and intermediate to felsic volcanoclastic rocks.

Basaltic to andesitic flows are common and are interbedded with tuff, pyroclastic rocks and volcanogenic sediments. Tuffaceous rocks form a significant part of the pyroclastic succession.



**Figure 4-3: Schematic regional geological map**

Source: DataGeo, 2012

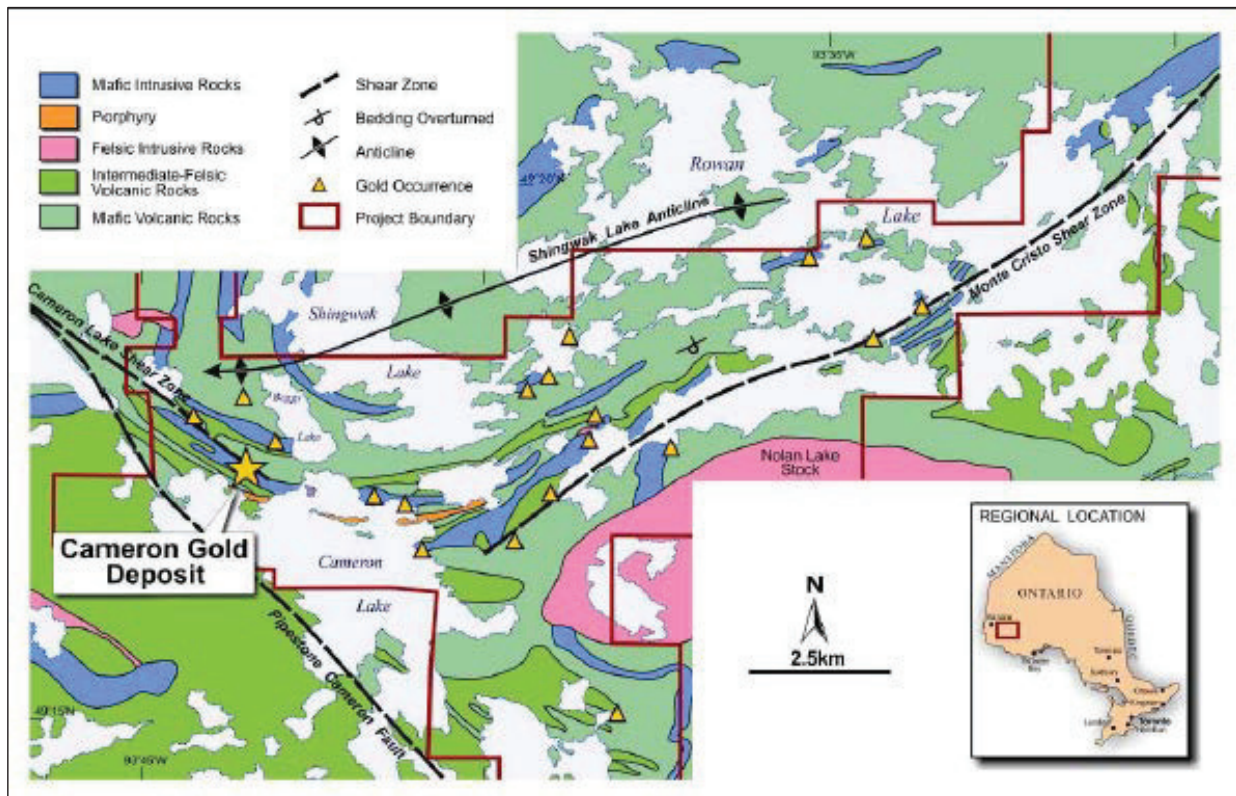
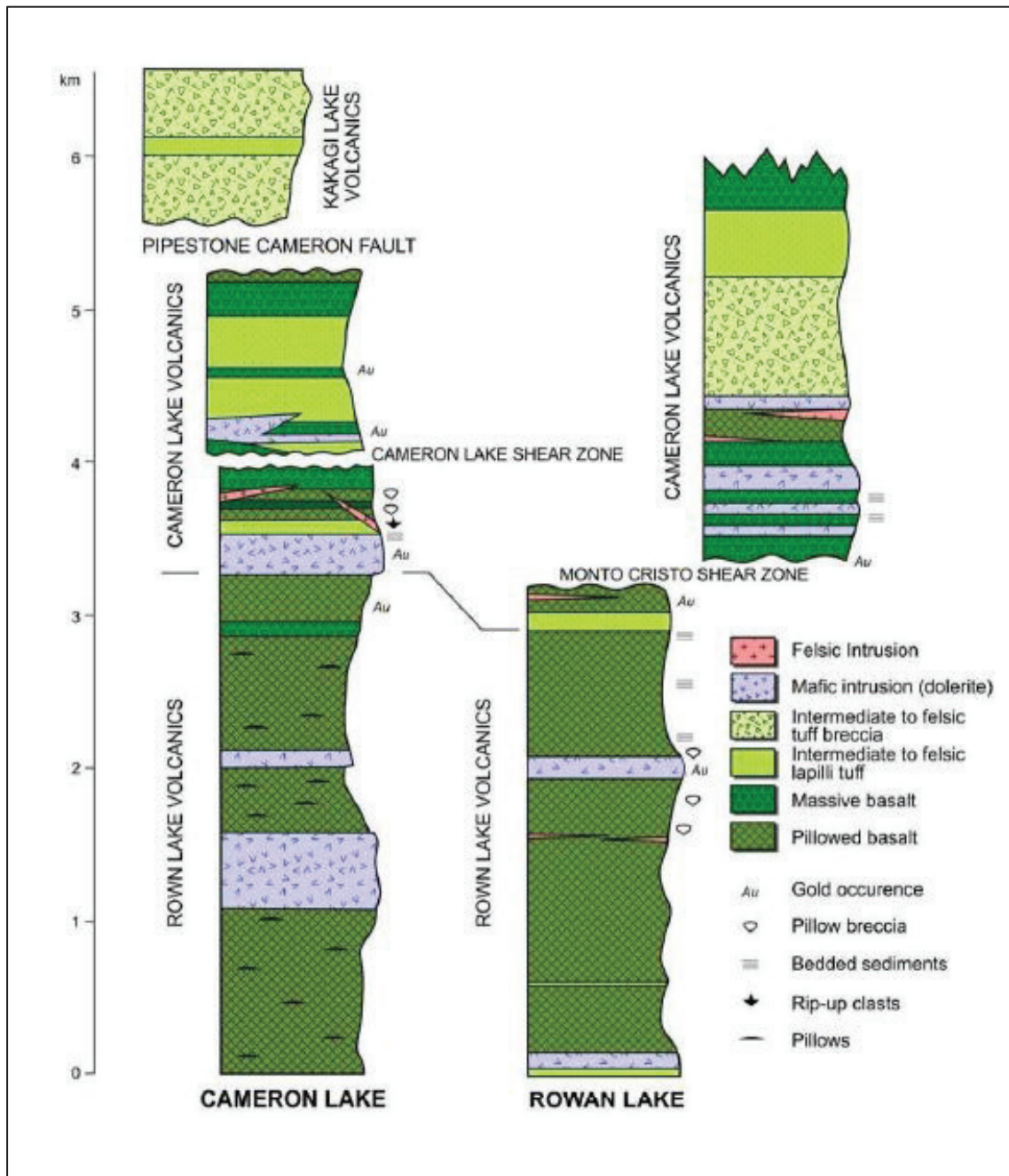


Figure 4-4: Simplified geological map of the western part of the Cameron Gold Project

