FORM 5

QUARTERLY LISTING STATEMENT

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

Trading Symbol: **CVA**

Number of Outstanding Listed Securities: **16,940,000**

Quarter ended: **December 31, 2008**

SCHEDULE A: FINANCIAL STATEMENTS

See the attached financial statements for the interim period ending December 31, 2008.

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. Related Party transactions

See the attached financial statements and MD&A for the interim period ending December 31, 2008.

2. Summary of securities issued and options granted during the period.

(a) summary of securities issued during the period:

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
October 1, 2008	Common Shares	Issued for services	300,000	$0.10	$nil	Management Bonus	President -Related Party	$nil
October 31, 2008	Common Shares	Issued pursuant to property option agreement	150,000	$0.10	$nil	Option on property	Property Optionor	$nil

(b) summary of options granted during the period:

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
October 1, 2008	375,000	Frank Port, President	n/a	$0.10	October 1, 2013	$0.10

3. Summary of securities as at the end of the reporting period.
Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

(b) number and recorded value for shares issued and outstanding,

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Shares Authorized	Issued & Outstanding	Options	Warrants/ Covertible Securities	Escrow Securities
Common Shares, unlimited number of shares	16,940,000 common shares issued and outstanding; the recorded value for shares issued and outstanding is $963,152	1,600,000	495,000 warrants exercisable at a price of $0.15 per share until June 12, 2010	5,400,000 common shares

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Frank Port – CEO, President and Director
Christopher Gulka – CFO, Secretary and Director
M. Douglas Walker –Director
J. Greg Dawson – Director
Robert McGowan – Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

See the attached MD&A for the interim period ending December 31, 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 Quarterly Listing Statement.

2. As of the date hereof there 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 5 Quarterly Listing Statement is true.

Dated February 27, 2009

Christopher Gulka
Name of Director or Senior Officer

"Christopher Gulka"
Signature

CFO/Director
Official Capacity

Issuer Details Name of Issuer Covenant Resources Ltd.	For Quarter Ended December 31, 2008	Date of Report YY/MM/D 2009/02/27
Issuer Address P.O. Box 1164, Stn. M		
City/Province/Postal Code Calgary, AB, T2P 2K9	Issuer Fax No. 1 – 866 - 256 – 9719	Issuer Telephone No. 778-294-1110
Contact Name Christopher Gulka	Contact Position CFO	Contact Telephone No. 403-262-2803
Contact Email Address chris@covenantresources.com	Web Site Address www.covenantresources.com	

Covenant Resources Ltd.

FINANCIAL STATEMENTS

For the three months ended December 31, 2008

(Unaudited – Prepared by Management)

BALANCE SHEETS

STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND DEFICIT

STATEMENTS OF CASH FLOWS

NOTES TO FINANCIAL STATEMENTS

Notice to Reader

We, the management, have compiled the unaudited interim financial statements of Covenant Resources Ltd. ("the Company") consisting of the interim balance sheet as at December 31, 2008 and the statement of loss, comprehensive loss, and deficit, and the statement of cash flows for the three months then ended and the notes thereto. In accordance with National Policy 51-102 the Company discloses that the interim financial statements have not been reviewed or audited by external auditors.

Covenant Resources Ltd.
BALANCE SHEETS
(Unaudited - Prepared by Management)

	December 31, 2008	September 30, 2008
ASSETS		
Current assets		
Cash	**$ 586,156**	$ 674,761
Accounts receivable	**3,965**	4,164
Prepaid expenses	**1,354**	-
	591,475	678,925
Mineral properties and deferred exploration costs (Note 4)	**211,400**	164,350
Computer equipment and website development	**3,834**	-
	$ 806,709	$ 843,275
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 58,471**	$ 39,978
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	**963,152**	918,152
Contributed Surplus	**164,700**	164,700
Deficit	**(379,614)**	(279,555)
	748,238	803,297
	$ 806,709	$ 843,275

SEE ACCOMPANYING NOTES

STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND DEFICIT
For the Three Months Ended December 31, 2008
(Unaudited - Prepared by Management)

