

ASX Release**31 January 2011****COVENTRY RESOURCES
LIMITED**

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Issued Capital:
173.73 million shares
33.8 million options

ASX Symbol: CVY

**QUARTERLY ACTIVITIES REPORT
DECEMBER 2010****HIGHLIGHTS****Cameron Gold Project**

- Additional drill testing of shallow mineralised shoots immediately along strike from the Cameron Gold Deposit completed (12 drill holes for 1,740 metres).
- Very encouraging intersections of shallow, high-grade gold mineralisation returned, including:
 - **16.0 metres at 3.53 g/t gold from 42.0 metres, including 5.0 metres at 6.28 g/t gold from 47.0 metres;**
 - **5.0 metres at 5.05 g/t gold from 68.0 metres; and**
 - **7.0 metres at 2.48 g/t gold from 46.0 metres**
- First past drill testing of the Beggs and Burke Prospects completed with numerous significant intersections recorded (16 drill holes for 2,966 metres).
- Results from the Beggs Prospect include:
 - **4.0 metres at 6.92 g/t gold from 69.6 metres, and**
 - **2.2 metres at 2.94 g/t gold from 56.9 metres**
- Results from the Burke Prospect include:
 - **2.0 metres at 4.45 g/t gold from 151.0 metres**
 - **4.0 metres at 2.50 g/t gold from 30.0 metres, including 1.0 metre at 6.32 g/t gold from 31.0 metres**
 - **2.0 metres at 3.11 g/t gold from 24.0 metres**
- First pass drill testing of the Ned Prospect completed (4 drill holes for 640 metres) – assay results pending.
- First pass diamond drilling program testing the highly-prospective Meston and Sullivan Prospects commenced.
- Two diamond core rigs now drilling, testing up to seven high-priority prospects and targets.
- High-resolution airborne magnetic survey covering the expanded project area completed.
- Second-stage Induced Polarisation (IP) geophysical surveying completed, totalling 77 line kilometres, with a further 40 line kilometres currently being acquired in a third-phase program.
- Ongoing compilation of historic data continues to reveal additional prospective gold occurrences and prospects associated with the Cameron and Monte Cristo Shear Zones that have been subject to minimal previous exploration.
- Environmental baseline studies continued as part of the permitting requirements for development of the Cameron Gold Deposit.

Corporate

- \$12 million placement closed heavily oversubscribed.
- Strong financial position with approximately \$12.7 million cash at December 31, 2010.

CAMERON GOLD PROJECT

During the December quarter the Company continued to aggressively explore its 100% owned +1Moz Cameron Gold Project in Ontario, Canada (Figure 1). Follow-up diamond drilling was undertaken to the north west of the Cameron Gold Deposit and first pass diamond drilling was undertaken at the Beggs, Burke, Ned and Meston Prospects.

Northwest Extension of the Cameron Gold Deposit

During the quarter the Company received analytical results for a further 12 drill holes (1,740 metres) completed along strike from the main mineralised zone at the Cameron Gold Deposit. The majority of these holes were drilled to test for shallow mineralisation where a series of high-grade mineralised shoots have been interpreted to be present.

Significant gold mineralisation has been intersected in a number of drill holes. Better results include:

- **16.0 metres at 3.53 g/t gold from 42.0 metres, including**
5.0 metres at 6.28 g/t gold from 47.0 metres;
- **5.0 metres at 5.05 g/t gold from 68.0 metres; and**
- **7.0 metres at 2.48 g/t gold from 46.0 metres**

These results confirm the Company's initial interpretation that additional plunging shoots of high-grade gold mineralisation are present at the north-western end of the Cameron Gold Deposit (see Figure 3). These shoots appear to be oriented sub-parallel to the high-grade zone that comprises the main component of the +1Moz indicated and inferred resource at the Cameron Gold Deposit. These shoots are expected to be amenable to open pit mining.

Further drilling is planned to better define the strike and depth extents of these shoots.

Beggs Prospect

The Beggs Prospect is located approximately 800 metres to the east of the Cameron Gold Deposit (see Figure 2). A total of 41 shallow holes have been drilled previously for 1,985 metres. Better results in previous drilling include:

- **3.2 metres at 17.45 g/t gold, and**
- **2.5 metres at 8.79 g/t gold.**

The mineralisation at the Beggs Prospect is open along strike and at depth. Recent mapping and sampling of historic trenches recorded assay values of up to 35.3 g/t and 20.0 g/t gold.

During the quarter the Company completed an initial drill test of the Beggs Prospect comprising 10 diamond core holes for 1,412 metres. Significant mineralisation was intersected in seven of the ten holes drilled. Better results include:

- **4.0 metres at 6.92 g/t gold from 69.6 metres**
- **2.2 metres at 2.94 g/t gold from 56.9 metres**
- **1.0 metre at 2.09 g/t gold from 1.5 metres**
- **1.0 metre at 1.73 g/t gold from 19.0 metres**

These results confirm that significant shallow gold mineralisation is present at the Beggs Prospect. Mineralisation remains open in all directions. Further follow-up drilling is being planned.