Source: Coventry



**Figure 4-5: Idealised stratigraphic column**

Note: Modified from Melling (1986), source – Coventry

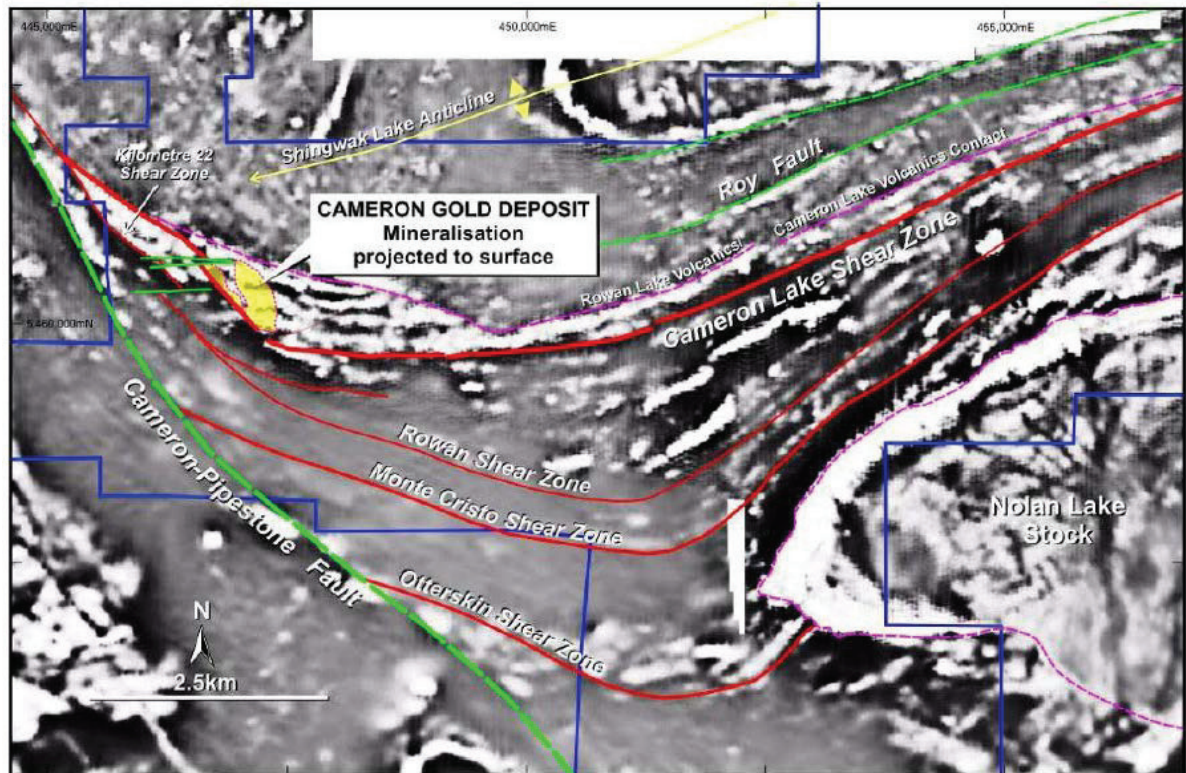
The Cameron-Pipestone Fault is a zone of complex shearing, striking southeast from this regional crustal-scale structure, before striking east-northeast along the northern margin of the intrusive body. There are two main Shear Zones, namely the Cameron Lake and Monte Cristo Faults (Figure 4-6).

The Cameron Gold Deposit is associated with, and partially hosted by, the Cameron Lake Shear Zone, which forms part of a number of structures related to the Cameron-Pipestone Fault, including the Monte Cristo Shear Zone. The Monte Cristo Shear Zone is also associated with a number of gold occurrences, such as the Victor and Monte Cristo prospects.

The Cameron Gold Deposit is hosted by the Cameron Lake Shear Zone, which is a brittle-ductile structure that cross-cuts the local stratigraphy trending northwest-southeast and dips to the northeast at 65° to 70°.

The Cameron Lake Shear Zone is oriented northwest-southeast and cross-cuts the east-west striking stratigraphy. From south to north, the fault intersects basalt and dolerite, intermediate volcanic rocks, and then volcanoclastic rocks to the northwest.

This compositional change provides an important control on mineralisation with the mafic stratigraphy being the preferred host to gold mineralisation.



**Figure 4-6: Major camp-scale geological and structural features in the area surrounding the Cameron Gold Deposit on an image of the 1<sup>st</sup> Vertical Derivative (1VD) of Total Magnetic Intensity (TMI) data**

Source: DataGeo, 2012

Most of the rocks in the Project area have been metamorphosed to middle or upper greenschist facies, with slightly higher metamorphic grades near the granitic intrusive contacts. The principal granitic intrusive in the area is the Nolan Lake stock of relatively fresh, coarse-grained porphyritic quartz monzonite, lying to the southeast of the Project.

The Cameron Gold Project is mantled by unconsolidated glacial overburden that can vary from 1 to 3 m (discovery outcrops) up to 20 m thick in the northwestern area of the deposit.

### 4.3 Mineralisation and deposit types

The Cameron Gold Deposit is a greenstone-hosted orogenic gold deposit, although it has some characteristics atypical of this deposit class:

- Mineralisation dominated by disseminated sulphide replacement and quartz-sulphide stockwork and quartz breccia veins;
- Spatial and temporal association of mineralisation with porphyry intrusive bodies that have similar alteration assemblages (taking into account primary lithological variations);
- Low amounts of auriferous quartz-carbonate vein material comprising the mineralisation, with this newly-recognised style, being likely temporally-late compared to the disseminated sulphide replacement and quartz breccias veins;

- High-grade mineralisation is largely deformed and that disseminated sulphide replacement zones that constitute the bulk of the mineralisation is commonly foliated; and
- Alteration assemblage associated with mineralisation (sericite-albite-carbonate-pyrite) is atypical of this style.

The Cameron deposit has potential to expand the mineral resources, as the mineralisation remains open at depth and along strike to the northwest. This mineralisation is mainly hosted by mafic volcanic rocks within a northwest-trending shear zone (Cameron Lake Shear Zone or CLSZ) which dips fairly steeply to the northeast. In the southeastern part of the deposit where the greatest amount of gold has been delineated, the shear zone forms the contact between the mafic volcanic rocks and diabase / dolerite in the footwall. There is also mineralisation within quartz breccia veins, associated with intense silica-sericite-carbonate-pyrite alteration in a series of zones that dip moderately to steeply to the northwest within and adjacent to the shear zone.

The alteration associated with mineralisation at the Cameron Gold deposit is consisted of four different assemblages:

- 1 Disseminated carbonate-chlorite;
- 2 Pervasive to semi-pervasive carbonate±sericite;
- 3 Pervasive carbonate-sericite-pyrite; and
- 4 Pervasive carbonate-sericite-silica-albite-pyrite.

The mineralisation and alteration at the Cameron Gold deposit precedes the regional deformation, which has resulted in the structural juxtaposition of altered and unaltered, and mineralised and unmineralised lithologies against each other, by way of numerous small-scale fault and shear structures. This deformational overprint has resulted in a disrupted alteration zonation pattern away from mineralisation in some areas, as well as the truncation of mineralisation by such small-scale faults and shear zones.

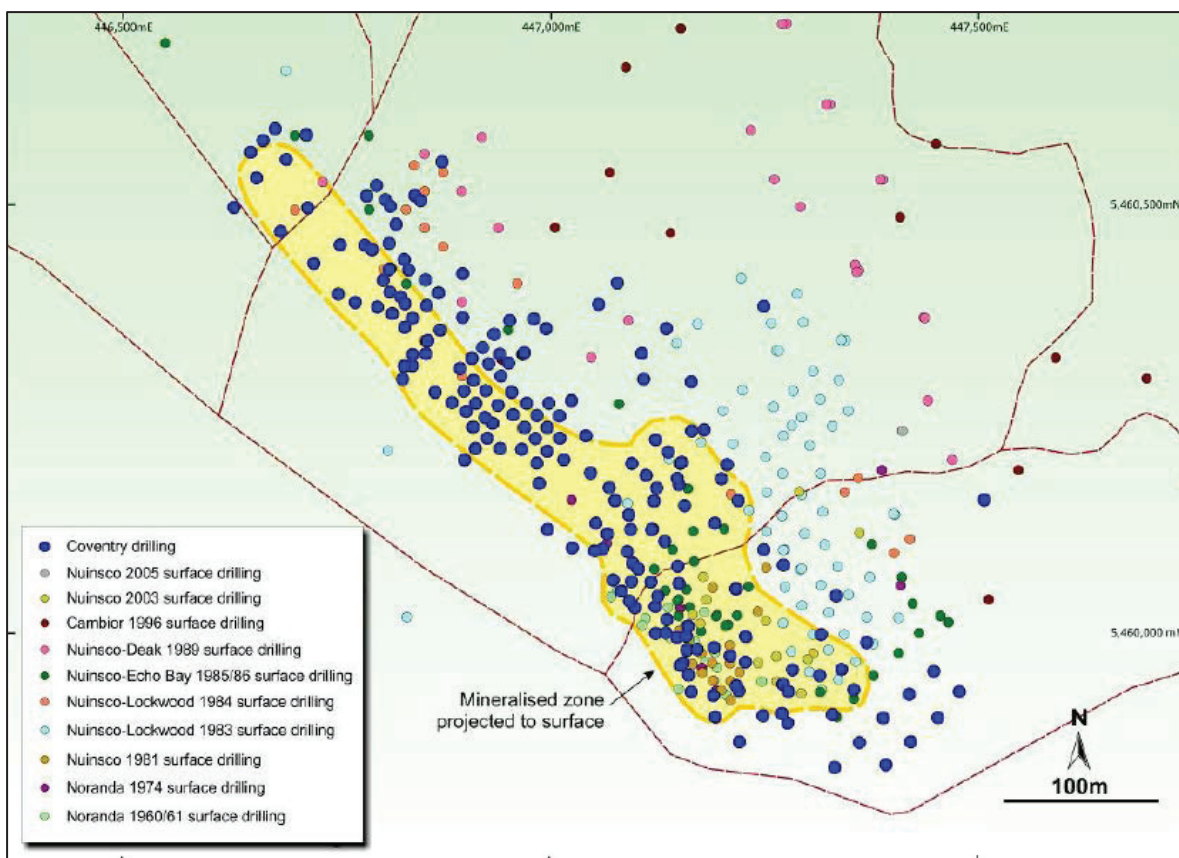
Gold is associated with disseminated pyrite with high sulphide concentration generally corresponding with higher grade. Visible gold is quite rare.