	Three months ended December 31	
	2008	2007
Interest income	**$ 2**	$ 1,838
General and administrative expenses		
Management consulting (Note 6)	**64,800**	13,800
Office	**14,609**	5,558
Professional fees	**20,652**	1,528
	100,061	20,886
Net loss and comprehensive loss	**(100,059)**	(19,048)
Deficit, beginning of period	**(279,555)**	(59,278)
Deficit, end of period	**$ (379,614)**	$ (78,326)
NET LOSS PER SHARE, basic and diluted (Note 5(h))	**$ (0.03)**	$ (0.01)

SEE ACCOMPANYING NOTES

Covenant Resources Ltd.
STATEMENTS OF CASH FLOWS
For the Three Months Ended December 31, 2008
(Unaudited - Prepared by Management)

	Three months ended December 31	
	2008	2007
OPERATING ACTIVITIES		
Net loss	**$ (100,059)**	$ (19,048)
Changes in non-cash working capital		
Accounts receivable	**199**	(3,499)
Prepaid expenses	**(1,354)**	9,200
Accounts payable, excluding amounts relating to mineral properties and deferred exploration costs and deferred share issuance costs	**18,493**	(2,175)
	(82,721)	(15,522)
INVESTING ACTIVITY		
Acquisition of mineral properties and deferred explorations costs, net, including amounts in accounts payable	**(35,884)**	(33,383)
FINANCING ACTIVITY		
Issuance of share capital for management bonus (note 5(e))	**30,000**	-
Deferred share issuance costs, net, including amounts in accounts payable	**-**	(46,764)
	30,000	(46,764)
Net decrease in cash	**(88,605)**	(95,669)
Cash, beginning of period	**674,761**	374,780
Cash, end of period	**$ 586,156**	$ 279,111

Non-cash transactions excluded from the statement of cash flows:
The acquisition of mineral properties and deferred exploration costs in the amount of $15,000 in exchange for common shares (note 5(c)).

SEE ACCOMPANYING NOTES

1. Nature and continuance of operations

Covenant Resources Ltd. (the "Company") was incorporated under the British Columbia Business Corporations Act on February 23, 2007. The Company is in the development stage and is in the process of exploring its mineral property and has not yet determined whether this property contains mineral reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and deferred exploration costs is dependent upon the discovery of economically recoverable mineral reserves and confirmation of the Company's interest in the underlying mineral property, the ability of the Company to obtain necessary financing to complete the development of the property and upon future profitable production or proceeds from the disposition thereof.

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company incurred a loss of $100.059 for the period ended December 31, 2008 (2007 - $19,048), and has an accumulated deficit of $379,614 at December 31, 2008 (2007 - $78,326). The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

2. Significant accounting policies

a) Basis of presentation
The financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates that have been made using careful judgment. Actual results may vary from these estimates.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

b) Mineral properties and deferred exploration costs
The amount shown for mineral properties and deferred exploration costs includes the direct costs of acquiring, maintaining, exploring, and developing properties, and other costs directly related to specific properties. All other costs, including administrative overhead are expensed as incurred. Mineral properties acquired for share consideration are recorded at the fair value of the shares at the date of acquisition. Exploration and development costs relating to these properties are deferred until the properties are brought into production, at which time the costs are amortized on the unit-of-production basis over economically recoverable reserves, or until the properties are abandoned or sold, at which time the costs are written off. Mineral properties are abandoned when the claims

are no longer in good standing or the agreements covering the claims are in default and, in either case, management has determined that abandonment is appropriate. Management reviews the carrying value of mineral properties and deferred exploration costs on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property.

c) Measurement uncertainty
The valuation of the mineral properties and deferred exploration costs is based on management's best estimate of the future recoverability of these assets.

Assumptions used in the determination of the fair value of stock options and warrants issued are based on estimates of the volatility of the Company's stock price, expected lives of the options and warrants, expected dividends and other relevant assumptions.

Future income taxes are based on estimates as to the timing of the reversal of temporary differences and tax rates currently substantively enacted.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements from changes in such estimates in future periods could be significant.

d) Asset retirement obligations
The Company recognizes a liability for retirement obligations associated with long-lived assets, which includes the abandonment of mineral properties and returning the property to its original condition.