Burke Prospect

The Burke Prospect is located about three kilometres east of the Cameron Gold Deposit (see Figure 2). Previously only one hole has been drilled at the Burke Prospect. This hole returned six mineralised zones greater than 1.0 g/t gold, including:

- **3.5 metres at 13.72 g/t gold and
0.7 metres at 107.4 g/t gold**

Despite such results, no follow-up of this hole was ever undertaken. Recent mapping and sampling has identified quartz-carbonate-pyrite mineralisation in dolerite (diabase) at surface over a strike of more than 80 metres, with surface sampling returning results up to 2.3 g/t gold.

During the quarter the Company completed six diamond core holes at the Burke Prospect for 1,287 metres. Significant mineralisation was intersected in five of the six holes drilled. Better results include:

- **2.0 metres at 4.45 g/t gold from 151.0 metres**
- **4.0 metres at 2.50 g/t gold from 30.0 metres**
- **2.0 metres at 3.11 g/t gold from 24.0 metres**
- **1.0 metre at 2.86 g/t gold from 59.0 metres**
- **1.0 metre at 2.18 g/t gold from 33.0 metres**

Mineralisation at the Burke Prospect has now been delineated over more than 100 metres of strike. It remains open in all directions and at depth and appears to thicken towards the west. Further infill and extensional drilling is being planned.

Ned Prospect

The Ned Prospect is located approximately 900 metres north of the Cameron Gold Deposit and comprises a distinct chargeability anomaly delineated during IP surveying. The anomaly extends over a strike length of more than 600 metres. Follow-up geological mapping and sampling returned anomalous gold results along strike to the southeast of the main anomaly, up to 0.4 g/t gold. The geophysical anomaly itself is largely covered by till cover and swamp.

Four diamond drillholes (640 metres) were completed during the quarter to test the anomaly on the single IP survey line that was accessible prior to the onset of winter. The drilling intersected semi-massive and disseminated sulphides in a number of holes. Assays are pending.

Drilling has validated the VHMS target style that was anticipated. Infill IP surveying over this area was completed during December. Further drilling is planned.

Winter Drilling Program

The Company plans to drill-test numerous high priority prospects during the current northern hemisphere winter, when some areas may be more readily accessible for small drilling programs. Evaluation of these prospects will be undertaken on an iterative basis that may comprise multiple, staged, small drilling programs at each prospect, with further follow-up decisions made on a real-time basis as results come to hand. Some of these priority prospects are described below. Details on several additional but more recently identified high priority targets follow.

Meston Prospect

The Meston Prospect comprises a zone of gold mineralisation that is more than 350 metres long, and up to 20 metres wide. Glacial till obscures any further mineralisation beyond this. Sampling of this zone has returned anomalous rock samples up to **3.42 g/t gold**.

Previous surface sampling has returned results up to **18.5 metres at 6.56 g/t gold**. Largely ineffectual and non-systematic drilling returned intersections including **6.4 metres at 3.11 g/t gold** and **18.2 metres at 1.24 g/t gold**. The mineralisation is associated with structures related to the Monte Cristo Shear Zone, and comprises a number of styles in a number of differing lithologies. The mineralisation has a chargeable response in IP surveys. The Meston Prospect is highly-prospective and forms one of the Company's main targets for its winter drilling program. Drilling is currently underway at the Meston Prospect, with 20-25 diamond drill holes planned for the initial program.

Sullivan Prospect

The Sullivan Prospect is located about 900 metres along strike from and to the northeast of the Meston Prospect. The Sullivan Prospect comprises a zone of gold anomalous samples primarily within mineralised

porphyry. Sampling here has returned values up to **2.29 g/t gold** over a strike of 80 metres, and up to 50 metres in width. As with Meston, glacial till obscures the true dimensions of the outcropping mineralisation and alteration.

A historic shaft and workings and a number of shallow pits are all evident at the Prospect. Historic sampling of the workings has recorded assay values in the order of 3 g/t gold, with a peak assay of **7.78 ounces per ton gold**. Limited previous shallow diamond drilling has returned up to **0.8 metres at 1.25 g/t gold**. Previous drilling is however interpreted to be ineffectual.

The mineralisation at the Sullivan Prospect corresponds with a distinct chargeability IP anomaly. Drilling is currently in progress at the Sullivan Prospect, with 10-20 holes planned for the first pass program.

Victor Prospect

The Victor Prospect is the most advanced prospect within the project area (excluding the Cameron Gold Deposit). It is located approximately 10 kilometres along strike from the Cameron Gold Deposit, within the major Monte Cristo Shear Zone. A total of 41 holes have been drilled previously for 8,427 metres. Previous intersections in drilling include:

- **13.0 metres at 10.33 g/t gold, and**
- **8.2 metres at 9.02 g/t gold, and**
- **5.2 metres at 11.51 g/t gold**

The mineralisation at the Victor Prospect is open in all directions and at depth. First pass diamond drilling will focus on extending the known mineralisation both along strike and at depth, and confirming the current interpretation of the mineralisation's morphology. The current intention is to drill 10-20 diamond drill holes at this prospect in a first-pass assessment.