## 4.4 Exploration

Several different companies have carried out modern exploration which commenced in the 1960s as summarised in Table 4-1. The first drilling was undertaken in July 1960 at what is now the Cameron Gold Deposit. Information concerning field and laboratory techniques adopted prior to Coventry's involvement in 2010 is limited, approximately 836 holes comprising in excess of 90,000 m of diamond drilling has been completed by six companies. In 1987, underground development and extensive sampling program was undertaken, and about 65,000 m<sup>3</sup> of material was excavated and bulk sampling undertaken, diamond drilling and rock chip sampling was completed.

**Table 4-1: Drilling at the Cameron Gold Project**

Company	Period	Hole Prefix	Type	Number of Holes	Total Length (m)	Surface v UG	% of total holes	% of total length
Noranda & Zahavy	1960 - 1974	60,61,PS-60,PS-61, ZD,ZO	Core	29	2,083	Surface	3%	2%
Nuinsco	1981	NC-81	Core	19	1,734	Surface	2%	2%
Nuinsco-Lockwood	1983	NC-83 and NCX-83	Core	73	20,007	Surface	8%	17%
Nuinsco-Lockwood	1984	NC-84 and NCX-84	Core	20	4,671	Surface	2%	4%
Nuinsco-Echo Bay	1985-1986	NC-85 and NCX-85, NC-86 and NCX-86	Core	41	6,906	Surface	4%	6%
Nuinsco-Deak	1989	NC-89 and NCX-89	Core	24	12,221	Surface	3%	11%
Cambior	1996	CL96	Core	13	8,012	Surface	1%	7%
Nuinsco	2003	NC	Core	15	2,909	Surface	2%	3%
Nuinsco-Echo Bay	1987-1989	D, 365, 490, 555, 685	Core	508	26,594	UG	54%	23%
Coventry	2010	CCD-10	Core	90	13,359	Surface	10%	12%
Coventry	2011	CCD-11	Core	103	15,853	Surface	11%	14%
<b>Total</b>				<b>935</b>	<b>114,348</b>			



**Figure 4-7: Geographical location of the drilling completed at the Cameron Gold Project**

Source: Coventry

The drilling density at the Cameron Gold Deposit (Figure 4-7) varies considerably given the substantial amount of underground drilling completed during the mid-1980s. Underground drill station spacing within the main part of the deposit ranges from 3.8m (12.5 ft) locally, to 7.6m (25 ft) and 15.2 m (50 ft), which are more common. As the underground drilling data forms the majority of the information and is at close spacing, this data provides the best evidence of grade continuity. To verify this, a significant re-sampling and assay program was undertaken which equated to over 10% of the underground data that defines the mineralisation. The results of this provided, in average terms, very similar grades for the sample intervals and thus provided the required confidence in the original drill hole sample information.

Nuinsco conducted surface drilling ranging from 15.2 m (50 ft) and 30.4 m (100 ft) centres. Drilling by Coventry has been on a metric grid with all holes oriented to 225°, the same orientation as previous grids. Drilling has usually been completed on a 20 m x 20 m pattern, though in places this widens to 40 m x 20 m. The upper portion of the main part of the Cameron Gold deposit has now been well-drilled on 10 m x 20 m spacing from about 50100N through to 50300N. Outside this corridor, drill density decreases to either 20 m x 20 m or 40 m x 20 m.

Coventry's 2010 and 2011 drilling programs provide coverage along strike and down dip of the mineralisation. All drilling completed on the Cameron Gold deposit was diamond core and it was selectively sampled based on mineral content and halved either using manual techniques or a masonry saw. Core recovery is generally very good (around 98%) and all drill core is stored in purpose-built steel racks, located in a core yard at site. The samples were presented to accredited commercial laboratories and assayed for gold content using fire assay techniques. The sample submission program included insertion of standards, blanks and duplicates within the stream of samples at a rate of 1 in 20 for each type.

According to the latest NI 43-101 Report (DataGeo, 2012) Coventry's QAQC program, field procedures, sample preparation and assay methods comply with industry standards for the assessment of this deposit style and mineralisation. Additional improvements to the QAQC program were recommended by DataGeo, such as the implementation of a check laboratory analysis program.

Coventry accumulates and stores the drillhole information in an Access database managed in-house. The drillhole information has historically been located on various grid systems. This information has been consolidated onto the NAD83 datum, Zone 15 projection. For the purpose of mineral resource assessment, a local grid was established with a new north along the strike of the mineralisation.

Much of the exploration work completed by Coventry at the Cameron Gold deposit in the first six months after the acquisition in April 2010 was based on the evaluation of the Nuinsco database that Coventry acquired under a confidentially agreement executed in 2009.

As part of Coventry's strategy to develop the Cameron Gold deposit as a stand-alone mining and processing operation, regional prospects in the area would be likely to become satellite deposits feeding such an operation. In addition to intensive drilling completed at the Cameron Gold deposit itself, significant work and data acquisition was undertaken over the entire project area, including drill testing these numerous regional prospects (Figure 4-8). All drilling and sampling conducted were completed under the same protocols undertaken for the work at the Cameron Gold deposit.

SRK has been advised by Coventry that potential extensions to the stated resource and other prospects within the licence area are not considered material compared to the resource itself. SRK was instructed not to include these in its valuation.

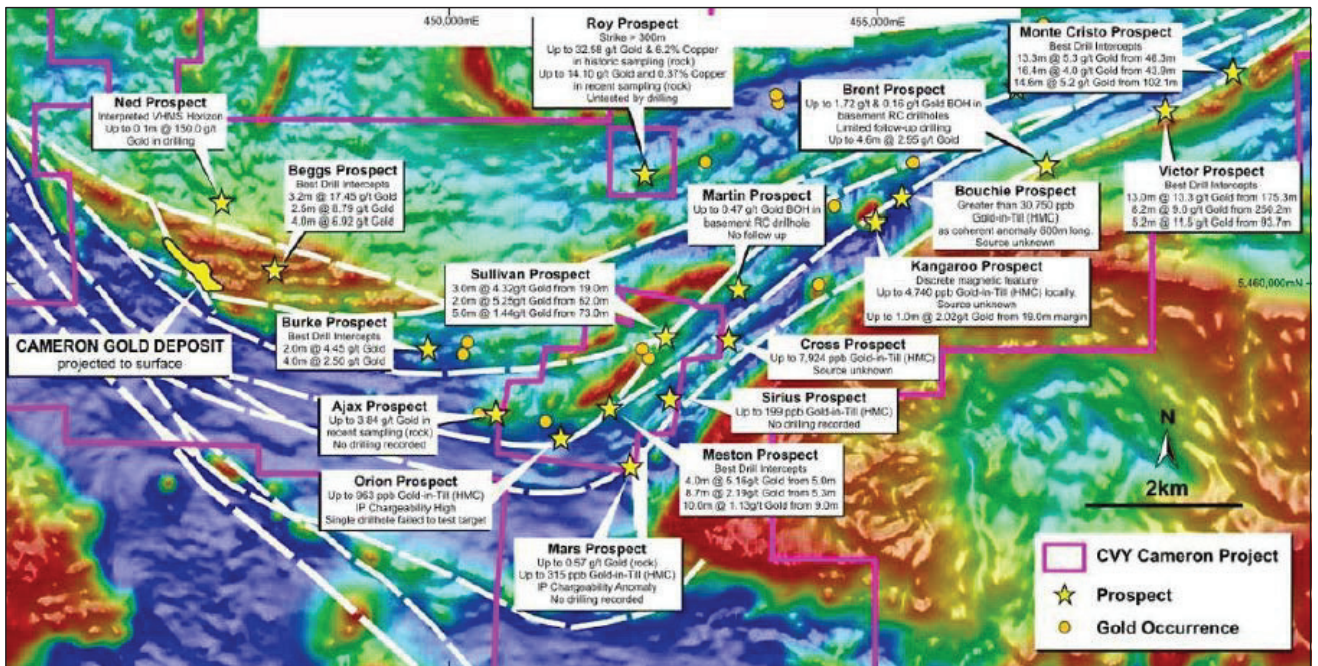


Figure 4-8: Prospect location plan for the western part of the Cameron Gold Project on an image of Total Magnetic Intensity (TMI)