The Company recognizes the fair value of the liability for an asset retirement obligation in the period in which it is incurred and records a corresponding increase in the carrying value of the related long-lived assets. Fair value is estimated using the present value of the estimated future cash outflows to abandon the asset at the Company's credit adjusted risk-free interest rate. The liability is subsequently adjusted for the passage of time, and is recognized as an accretion expense in the consolidated statement of income. The liability is also adjusted due to revision in either the timing or the amount of the original estimated cash flows associated with the liability. The increase in the carrying value of the asset is amortized on the same basis as mineral properties and deferred exploration costs.

The Company has not incurred any asset retirement obligations relating to its activities to December 31, 2008.

e) Income taxes
Income taxes are accounted for using the liability method of income tax allocation. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities, as well as for the benefits from tax losses and deductions that cannot be identified with

particular assets or liabilities provided these tax benefits are more likely-than-not to be realized. Future income tax assets and liabilities are determined based on the tax laws and rates that are anticipated to apply in the period of realization.

f) Stock-based compensation
Stock options granted pursuant to the Company's stock option plan to employees, directors, officers and consultants are accounted for using the fair value method. The compensation cost for options and warrants granted is recognized over the vesting period with a corresponding increase to contributed surplus. Upon exercise of options and warrants, the consideration paid by the option and warrant holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital. The Company uses the Black-Scholes option valuation model to calculate the fair value of options and warrants at the date of grant.

g) Basic and diluted loss per share
Basic loss per share is computed by dividing the loss for the period by the weighted-average number of common shares outstanding during the period. Diluted loss per share is calculated using the Treasury Stock Method, whereby it is assumed that the proceeds received on the exercise of in-the-money stock options are used to repurchase Company shares at the weighted-average market price during the period.

h) Deferred share issuance costs
Costs relating to an initial public offering ("IPO") were deferred and were charged to share capital upon the issuance of the shares.

3. Changes in accounting policies and future accounting pronouncements

Effective October 1, 2007, the Company adopted the following new Canadian Institute of Chartered Accountants ("CICA") sections:

- Section 1530, "Comprehensive Income"
- Section 3855, "Financial Instruments – Recognition and Measurement"
- Section 3865, "Hedges"
- Section 3862, "Financial Instruments – Disclosure"
- Section 3863, "Financial Instruments – Presentation", and
- Section 1535, "Capital Disclosures"

These new accounting standards provide requirements for the recognition and measurement, disclosure and presentation of financial instruments, the optional use of hedge accounting and required capital disclosures. The standards have been adopted prospectively and there was no effect on the financial results of current or prior periods as a result of adopting these standards.

Comprehensive income
Section 1530 establishes standards for the reporting and presenting of comprehensive income and other comprehensive income. Comprehensive income is defined as the change in equity from transactions and other events from non-owner sources and other comprehensive income comprises revenues, expenses, gains and losses that, in accordance with Canadian generally

accepted accounting principles ("GAAP"), are recognized in comprehensive income but excluded from net loss.

Financial instruments – recognition and measurement
Section 3855 prescribes when a financial asset, financial liability, or non-financial derivative is to be recognized on the balance sheet and at what amount, requiring fair value or cost-based measures under different circumstances. All financial instruments must be classified as one of the following five categories: held-for-trading; held-to-maturity instruments; loans and receivables; available-for-sale financial assets; or other financial liabilities. All financial instruments, with the exception of loans and receivables, held-to-maturity investments and other financial liabilities measured at amortized cost are reported on the balance sheet at fair value. Subsequent measurement and changes in fair value will depend on their initial classification. Available-for-sale financial assets are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in the statement of loss.

Derivatives
All derivative instruments, including embedded derivatives, are recorded on the balance sheet at fair value unless they qualify for the normal sale and purchase exception. All changes in fair value are included in earnings unless cash flow hedge or net investment accounting is used, in which case, changes in fair value are recorded in other comprehensive income to the extent the hedge is effective, and in earnings to the extent it is ineffective.

Hedge accounting
Section 3865 establishes standards for when and how hedge accounting may be applied. Hedge accounting continues to be optional. At the inception of a hedge, the Company must formally document the designation of the hedge, the risk management objective, the hedging relationships between the hedged items and the hedging items and the methods for testing the effectiveness of the hedge. Assessments are made both at inception of the hedge and on an ongoing basis to determine if the derivatives that are designated as hedges are highly effective in offsetting changes in fair values or cash flows of hedged items.

