

## FORM 7

### MONTHLY PROGRESS REPORT

Name of CNQ Issuer: Covenant Resources Ltd. (the "Issuer").

Trading Symbol: CVRL

Number of Outstanding Listed Securities: 16,490,000

Date: Month of June 2008

#### **Report on Business**

- 1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.**

On June 12, 2008, the Issuer completed its initial public offering (the "IPO") and issued 4,950,000 common shares at \$0.15 per share for gross proceeds of \$742,500. On June 16, 2008, the Issuer was listed on the CNQ. During June, the Issuer continued its exploration activities on its Piebiter Property.

- 2. Provide a general overview and discussion of the activities of management.**

During the first half of the month, management was focused on completing the IPO and listing on the CNQ. Management also met with investment dealers to raise awareness of the Issuer in the investment community.

- 3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.**

There were no new drilling, exploration or production programs nor any acquisitions of any new properties during the month of June.

- 4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.**

The Issuer did not amend or abandon any exploration programs in June.

- 5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.**

The Issuer did not enter into any new business relationships with the Issuer's affiliates or third parties during June.

- 6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.**

Not applicable.

- 7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.**

The Issuer did not acquire or dispose of any assets during June.

- 8. Describe the acquisition of new customers or loss of customers.**

This is not applicable to the Issuer.

- 9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.**

This is not applicable to the Issuer.

- 10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.**

The Issuer did not hire, terminate or lay off any employees in June.

- 11. Report on any labour disputes and resolutions of those disputes if applicable.**

There were no labour disputes in June.

- 12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.**

There were no legal proceedings to which the issuer became a party in June.

**13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.**

Other than in the normal course of business, the issuer did not incur any indebtedness during June.

**14. Provide details of any securities issued and options or warrants granted.**

No new options nor warrants were issued or exercised during June.

**15. Provide details of any loans to or by Related Persons.**

There were no loans to or from any related person during June.

**16. Provide details of any changes in directors, officers or committee members.**

There were no changes in directors, officers or any committee members during June.

**17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.**

Mineral exploration is a speculative venture. There is no certainty that expenditure on exploration and development will result in the discovery of an economic ore body. Even if the Issuer finds mineral deposits, the deposits may be insufficient in quantity and quality to return a profit from production.

The Issuer's viability and potential success lie in its ability to develop, permit, exploit and generate revenue out of mineral deposits. Revenues, profitability and cash flow from any future mining operations involving the Issuer will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices have fluctuated widely and are affected by numerous factors beyond the Issuer's control.

The Issuer has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its Piebiter Property or to fulfill its obligations under applicable agreements. There can be no assurance that the Issuer will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its property interests with the possible dilution or loss of such interests.

*A full description of the trends and risk factors which may impact the Issuer are disclosed in the Issuer's amended and restated prospectus dated April 8, 2008 and in the Form 2A-Listing Statement dated June 16, 2008.*

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNQ that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNQ Requirements (as defined in CNQ Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated July 2, 2008.

M. Douglas Walker  
Name of Director or Senior Officer

"M. Douglas Walker"  
Signature

President/CEO/Director  
Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer	For Month End	Date of Report YY/MM/D
Covenant Resources Ltd.	June	08/07/02
Issuer Address		
Suite 500 – 625 Howe Street		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, BC V6C 2T6	1 – 866 - 256 – 9719	780-439-8995
Contact Name	Contact Position	Contact Telephone No.
M. Douglas Walker	President	780-439-8995
Contact Email Address	Web Site Address	
<a href="mailto:doug@capitalwestventures.com">doug@capitalwestventures.com</a>	<a href="http://www.covenantresources.ca">www.covenantresources.ca</a>	