Source: Coventry

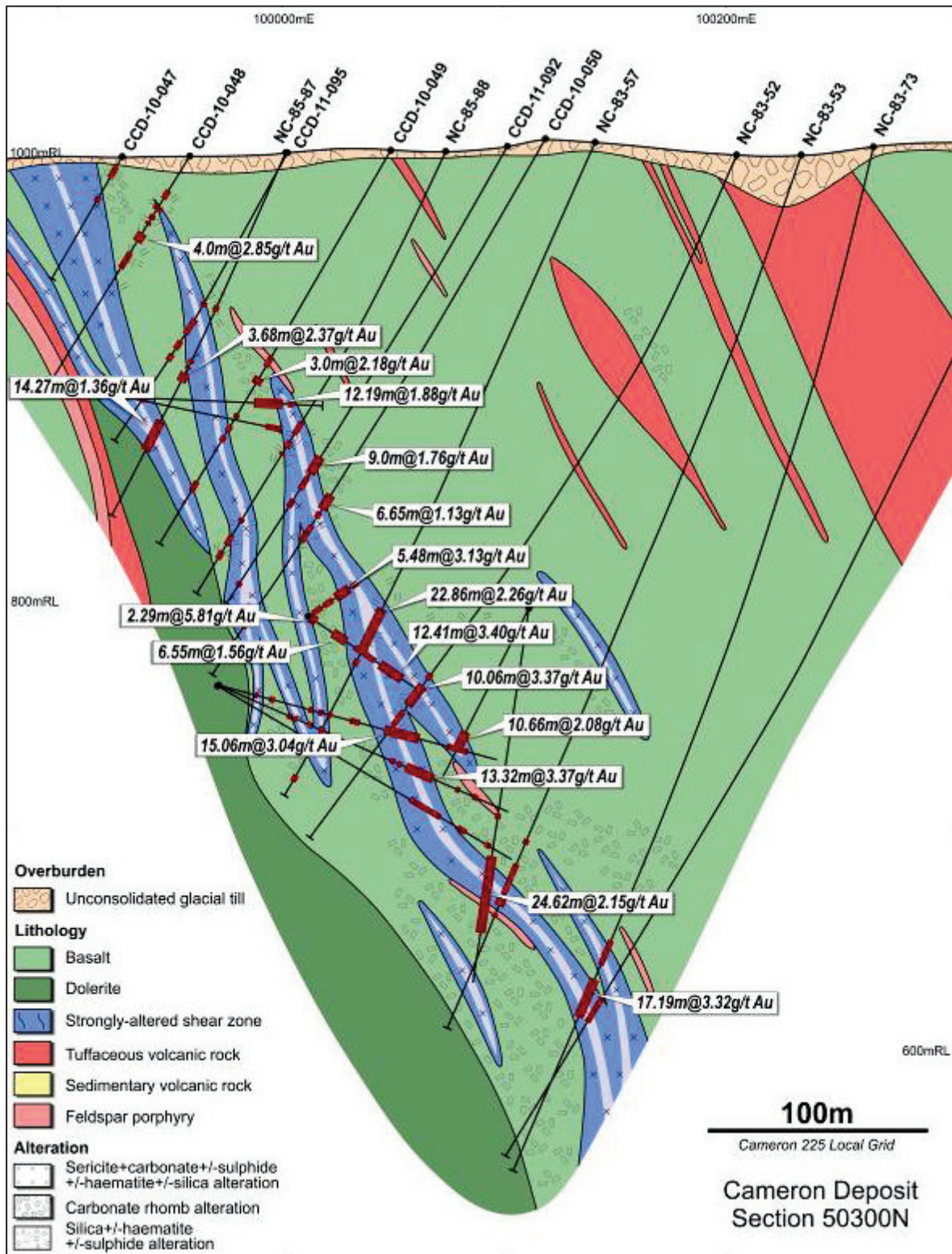
## 4.5 Metallurgical testing

Metallurgical test work has been carried out during past exploration campaigns (until 2004) but no supportable results have been generated due to lack of documentation of the samples utilised. From the limited available information, previous work tested numerous methods of recovering gold with traditional techniques such as cyanide leaching with extraction on activated carbon. Pyrite flotation, regrind and cyanide leaching apparently returned good gold recoveries. As there is insufficient information to enable a definitive assessment, future activities need to include determination of the processing characteristics of the mineralisation.

SRK understands that additional metallurgical test work is currently being undertaken by Coventry as part of a preliminary economic assessment study currently in progress. The results of this assessment are not yet available.

## 4.6 Mineral Resource estimates

The Cameron Gold deposit has been delineated by drilling from surface and underground. The mineral resource estimate for the Cameron Gold deposit is based on exploration data up to 30 October 2011. The drillhole data set consisted of 908 diamond drillholes with a combined length of 112,293 m. The holes varied in core diameter from BQ to NQ. The mineralisation was interpreted on sections (Figure 4-9) which varied between 10 m and 40 m apart along the strike of the deposit, on a local grid where local grid north was oriented to 225° magnetic (Cameron 225 grid).



**Figure 4-9: Schematic cross section through the northwest part of the Cameron Gold deposit, 50300N (Local Grid)**

Source: Coventry

The solid models were generated from the sectional interpretation, where 45 mineralised zones within the overall Cameron Lake Shear Zone were modelled. The mineralisation was composited downhole (0.75 m composite length), with all composites <0.5 m in length excluded. The statistics were reviewed and as expected showed distorted grade populations, positively skewed. Thus, some method of normalisation was required to reduce the influence of the higher-grade results which did not fit a normal population distribution.

Grade continuity was assessed for the largest zones using variography and it was found that inherent local variability accounted of 45% of the total sample population variance and that ranges in the direction of strike were approximately 15 to 20 m. The dip was in the direction of the overall mineralised zone and there was a moderate to steep grid northerly plunge. It was determined that for zones with sufficient composite information, due to the presence of a fairly robust variogram, that ordinary kriging would be used to estimate grade into a block model with parent cells of dimensions 5 mE x 10 mN x 5 mRL (relative to the local grid). The input data was top-cut where appropriate and the search influence of the composites that had been top-cut was restricted.

For zones where insufficient composite information was available, grade was either estimated using inverse distance techniques or it was assigned as the average grade of the input data. In both cases, input data were top-cut where appropriate. Specific gravity data were modelled and applied to the same block model and the model was validated by comparing it to the input data in total and spatially.

The mineral resource estimate was classified according to confidence in the mineralisation model, the data density and confidence in the supporting data. The *in situ* mineral resource has not been adjusted for the previous underground excavation and is reported at a 1.0 g/t Au cut-off.

The Project latest NI 43-101 compliant Mineral Resources estimates (30 March 2012) prepared by DataGeo Geological Consultants for the Cameron Gold Project is presented in Table 4-2. Coventry states a current total resource estimate for the Project as 19.4Mt @ 2.24g/t gold for 1,397,200 ounces of gold (using a 1.0g/t gold cut-off) (<http://www.coventryres.com/> website accessed 05/09/12). SRK notes that the Mineral Resource Estimate has not been adjusted for previous underground extraction and understands that in 1987, underground development of about 65,000 m<sup>3</sup> of material was excavated and bulk sampling undertaken. SRK understands that, compared to the total volume of the resource, this volume is insignificant. Further, this material has been stockpiled and thus could be recovered in the future.

**Table 4-2: Coventry Mineral Resources as of 30 March 2012 at a cut-off grade of 1.0 g/t gold, total *in situ* (excluding till) and with no allowance for previous underground extraction**

Resource Classification	Tonnes	Gold grade (g/t Au)	Gold (oz)
Measured	2,472,000	2.68	213,000
Indicated	4,724,000	2.33	354,000
Inferred	12,226,000	2.11	829,000
<b>TOTAL</b>	<b>19,400,000</b>	<b>2.24</b>	<b>1,397,200</b>

*\*Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate.*

*The information in this Report that relates to Mineral Resources is based on information compiled by Mr Peter Ball who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ball is the Director of DataGeo Geological Consultants. Mr Ball has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is*

*undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasia Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Peter Ball consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.*

*The information in this Report that relates to Exploration Results is based on information compiled by or under the supervision of Anthony Brendon Goddard. Mr Goddard is Technical Director of Coventry Resources Ltd and a Member of The Australasian Institute of Mining and Metallurgy. Mr Goddard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasia Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Goddard consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.*