For cash flow hedges that have been terminated or cease to be effective, prospective gains or losses on the derivative are recognized in the statement of loss. Any gain or loss that has been included in accumulated other comprehensive income at the time of the hedge is discontinued continues to be deferred in accumulated other comprehensive income until the original hedged transaction is recognized in the statement of loss. If the likelihood of the original hedged transaction occurring is no longer probable, the entire gain or loss in accumulated other comprehensive income related to this transaction is immediately reclassified to the statement of loss.

Financial instruments – disclosure and presentation
Handbook Sections 3862 Financial instruments, Disclosure and Section 3863 Financial Instruments, Presentation replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial

instruments and how the entity manages those risks. The Company has included disclosures required by Section 3862 in note 8 to these financial statements.

Capital disclosures
Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies, and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such noncompliance. The Company has included disclosures required by Section 1535 in note 9 to these financial statements.

Future Accounting Changes
The Company will adopt the new standard "*Goodwill and Intangible Assets*" (*Section 3064*) for its fiscal year beginning October 1, 2008. This Section replaces *Section 3062 "Goodwill and Other Intangible Assets"* and *Section 3450 "Research and Development Costs"*. The new Section establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards in *Section 3062*. The Company is currently evaluating the impact of the adoption of this new Section on its financial statements.

The Canadian Accounting Standards Board ("AcSB") in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AsCB strategic plan outlines the convergence of Canadian GAAP with International Financial Standards ("IFRS") over a five-year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly accountable enterprises to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to years beginning on or after January 1, 2011. The transition date for the Company of October 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2010. The Company is currently assessing the impact of the conversion from Canadian GAAP to IFRS on its results of operations, financial position, and disclosures and is in the process of developing an IFRS changeover plan. The plan will include an assessment of differences between Canadian GAAP and IFRS, accounting policy choices under IFRS, internal controls over financial reporting, potential system changes required, potential corporate governance changes and effects on internal controls and processes including resources and training required for employees. Initial activities include training sessions and acquisition of written standards and examples of IFRS disclosure. The Company will provide disclosures of the key elements of its plan and progress on the project as the information becomes available during the transition period.

4. Mineral properties and deferred exploration costs

On February 23, 2007, the Company entered into a Letter Agreement for the Option to acquire a 100% interest in the Piebiter property consisting of seven contiguous Mineral Titles Online ("MTO") claim tenures (the "Property"). The Company will earn a 100% interest in the Property, subject to a 3% Net Smelter Royalty ("NSR") in favour of the Optionor, by completing $1,000,000 in exploration, making payments of $450,000 to the Optionor and issuing 1,000,000 common shares to the Optionor on or before October 31, 2012.

The Company will complete exploration on the property according to the following schedule:

Exploration	Completed By
$100,000	October 31, 2007
$100,000	October 31, 2008
$200,000	October 31, 2009
$200,000	October 31, 2010
$200,000	October 31, 2011
$200,000	October 31, 2012
$1,000,000	Total

As the Company's initial public offering was not completed and shares not called for trading in sufficient time for the 2007 exploration program to be completed, the $100,000 required to be spent by October 2007 and the $100,000 required to be spent by October 2008 was allowed to be deferred and added to the 2009 exploration program, such that $400,000 in exploration will be required to be spent by October 31, 2009.

Excess expenditures from one year can be applied to the next. If there is a shortfall in exploration expenditures in any one year, the Agreement can be maintained in good standing by making a payment, in the equivalent cash, of the shortfall to the Optionor.

The Company will issue 1,000,000 shares to the Optionor, to be issued according to the following table and subject to regulatory approval.

No. Shares	Issuance Date
50,000	March 23, 2007
50,000	October 31, 2007
150,000	October 31, 2008
150,000	October 31, 2009
200,000	October 31, 2010
200,000	October 31, 2011
200,000	October 31, 2012
1,000,000	Total

In addition, the Optionor will receive an additional 250,000 shares on completion of a positive feasibility study and an additional 350,000 shares upon achievement of commercial production.

The Company will make payments to Optionor according to the following schedule:

Payment	Date
$10,000	March 2, 2007
$10,000	October 31, 2007
$25,000	October 31, 2008
$35,000	October 31, 2009
$70,000	October 31, 2010
$125,000	October 31, 2011
$175,000	October 31, 2012
$450,000	Total

The Optionor will retain a 3% NSR Royalty on the Property. The Company will have the right to purchase up to 2.0% of this royalty for $1 million per percentage point any time prior to the commencement of commercial production. Beginning on October 31, 2013 and annually thereafter, the Company will make an Annual Advance Minimum Royalty payment of $35,000, increasing to $50,000 annually on October 31, 2017 and thereafter. The payments will be adjusted annually according to the consumer price index with a base of October 31, 2012. Annual Advance Minimum Royalty payments are deductible from future NSR Royalty payments.

5. Share capital

a) Authorized:
Unlimited number of common shares without par value

b) Issued - common shares:

	Number	Stated Value
Balance, at incorporation	-	$ -
Issued for cash	11,440,000	489,500
Pursuant to acquisition of mineral properties and deferred exploration costs (Note 5(c))	50,000	2,500
Less: Share issuance costs	-	(25,464)
Balance, September 30, 2007	11,490,000	466,536
Pursuant to acquisition of mineral properties and deferred exploration costs (Note 5(c))	50,000	5,000
Initial Public Offering (Note 5(d))	4,950,000	742,500
Less: Share issuance costs	-	(295,884)
Balance, September 30, 2008	16,490,000	$ 918,152
Pursuant to management bonus (Note 5(e))	300,000	30,000
Pursuant to acquisition of mineral properties and deferred exploration costs (Note 5(c))	150,000	15,000
Balance, December 31, 2008	16,940,000	$ 963,152

Of the issued and outstanding common shares, 5,400,000 will be held in escrow pursuant to the requirements of the Escrow Agreement and will be released upon receipt of notice from the Canadian National Stock Exchange ("CNSX") (formerly the CNQ) as to 10% thereof on confirmation of the listing of the common shares on the CNSX and as to 15% thereof on each of the 6th, 12th, 18th, 24th, 30th, and 36th months following the initial release.

c) Pursuant to a letter agreement (Note 4) the Company issued 50,000 common shares at a value of $0.05 per share to the Optionor on March 23, 2007, 50,000 common shares at a value of $.10 per share to the Optionor on October 31, 2007, and 150,000 commons shares at a value of $0.10 on October 31, 2008.

d) On June 12, 2008, the Company completed its Initial Public Offering with the issuance of 4,950,000 common shares at $0.15 per share for gross proceeds of $ 742,500.

e) Pursuant to a management agreement with the president effective October 1, 2008, the Company paid the President a one-time bonus in the amount of $30,000 by the issuance of 300,000 common shares of the Company at a deemed price of $0.10 per share.

f) On June 12, 2008, the Company granted the agent non-transferable warrants to purchase up to an aggregate of 495,000 common shares at a price of $0.15 per share and which may be exercised for a period of 24 months from the date of the grant. As at December 31, 2008, 495,000 warrants remain outstanding and exercisable.

g) The Company has established a stock option plan for the benefit of employees, directors, officers, and consultants to the Company. On August 12, 2008, the Company granted an aggregate of 1,225,000 options to directors, officers, and consultants to purchase common shares at $0.15 per share for a period of five years from the date of grant. On October 1, 2008, the company granted 375,000 stock options to a director to purchase common shares at $0.10 per share for a period of five years from the date of grant. As at December 31, 2008, 1,600,000 stock options are outstanding and exercisable.

h) Net loss per share is calculated based on the basic and diluted weighted-average number of common shares outstanding during the period of 14,379,315 (2007 – 11,494,247).

6. Related party transactions

The Company has entered into consulting agreements with the CEO and the CFO, effective March 1, 2007 for a term of three years. The consulting agreements provide for a base fee payable to each consultant of $2,000 per month. The agreements can be terminated upon six month's written notice by the Company.

The Company has a consulting agreement with a director effective March 1, 2007, for a term of three years whereby the Company pays the director a base fee of $600 per month for geological consulting services. The agreement can be terminated with six month's written notice by the Company.

Upon termination of the above agreements or upon the occurrence of a change in control, each consultant is entitled to an amount equal to the number of months remaining until the expiry of the term of the agreements multiplied by the monthly base fee.