## 5 SRK's Site Visit Summary

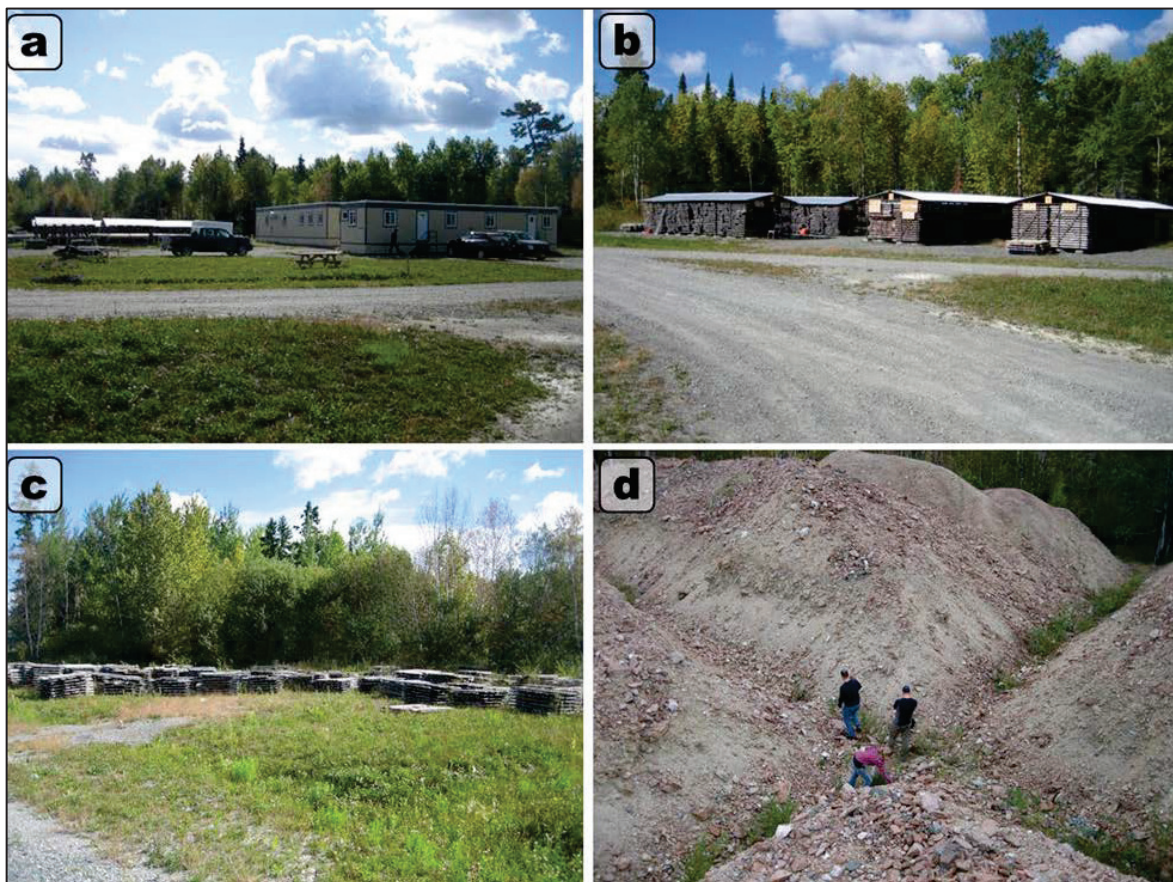
SRK visited the Cameron Gold Project on September 5, 2012. The purpose of the trip was to ascertain the deposit geology and mineralisation model. During the site visit, SRK inspected drill core from approximately 10 current and historical diamond core holes, visited the discovery outcrop and recently stripped surroundings, and gained a general impression of the exploration efforts by Coventry.

SRK received full support by Coventry personnel and had full access to facilities and exploration data. During the site visit, SRK was accompanied by Nick Walker, Coventry Country Manager Canada. Onsite support was provided further by two Coventry exploration personnel.

Coventry's exploration camp and associated facilities appear well-managed (Figure 5-1 a); current drill core is stored in covered steel racks (Figure 5-1 b), while historical core has been cross-piled on site after old core racks threatened to collapse and destroy the integrity of the core record (Figure 5-1 c).

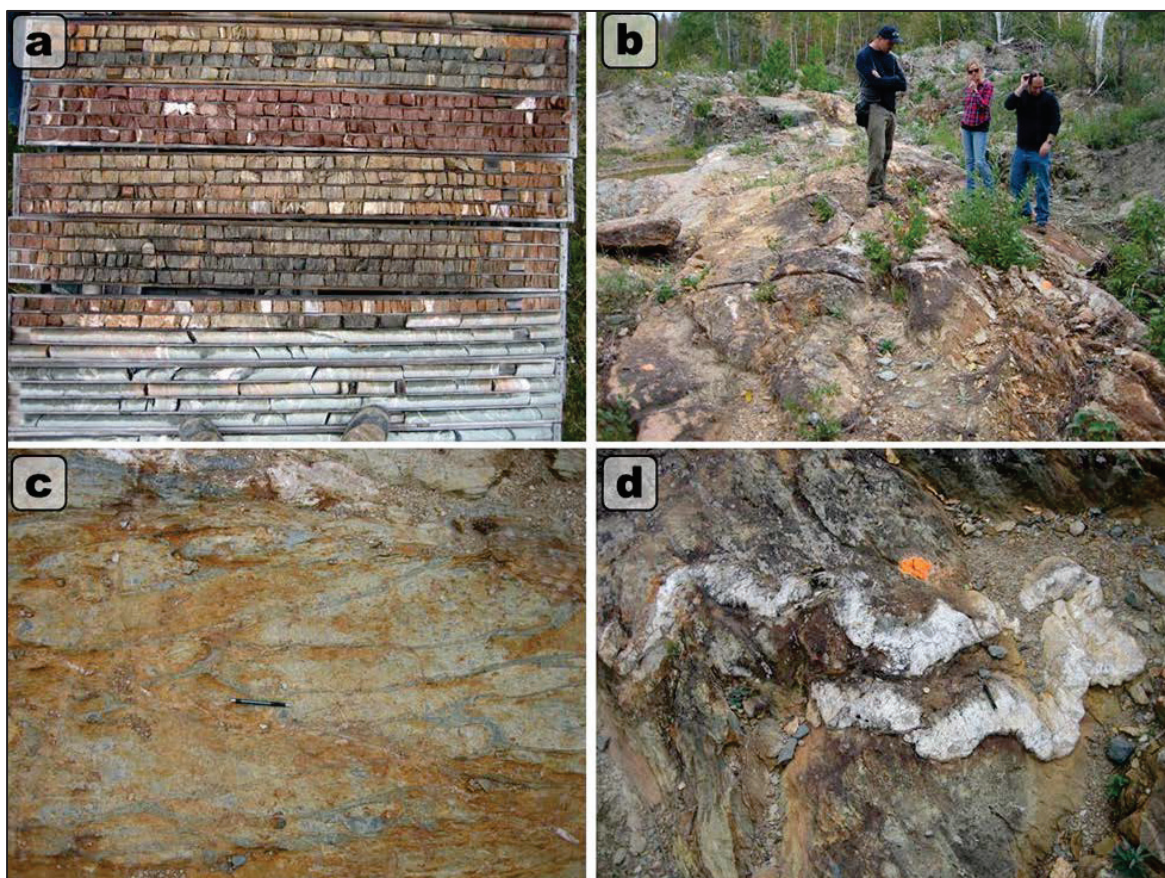
Coventry recorded the location of cross-piled core for fast core retrieval. SRK observed the effectiveness of this system. A large bulk sample, collected during 1988 from underground workings remains on site.

In 2009, Nuinsco sampled this material using two trenches (Figure 5-1 d). Oxidation of iron-carbonate alteration minerals help to distinguish easily the mineralised material from waste rock stored nearby.



**Figure 5-1: Impressions from the Cameron Gold Project site; a) Camp facilities; b) Coventry core storage; c) Core storage of historical core; d) Recently trenched historic underground bulk sample**

During the core review, SRK verified digital logs against the core record; mineralisation is constrained tightly within corridors of high strain that exhibit abundant, finely disseminated pyrite and strong, pervasive iron-carbonate alteration. Locally, hematite alteration can be observed in gold mineralised zones (Figure 5-2 a).



**Figure 5-2:** a) Nuinsco UG hole; 20 - 140ft (6 - 42m); well-sampled hole through main mineralised body; core in good condition, showing strong Fe-carb alteration in box 3 (second from top in image); b) View of the discovery outcrop, view to the north-west; c) Pillowed basalt in the footwall of the Cameron shear zone; d) Late, folded shallow dipping quartz veins, pen is parallel to fold axes

Areas of high strain and abundant fuchsite alteration, or areas where pyrite mineralisation is lacking are consistently low in gold. Drill intersections and limited outcrop exposure at and around the discovery outcrop (Figure 5-2 b) confirm the sharp boundaries between highly strained and foliated rock and relatively low strain-weakly altered rock. While primary features in the highly strained zones are absent, well-developed pillowed basalt has been observed in the footwall of the discovery outcrop (Figure 5-2 c).