The CEO resigned from the Company effective December 31, 2008, and received a settlement of $12,000 in accordance with the terms of the termination of the consulting agreement.

Effective October 1, 2008, the Company entered into a management agreement with the President for a term of two years. The management agreement provides for a base fee payable of $3,000 per month. As additional consideration, the Company paid the President a one-time bonus in the amount of $30,000 by the issuance of 300,000 common shares of the Company at a deemed price of $0.10 per share.

The Company paid $64,800 in cash and shares during the period (2007 - $13,800) relating to these consulting agreements.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
The Company's cash consists of balances with a Canadian Chartered Bank. The Company's credit risk is primarily attributable to receivables. The Company has no significant concentration of credit risk arising from operations. Receivables consist of goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to cash and receivables is remote.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2008, the Company had a cash balance of $674,761 to settle current liabilities of $39,978. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As the Piebiter option agreement, pursuant to Note 4, has cash obligations that extend out to 2012, there is the potential risk that the Company would not be able to complete future financing sufficient to cover those obligations.

Market risk
Market risk is the risk that changes in market prices such as interest rates, foreign exchange rates, and commodity prices will affect the Company's net income or value of financial instruments.

a) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

b) Price risk

The Company is exposed to price risk with respect to commodity prices.

Fair value
The Company has designated its cash as held-for-trading, which is measured at fair value. Receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

As of September 30, 2008, the carrying amount of the Company's financial instruments approximates its fair value due to the short term to maturity.

8. Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management defines capital as the Company's shareholders' equity and working capital.

The properties in which the Company currently has an interest in are in the exploration stage, as such, the Company is dependent on external financing to fund its activities. The Company intends to supplement existing working capital by raising additional share capital to carry out the planned exploration and to pay for administrative costs. There is no certainty with regard to the availability of external financing in the future. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate available or committed financial resources to complete such acquisitions.

Management reviews its capital management approach on an interim basis. Management believes that its approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended September 30, 2008. The Company is not subject to externally imposed capital requirements.

FORM 51-102
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF OPERATING RESULTS AND FINANCIAL CONDITION OF
COVENANT RESOURCES LTD.
FOR THE THREE MONTHS ENDED DECEMBER 31, 2008

General

The following discussion and analysis should be read in conjunction with Covenant Resources Ltd. (the "Company") September 30, 2008 audited financial statements and accompanying notes. The following discussion and analysis contains forward-looking statements, which involve risks and uncertainty. These risks and uncertainties are detailed from time to time in publicly filed disclosure documents and securities commission reports of the Company. All currency amounts are stated in Canadian dollars unless otherwise noted.

Forward Looking Statements

This MD&A may contain certain forward-looking statement that involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, changes in government regulation, general economic condition, general business conditions, limited time being devoted to business by directors, escalating professional fees, escalating transaction costs, competition, fluctuation in foreign exchange rates, stock market volatility, unanticipated operating events and liabilities inherent in the mining industry. Readers are cautioned not to place undue reliance on forward-looking statements, which are effective only as of the date of the MD&A or as of the date otherwise specifically indicated herein.

Overview

Covenant Resources Ltd. was incorporated under the British Columbia Business Corporations Act on February 23, 2007. The Company is in the development stage and is in the process of exploring its mineral property and has not yet determined whether this property contains mineral reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and deferred exploration costs is dependent upon the discovery of economically recoverable mineral reserves and confirmation of the Company's interest in the underlying mineral property, the ability of the Company to obtain necessary financing to complete the development of the property and upon future profitable production or proceeds from the disposition thereof.

Basis of Presentation

Going Concern Uncertainty

The financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company incurred a loss of $100,059 (2007 - $59,278) for the three months ended December 31, 2008 and has an accumulated deficit of $379,614 (2007 – 78,326). The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

Results of Operations

The following analysis is of the Company's operating results for the three months ended December 31, 2008 and a comparison for the three month period ended December 31, 2007.

Revenue
The company generated $2 (2007 – $1,838) of interest income from funds in interest bearing accounts.

General and Administration Expenses
Company's General and Administrative Expenses were $100,061 (2007 - $20,886) for the three months ended December 31, 2008. These expenses are made up of management consulting fees of $64,800 (2007 – $13,800), office expenses of $14,609 (2007 – $5,558), and professional fees of $20,652 (2007 - $1,528). These costs increased as a result of the hiring of a new president and the severance package for the resigning president, as well as work on the Piebiter claims.

Net Loss for the period
The net loss for the three months ended December 31, 2008 was $100,059 (2007 - $19,048).

Liquidity and Capital Resources

During the three months ended December 31, 2008, the Company's operations consumed cash of $100,059 (2007 – $19,048), before providing for changes in working capital balances. The cash consumed is a result of management consulting fees, office expenses, and professional fees net of interest income received. Cash flow consumed relating to operating activities after the net change in working capital balances was $82,721 (2007 – $15,522) for the three months ended December 31, 2008. The increase in cash consumed relates mainly to the increase in operating costs.

Cash flows used in investing activities were $35,884 (2007 - $33,383), as a result of the acquisition of mineral properties and deferred exploration costs.

Cash flows generated from financing activities were $30,000 (2007 – cash flows used $46,764), net of share issuance costs. The cash flows generated in the period were from the issuance of share capital for a management bonus of the incoming president. The cash flows used in 2007 were from deferred share issuance costs.

Net cash consumed in the three months ended December 31, 2008 was $88,605 (2007 - $95,669).

The Company expects that cash and other current assets will be used to fund administrative expenses for 2009. However, the Company will require additional financing in order to continue funding administrative expenses and the exploration of its mineral properties. There can be no certainty of the Company's ability to raise additional financing through private placements, advances from related parties, or other sources.

Current economic conditions present will present the Company with more than normal challenges for future financings. Though the Company has sufficient cash to fund current operations, ongoing commitments with regard to the Piebiter property (Note 4) will require future financings.

Share Capital

The Company has 16,940,000 common shares outstanding as at December 31, 2008, and as at the date of this MD&A.

The Company completed its initial public offering (the "Offering") of 4,950,000 common shares (the "Shares") on June 12, 2008, for gross proceeds of $742,500. The agent for the Offering was Northern Securities Inc. The Company granted to the agent non-transferable warrants to purchase up to an aggregate of 495,000 shares at a price of $ 0.15 per share and which may be exercised for a period of 24 months from the day the Shares are listed on the Canadian Trading & Quotation System Inc. (the "Exchange"). The agent also received a cash commission equal to 10% of the gross proceeds of the Offering, as well as a corporate finance fee.

Of the issued and outstanding common shares, 5,400,000 will be held in escrow pursuant to the requirements of the Escrow Agreement and will be released upon receipt of notice from the CNQ as to 10% thereof on confirmation of the listing of the common shares on the CNQ and as to 15% thereof on each of the 6th, 12th, 18th, 24th, 30th and 36th month following the initial release.

Pursuant to a letter agreement (Note 4) the Company issued 50,000 common shares at a value of $0.05 per share to the Optionor on March 23, 2007, 50,000 common shares at a value of $.10 per share to the Optionor on October 31, 2007, and 150,000 commons shares at a value of $0.10 on October 31, 2008.

On June 12, 2008, the Company completed its Initial Public Offering with the issuance of 4,950,000 common shares at $0.15 per share for gross proceeds of $ 742,500.

Pursuant to a management agreement with the president effective October 1, 2008, the Company paid the President a one-time bonus in the amount of $30,000 by the issuance of 300,000 common shares of the Company at a deemed price of $0.10 per share.

On June 12, 2008, the Company granted the agent non-transferable warrants to purchase up to an aggregate of 495,000 common shares at a price of $0.15 per share and which may be exercised for a period of 24 months from the date of the grant. As at December 31, 2008, 495,000 warrants remain outstanding and exercisable.

The Company has established a stock option plan for the benefit of employees, directors, officers, and consultants to the Company. On August 12, 2008, the Company granted an aggregate of 1,225,000 options to directors, officers, and consultants to purchase common shares at $0.15 per share for a period of five years from the date of grant. On October 1, 2008, the company granted 375,000 stock options to a director to purchase common shares at $0.10 per share for a period of five years from the date of grant. As at December 31, 2008, 1,600,000 stock options are outstanding and exercisable.

There are no other options, warrants or other securities outstanding, as at December 31, 2008.

Critical Accounting Estimates

As the Company is currently inactive, there are no critical accounting estimates other than the ability of the Company to continue as a going concern and other than below.