Locally, folded, cross-cutting quartz veins have been observed in outcrop as well as in core (Figure 5-2 d). Historically, high grade mineralisation associated with abundant quartz veining was targeted in drilling. With a shift in exploration strategy and tentative plans for open pit extraction, lower-grade, bulk mineralisation is being targeted in addition to small, high-grade mineralisation.

## 6 Exploration Valuation

### 6.1.1 Valuation of Mineral Resources

SRK has undertaken a valuation of the Cameron Gold Project mineral assets, specifically the Mineral Resources reported within DataGeo 2012 Report. SRK was advised by Coventry that potential extensions to the stated resource and other prospects within the licence area are not considered material compared to the resource itself. SRK was instructed not to include these in its valuation.

The resulting Total Measured, Indicated and Inferred Mineral Resources for the Cameron Gold Project stand at 19.4 Mt @ 2.24 g/t gold for 1,397,200 ounces of gold (using a 1.0 g/t gold cut-off) (<http://www.coventryres.com/> website accessed 05/09/12).

Using the Intierra and MEG subscription databases, SRK researched transactions relating to resource stage projects since August 2011 for Canada and United States. A total of 10 transactions relating to gold resources were identified; the range of values for acquisition of gold resources in United States dollars is summarised in Table 6-1.

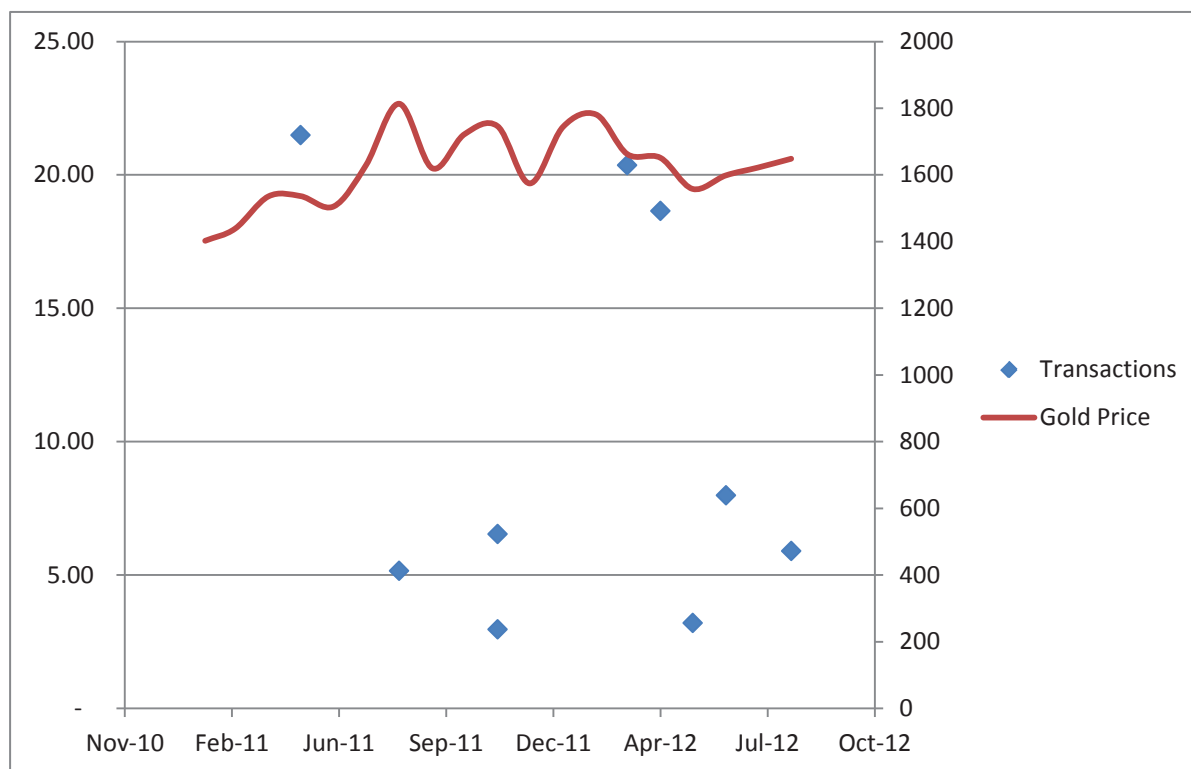
**Table 6-1: North America gold resource transactions over the past year (US\$)**

Project Name	Location	Summary	Company	Resource Certainty	Resource Acquired (oz)	Resource Value (US\$/oz)	Normalised to August 2012 gold price (US\$/oz)
Viking Gold	Newfoundland & Labrador	Northern Abitibi entered into an option agreement whereby Spruce Ridge Resources may acquire a 100% interest in the Viking project for up to 10M shares plus \$200,000 in staged cash payments over 12 months	Spruce Ridge Resources	Indicated & Inferred	143,453	\$5.90	\$5.90
West Cedartree Gold	Ontario	Coventry Resources acquired 100% interest West Cedartree Project located 10km west of the Cameron Gold Deposit. Consideration payable comprises \$500,000 cash and 7.7 million Coventry shares.	Coventry Resources	Indicated & Inferred	101,380	\$7.99	\$8.24
Pitt Gold	Quebec	Brionor Resources entered into an agreement to sell Project to Xmet Inc. In exchange for 100% ownership, Xmet will issue 20,626,960 of its common shares to Brionor. The parties agreed to complete the Transaction by no later than October 31, 2012.	Xmet Inc.	Indicated & Inferred	256,793	\$3.20	\$3.39
Holy Terror Gold	South Dakota	Mineral Mountain signed option agreement to earn up to 75% interest in the property. First stage is 60% interest for US\$1M, 10M shares and US\$7.5M in exploration spending within 3 years. Second stage the company may acquire a further 15% interest, by spending additional US\$12.5M in exploration by the 4th anniversary of the agreement date. Once options are exercised, a JV company will be formed, responsible for the first US\$25M of expenditures on the property. Until these expenditure requirements are met, the company must pay US\$250,000 per year to Holy Terror Mining, which will retain a 3% NSR	Mineral Mountain Resources	Indicated & Inferred	142,373	\$55.77	\$59.01
Butte Highlands Gold	Montana	Timberline signed non-binding Letter of Intent to acquire the remaining interest from Highland Mining. Consideration to acquire the remaining 50% interest to include \$5M in cash at closing, \$2M worth of shares, a 5% NSR on the first 250,000 oz of gold production, and a 2% NSR on gold production in excess of 250,000 oz.	Timberline Resources	Indicated & Inferred	266,078	\$18.64	\$18.61
Clarence Stream Gold	New Brunswick	Portage entered agreement with Wolfden to sell its 30% interest in the project for \$3.075M in cash and securities. Wolfden has paid \$75,000 as a non-refundable deposit and will pay upon the close of the transaction \$2.5M in cash and \$500,000 in the equity of Wolfden. The number of shares that Portage will receive will depend on the issue price of Wolfden's public offering. The closing of the transaction is conditional on Wolfden completing its public offering by April 30, 2012.	Wolfden Resources	Indicated & Inferred	129,677	\$20.36	\$20.19

Project Name	Location	Summary	Company	Resource Certainty	Resource Acquired (oz)	Resource Value (US\$/oz)	Normalised to August 2012 gold price (US\$/oz)
Coldstream Gold	Ontario	Alto entered into agreement concerning consolidation of its ownership in the property. Pursuant to the agreement, the remaining \$950,000 will be paid by Foundation through the payment of a minimum of 20% of the aggregate net proceeds of any non-flow through equity financing raising completed by Foundation provided the balance paid in full not later than November 21, 2013.	Foundation Resources	Indicated & Inferred	344,073	\$6.54	\$6.17
Maverick Gold	Manitoba	Auriga signed agreement to purchase the minority 46% interest in the property. Under the terms of the agreement, Auriga has agreed to issue to Claude 3,428,571 common shares at an issue price of \$0.35 per share. The transaction, which will give Auriga 100% ownership of the property, is expected to close on or about November 15, 2011.	Auriga Gold Corp.	Indicated & Inferred	31,485	\$2.96	\$2.80
Destiny Gold	Quebec	Next Gen announced Commencement of the Option for the Destiny project, as well as 4.55M common shares of Next Gen and 4M Next Gen share purchase warrants exercisable into 4M common shares at varying prices until September 26, 2015.	Next Gen Minerals Inc.	Indicated & Inferred	60,450	\$5.15	\$4.68
Fenn-Gib Gold	Ontario	Lake Shore Gold announced it will acquire Fenn-Gib from Barrick Gold for \$62.6 million (C\$60 million) in shares. Lake Shore will issue 14.9 million shares (worth \$62.6 million) to complete the transaction, and Barrick will receive about 14.4 million of those shares (worth \$60 million), representing a 3.6% stake in Lake Shore. Barrick will retain a back-in right for a 51% interest if a minimum resource estimate of 5 million oz of gold is confirmed.	Lake Shore Gold Corp.	Indicated & Inferred	1,919,000	\$21.49	\$23.05

Source: Intierra subscription database, compiled by SRK for North America

In analysing the transactions, the Holy Terror and Maverick transactions were discarded as outliers, and the remaining eight transactions were analysed. The US\$/oz value derived for each transaction was normalised to the August 2012 average gold price. The transaction value and monthly average gold price are shown in Figure 6-1.