- Stock-based compensation - See Note 5(e) of the audited financials statements.
- Future income taxes - See Note 6 of the audited financial statements

Summary of Quarterly Results

Results for the past quarters for selected financial statement amounts are as follows:

	31-Dec-08	30-Sep-08	30-Jun-08	31-Mar-08	31-Dec-07	30-Sep-07	30-Jun-07
Revenues	$ 2.00	$ -	$ 394.00	$ 1,106.00	$ 1,838.00	$ 2,642.00	$ -
Net loss	$ (100,059)	$ (167,312)	$ (19,475)	$ (14,442)	$ (19,048)	$ (25,493)	$ (33,785)
Net loss per share, basic and diluted	$ (0.03)	$ (0.02)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

The increase in net loss for the September 30, 2008 quarter was mainly the result the recording of stock-based compensation. The increase in net loss for the December 31, 2008 quarter over other quarters was mainly the result of increased management consulting fees based on the hiring of a new president and severance package for the resigning president. The variances in net loss each of the other quarters were mainly the result of the timing of legal and audit fees.

Contractual Obligations

The Company has no outstanding contractual obligations, other than the option agreement on the Piebiter property as outlined in Note 4 of the audited financial statements.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

The Company has entered into consulting agreements with the CEO and the CFO, effective March 1, 2007 for a term of three years. The consulting agreements provide for a base fee payable to each consultant of $2,000 per month. The agreements can be terminated upon six month's written notice by the Company.

The Company has a consulting agreement with a director effective March 1, 2007, for a term of three years whereby the Company pays the director a base fee of $600 per month for geological consulting services. The agreement can be terminated with six month's written notice by the Company.

Upon termination of the above agreements or upon the occurrence of a change in control, each consultant is entitled to an amount equal to the number of months remaining until the expiry of the term of the agreements multiplied by the monthly base fee.

The CEO resigned from the Company effective December 31, 2008, and received a settlement of $12,000 in accordance with the terms of the termination of the consulting agreement.

Effective October 1, 2008, the Company entered into a management agreement with the President for a term of two years. The management agreement provides for a base fee payable of $3,000 per month. As additional consideration, the Company paid the President a one-time bonus in the amount of $30,000 by the issuance of 300,000 common shares of the Company at a deemed price of $0.10 per share.

The Company paid $64,800 in cash and shares during the period (2007 - $13,800) relating to these consulting agreements.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Changes in Accounting Policies

The Company adopted changes in accounting policies during the period, as outlined in Note 3 in the September 30, 2008 audited financial statements.

Financial Instruments

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
The Company's cash consists of balances with a Canadian Chartered Bank. The Company's credit risk is primarily attributable to receivables. The Company has no significant concentration of credit risk arising from operations. Receivables consist of goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to cash and receivables is

remote.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2008, the Company had a cash balance of $674,761 to settle current liabilities of $39,978. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As the Piebiter option agreement, pursuant to Note 4, has cash obligations that extend out to 2012, there is the potential risk that the Company would not be able to complete future financing sufficient to cover those obligations.

Market risk
Market risk is the risk that changes in market prices such as interest rates, foreign exchange rates, and commodity prices will affect the Company's net income or value of financial instruments.

a) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

b) Price risk

The Company is exposed to price risk with respect to commodity prices.

Fair value
The Company has designated its cash as held-for-trading, which is measured at fair value. Receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

As of September 30, 2008, the carrying amount of the Company's financial instruments approximates its fair value due to the short term to maturity.

Additional Information
Additional information relating to the Company can be found on SEDAR at www.sedar.com

As the Company has not had significant revenue from operations in either of its last two financial year ends, below is additional information regarding material components of operations

a) Capitalized deferred exploration costs for the three months ended December 31, 2008 were $33,550 (2007 - $25,000). All costs relate to the sole property of the Company, the Piebiter project.
b) The Company has had not expensed research and development costs in either of the following two years.
c) There were no deferred development costs in either of the last two years;
d) General and administrative expenses for the three months ended December 31, 2008 were $100,061 (2007- $20,886).
e) There were no other material capitalized, deferred or expensed costs in the last two years.

Approval
The audit committee of the Company has approved the disclosure contained in this MD&A.

Dated: February 26, 2009