**Figure 6-1: Chart summarising transaction value and monthly average gold price for the comparable resources transactions in Table 6-1**

Note: The Holy Terror transaction is not included in this chart as it is not considered comparable.

Given the variable and upward trending gold price over the analysis period, SRK normalised all of the remaining eight transactions to the average August 2012 gold price and this normalised value is quoted in Table 6-1. Allowing larger resources to carry greater influence than smaller resource figures, the analysis used the weighted average of the eight remaining gold transactions being US\$15.3/oz Au, when normalised to the August 2012 gold price.

SRK chose to apply a weighted average value, based on the total resources using both the comparable transactions and the market metrics (i.e. normalising against the gold price). Based on this weighted average, SRK applied a preferred value of US\$15.3/oz Au which was used to estimate our preferred value with the lower and upper valuations estimated as the weighted average plus 35% and the weighted average minus 35% respectively. This variation was selected to be consistent with the level of accuracy that typically might be attributed to inferred resources and properties at this stage of development. The valuation was converted to Australian Dollars based on an average exchange rate for 2012 of AU\$/US\$ of 1.04 to September 2012.

This value range was applied to the Cameron Gold Project Resource to estimate a market value for the 1,397,200oz Au Resource (at 1.0g/t Au cut-off) stated previously.

**The resulting valuation for the Cameron Gold Project Mineral Resources ranged from a low value of AU\$13.4M to a high value of AU\$27.7M with a preferred value of AU\$20.6M.**

## 6.2 Appraised value of Cameron Project

In order to compare the valuation produced by a comparable transaction method against a valuation adopting another approach, SRK contacted Coventry to provide a summary of previous exploration expenditure on the Cameron property.

### 6.2.1 Recent exploration expenditure

Coventry completed the 100% acquisition of the Cameron property in 2010, announcing completion of the purchase in an ASX release dated 21 April 2012. Subsequent exploration expenditure was supplied as follows:

- For the year to 30 June 2010 expenditure was CA\$9,517,854
- For the year to 30 June 2011 expenditure was CA\$5,881,891
- For the year to 30 June 2012 expenditure was CA\$5,590,451

Based on the data supplied by Coventry, recent exploration expenditure on the Cameron Property has totalled approximately CA\$20.99 million covering the three financial years since Coventry acquired the Project, up to June 2012. Coventry states that this includes a project acquisition cost of CA\$6 million to purchase the property. SRK assumes that this includes expenditure on regional prospects, but considers that the majority of the expenditure is likely to have been incurred on the Cameron resource.

This was converted to Australian Dollars based on an average exchange rate for 2012 of AU\$/CA\$ of 1.02 to September 2012. This provides a value of AU\$20.6 million which is within the range provided by the comparable transactions method. However, SRK prefers to rely on the comparable transaction method as it considers this approach provides a market value for the property.

## 7 Conclusions

Coventry commissioned SRK to prepare an Independent Mineral Asset Valuation Report for its Cameron Gold Project in Ontario, Canada. The report is to be relied on by BDO within its IER in relation to a possible merger via Scheme of Arrangement with Crescent. The Report has been prepared under the guidelines provided by the VALMIN Code, which incorporates the JORC Code and the final valuation is current at 7 September 2012 and provided in AU\$.

The Cameron Gold Project is an advanced exploration project located in the southern part of Western Ontario, Canada about 80 km southeast of the town of Kenora. Coventry acquired the property in 2010 and has since conducted exploration to define a Mineral Resource on the property with gold mineralisation hosted within the Rowan Lake greenstone belt. Mineralisation at Cameron is primarily disseminated sulphide replacement style with quartz-sulphide stockwork and quartz breccia veins and demonstrates a temporal association to porphyry intrusive bodies that occur through the greenstone sequence.

Exploration by Coventry has amounted to approximately CA\$21 million over three years since acquisition and has included primarily diamond drilling along strike and down dip of mineralisation identified by previous explorers. The mineralisation remains open at depth and along strike to the northwest. Coventry is currently undertaking a preliminary economic assessment on the project, but results of this study are not yet available.

Several early stage exploration prospects have also been identified within the licenses that make up the Cameron Project. However, SRK was instructed by Coventry that any resource extensions and regional prospects are not considered material to the proposed transaction and should not be included within the valuation report.

Coventry states a current total resource estimate for the Cameron Project as 19.4 Mt @ 2.24 g/t gold for 1,397,200 ounces of gold (using a 1.0 g/t gold cut-off) (<http://www.coventryres.com/> website accessed 05/09/12). SRK notes that the Mineral Resource Estimate has not been adjusted for previous underground extraction and understands that in 1987, underground development of about 65,000 m<sup>3</sup> of material was excavated and bulk sampling undertaken. SRK understands that, compared to the total volume of the resource, this volume is insignificant.

SRK undertook a valuation of the Cameron resource using a comparative market transaction approach. This was compared to the recent exploration expenditure made by Coventry on the project and the latter was found to be within the range of the valuation utilising the market transaction approach.

The comparable market transaction approach provided ten potentially comparable sales of gold exploration properties within North America over the past two years. Two of these were considered outliers, but using the remaining data base of eight Indicated and Inferred Resource transactions SRK derived a metric to apply to Coventry's stated mineral resource estimate to calculate a value for the project. Given the variable and upward trending gold price over the analysis period, SRK normalised the transactions to the average August 2012 gold price. Furthermore, allowing larger resources to carry greater influence than smaller resource figures, the analysis used the weighted average of the eight comparative gold transactions.

Using this approach, SRK applied a value of US\$15.3/oz Au which was used to estimate its preferred value with the lower and upper valuation ranges calculated at 35% above and below the preferred value. The valuation was converted to Australian Dollars based on an average exchange rate for 2012 of AU\$/US\$ of 1.04 to September 2012.

This value range was applied to the Cameron Gold Project Resource to estimate a market value for the 1,397,200oz Au Resource (at 1.0 g/t Au cut-off) stated previously.

**The resulting valuation for the Cameron Gold Project Mineral Resources ranged from a low value of AU\$13.4M to a high value of AU\$27.7M with a preferred value of AU\$20.6M.**

### Prepared by



Deborah Lord  
Principal Consultant (Project Evaluation)

### Reviewed by



Matthew Greentree  
Principal Consultant (Geology)

All data used as source material plus the text, tables, figures, and attachments of this document have been reviewed and prepared in accordance with generally accepted professional engineering and environmental practices.

## 8 References

- Bell, D R, 1982. Report on Property of LockWood Petroleum INC. in the Cameron – Beggs Lakes Area – District of Kenora, Ontario, Canada – December 1982.
- DataGeo Geological Consultants, 2012. Technical Report - Cameron Gold Project, Western Ontario, Canada.
- Melling, D R, 1986. Geological setting, structure, and alteration associated with gold-pyrite mineralization in mafic volcanic rocks at Cameron Lake, Wabigoon Subprovince, northwestern Ontario, unpublished MSc Thesis, Carleton University, Ottawa, 112p.

## **Appendix A: List of Licences, Patents and Claims, Cameron Gold Project**

M/I	Township/Area	Lease Number	Recording Date	Claim Due Date	Status	Percent Option	CLM No	Claim Numbers
	ROWAN LAKE AREA	<a href="#">108400</a>	2009-Jul-01	2030-Jun-30	Active	100%	CLM305	K465069-K465075, K465351-K465358, K519950-K519965, K561022-K561025, K666295
	ROWAN LAKE AREA	<a href="#">108400</a>	2009-Jul-01	2030-Jun-30	Active	100%	CLM306	K386816-K386818, K386888-K386900, K533901-K533908, K666294
	ROWAN LAKE AREA	<a href="#">108466</a>	2006-May-01	2027-April -30	Active	Earning in	CLM289	K527548-K527567

PATENTS	Township/Area	Patent Number	PIN Number	Claim Due Date	Status	Percent Option	Claim Numbers	Comments
	ROWAN LAKE AREA	PA8841	42185-0720 (LT)	-	Active	100%	K2766	mining rights only
	ROWAN LAKE AREA	PA8842	42185-0722 (LT)	-	Active	100%	K2767	mining rights only
	ROWAN LAKE AREA	PA8843	42185-0724 (LT)	-	Active	100%	K2768	mining rights only
	ROWAN LAKE AREA	PA9901	42185-0726 (LT)	-	Active	100%	K4712	mining rights only

M/O	Township/Area	Lease Number	Recording Date	Claim Due Date	Status	Percent Option	Claim Numbers
	ROWAN LAKE AREA	10384	1941-Apr-01	-	Active	100%	K4709
	ROWAN LAKE AREA	10405	1941-Apr-01	-	Active	100%	K4711
	ROWAN LAKE AREA	10406	1941-Apr-01	-	Active	100%	K4710
	ROWAN LAKE AREA	10407	1941-Apr-01	-	Active	100%	K4712
	ROWAN LAKE AREA	3366	1935-Feb-01	-	Active	100%	K2767
	ROWAN LAKE AREA	3367	1935-Feb-01	-	Active	100%	K2768

M/I	Township/Area	Claim Number	Recording Date	Claim Due Date	Status	Percent Option	Work Required	Total Applied
	ROWAN LAKE AREA	<a href="#">1105444</a>	1995-May-12	12-May-2013	Active	100%	\$4,000	\$60,000
	ROWAN LAKE AREA	<a href="#">1105445</a>	1995-May-12	12-May-2013	Active	100%	\$400	\$6,000
	ROWAN LAKE AREA	<a href="#">1161574</a>	1995-May-12	12-May-2013	Active	100%	\$1,600	\$24,000
	ROWAN LAKE AREA	<a href="#">1161575</a>	1995-May-12	12-May-2013	Active	100%	\$1,600	\$24,000
	ROWAN LAKE AREA	<a href="#">1210120</a>	1996-Mar-04	04-March-2013	Active	100%	\$3,200	\$44,800
	ROWAN LAKE AREA	<a href="#">1210121</a>	1996-Mar-04	04-March-2013	Active	100%	\$800	\$11,200
	ROWAN LAKE AREA	<a href="#">1210122</a>	1996-Feb-06	06-February-2013	Active	100%	\$4,400	\$61,600
	ROWAN LAKE AREA	<a href="#">1210123</a>	1996-Feb-06	06-February-2013	Active	100%	\$4,800	\$67,200
	ROWAN LAKE AREA	<a href="#">1210124</a>	1996-Feb-06	06-February-2013	Active	100%	\$4,800	\$67,200
	ROWAN LAKE AREA	<a href="#">1210125</a>	1996-Feb-06	06-February-2013	Active	100%	\$6,000	\$84,000
	ROWAN LAKE AREA	<a href="#">1210126</a>	1996-Feb-06	06-February-2013	Active	100%	\$6,000	\$84,000
	ROWAN LAKE AREA	<a href="#">1210128</a>	1996-Jan-23	23-January-2013	Active	100%	\$400	\$5,600
	ROWAN LAKE AREA	<a href="#">1210129</a>	1996-Jan-23	23-January-2013	Active	100%	\$400	\$5,600
	ROWAN LAKE AREA	<a href="#">1210130</a>	1996-Jan-23	23-January-2013	Active	100%	\$800	\$11,200
	ROWAN LAKE AREA	<a href="#">1210131</a>	1996-Jan-23	23-January-2013	Active	100%	\$3,600	\$50,400
	ROWAN LAKE AREA	<a href="#">1210132</a>	1996-Jan-23	23-January-2013	Active	100%	\$2,000	\$28,000
	ROWAN LAKE AREA	<a href="#">1210133</a>	1996-Jan-23	23-January-2013	Active	100%	\$1,600	\$22,400
	ROWAN LAKE AREA	<a href="#">1210134</a>	1996-Jan-23	23-January-2013	Active	100%	\$2,400	\$33,600
	ROWAN LAKE AREA	<a href="#">1210135</a>	1996-Jan-23	23-January-2013	Active	100%	\$400	\$5,600
	ROWAN LAKE AREA	<a href="#">1210136</a>	1996-Jan-23	23-January-2013	Active	100%	\$400	\$5,600
	ROWAN LAKE AREA	<a href="#">4248906</a>	2010-Mar-11	11-March-2014	Active	Earning in	\$1,600	\$3,200
	ROWAN LAKE AREA	<a href="#">4254297</a>	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$800	\$800
	ROWAN LAKE AREA	<a href="#">4258281</a>	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$4,400	\$4,400
	ROWAN LAKE AREA	<a href="#">4258282</a>	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$4,800	\$4,800
	ROWAN LAKE AREA	<a href="#">4258283</a>	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$3,200	\$3,200
	ROWAN LAKE AREA	<a href="#">4258284</a>	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$5,600	\$5,600
	ROWAN LAKE AREA	<a href="#">4258285</a>	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$4,000	\$4,000
	ROWAN LAKE AREA	<a href="#">4258286</a>	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,000	\$6,000
	ROWAN LAKE AREA	<a href="#">4258287</a>	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$3,600	\$3,600
ROWAN LAKE AREA	<a href="#">4258288</a>	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$5,600	\$5,600	
ROWAN LAKE AREA	<a href="#">4258289</a>	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$4,800	\$4,800	
ROWAN LAKE AREA	<a href="#">4258290</a>	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,000	\$6,000	

CA	Township/Area	Claim Number	Recording Date	Claim Due Date	Status	Percent Option	Work Required	Total Applied
	TADPOLE LAKE AREA	4258291	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$4,800	\$4,800
	TADPOLE LAKE AREA	4258292	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,400	\$6,400
	ROWAN LAKE AREA	4258421	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,000	\$6,000
	ROWAN LAKE AREA	4258422	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,400	\$6,400
	ROWAN LAKE AREA	4258423	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,400	\$6,400
	ROWAN LAKE AREA	4258424	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,000	\$6,000
	BROOKS LAKE AREA	4258425	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,400	\$6,400
	ROWAN LAKE AREA	4258426	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$5,600	\$5,600
	ROWAN LAKE AREA	4258427	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,400	\$6,400
	ROWAN LAKE AREA	4258428	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$3,200	\$3,200
	ROWAN LAKE AREA	4258429	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$4,400	\$4,400
	ROWAN LAKE AREA	4258430	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$1,600	\$1,600
	ROWAN LAKE AREA	4258431	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$4,800	\$4,800
	ROWAN LAKE AREA	4258432	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,400	\$6,400
	LAWRENCE LAKE AREA	4258433	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,400	\$6,400
	LAWRENCE LAKE AREA	4258434	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,400	\$6,400
	LAWRENCE LAKE AREA	4258435	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,400	\$6,400
	LAWRENCE LAKE AREA	4258436	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,400	\$6,400
	LAWRENCE LAKE AREA	4258437	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,400	\$6,400
	LAWRENCE LAKE AREA	4258438	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,400	\$6,400
	LAWRENCE LAKE AREA	4258439	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,400	\$6,400
	LAWRENCE LAKE AREA	4258440	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,400	\$6,400
	ROWAN LAKE AREA	4258441	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$4,800	\$4,800
	ROWAN LAKE AREA	4258442	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$2,000	\$2,000
	ROWAN LAKE AREA	4258443	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$4,800	\$4,800
	ROWAN LAKE AREA	4258444	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$5,200	\$5,200
	ROWAN LAKE AREA	4258445	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$1,200	\$1,200
	ROWAN LAKE AREA	4258446	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$2,000	\$2,000
	ROWAN LAKE AREA	4258447	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$6,000	\$6,000
	ROWAN LAKE AREA	4258448	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$4,800	\$4,800
	ROWAN LAKE AREA	4258449	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$3,200	\$3,200
	ROWAN LAKE AREA	4258450	2010-Sep-20	20-September-2012	Renewal Pending	100%	\$4,000	\$4,000

Licences with "Renewal Pending" have had monies applied to each in terms of work for assessment, which are awaiting acceptance by the Ministry of Northern Development and Mines (MNDM) as the work applied covers the minimum required to maintain the claims, then automatic renewal of the claims will occur once these are proceed administratively.

## SRK Report Client Distribution Record

Project Number: CVN001

Date Issued: 8 November 2012

Name/Title	Company
Tony Goddard	Coventry Resources Limited

Rev No.	Date	Revised By	Revision Details
0	10/09/2012	Deborah Lord	Draft report issued
1	13/09/2012	Deborah Lord	Final report issued
2	17/09/2012	Deborah Lord	Final report re-issued
3	09/10/2012	Matthew Greentree	Final report re-issued
4	02/11/2012	Deborah Lord	Final report re-issued
5	07/11/2012	Deborah Lord	Final report re-issued
6	08/11/2012	Deborah Lord	Final report re-issued
7	08/11/2012	Deborah Lord	Final report re-issued

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