Monte Cristo Prospect

The Monte Cristo Prospect is located 1,000 metres along strike from and to the northeast of the Victor Prospect, also within the Monte Cristo Shear Zone. Limited previous drilling has returned results including:

- **14.6 metres at 5.22 g/t gold, and**
- **14.6 metres at 5.23 g/t gold, and**
- **16.4 metres at 4.04 g/t gold**

Mineralisation is open in all directions. First pass diamond drilling will focus on extending the known mineralisation both along strike and at depth, and confirming the current interpretation of the morphology of the mineralisation. 10-20 first pass diamond drill holes are planned.

Additional Targets Generated

Ongoing compilation of previous exploration data, combined with the Company's newly-acquired airborne magnetics, IP and mapping and sampling datasets has resulted in the identification of several additional high priority targets, including:

Cross Prospect – Located six kilometres east of the Cameron Gold Deposit within the Monte Cristo Shear Zone. A heavy media concentrate sample from a basal till sample collected by a previous explorer returned results up to **7,924 ppb gold**.

Martin Prospect – Located six kilometres east of the Cameron Gold Deposit and along strike from the Sullivan and Meston Prospects. A bottom-of-hole basement sample from reconnaissance till drilling by a previous explorer returned **0.47 g/t gold**. This prospect is adjacent to an interpreted felsic intrusive body emplaced in an area of structural complexity within the newly-interpreted Sullivan Fault Zone.

Kangaroo Prospect – Located eight kilometres east of the Cameron Gold Deposit. This prospect comprises a pronounced ovoid magnetic anomaly that is interpreted to be related to a felsic intrusive within the Monte Cristo Shear Zone. It lies within an area of structural complexity and alteration. Adjacent heavy media concentrate till samples by a previous explorer have returned **>30,000 ppb gold**.

Brent Prospect – Located ten kilometres east of the Cameron Gold Deposit within the Monte Cristo Shear Zone. Bottom-of-hole basement samples from till drilling by a previous explorer returned **1.71 g/t gold** and **0.16 g/t gold**, and heavy media concentrate samples returned **>20,000 ppb gold**. Limited follow-up bedrock-drilling has been undertaken. Better results include **4.6 metres at 2.95 g/t gold** from 51.2 metres; and **2.4 metres at 3.11 g/t gold** from 88.9 metres.

Many of these targets will be tested during the current winter drilling program. Details of the proposed drilling programs are still being prepared.

Geological Mapping and Sampling

Prior to the onset of the northern hemisphere winter, the Company completed systematic geological mapping and sampling of IP survey grid lines. This work has delineated a number of additional anomalous areas. The information generated will be integrated with other datasets to prioritise additional targets for drill testing. This work will continue during 2011 as more areas are surveyed with geophysics.

Geophysical Surveying

During the December quarter the Company completed a high-resolution, airborne magnetic gradiometer survey. A total of 3,291 line kilometres were completed with a 50 metre line spacing and a nominal 50m flying height. This data has been merged with a 2007 high-resolution survey to the south, resulting for the first time in high quality airborne magnetic coverage across the structures that host the numerous gold occurrences and prospects in the area (see Figure 3).

Ongoing interpretation of the airborne magnetic data has revealed a complex architecture comprising numerous subsidiary structures within the main Cameron and Monte Cristo Shear Zones. The data has also highlighted a number of new areas of distinct structural complexity for follow-up work, as well as directly targetable features interpreted to represent intrusive bodies.

Also during the December quarter, some 77 line kilometres of pole-dipole IP geophysical surveying was completed as part of a phase two IP program. In addition to extension of the previous IP survey coverage to the east, infill IP surveying was undertaken over the Cameron Gold Deposit area and to the north west, as well as at the Meston and Sullivan Prospects and surrounds. Numerous intersecting features have been identified, many with supporting geochemical anomalism. It is anticipated that these targets will be further evaluated during the second and third quarters of 2011.

Additional IP geophysical surveying is currently being undertaken over the eastern extents of the Monte Cristo Shear Zone, out to the Monte Cristo Prospect. This survey encompasses seven high-priority prospects scheduled for drill-testing in the coming weeks, including the Victor and Monte Cristo Prospects.

Permitting

During the quarter the Company advanced environmental baseline studies (EBS) over the project area, as part of its ongoing preparation of an Environmental Assessment that will be required for mine permitting.

ARDEEN GOLD PROJECT

No work was completed at the Ardeen Gold Project during the quarter. Follow up of significant gold anomalies delineated in regional till and humus sampling programs completed in late 2009 will be undertaken in the second and third quarters of 2011.

GENERATIVE

The Company continued to evaluate projects within the Superior Province in North America as a part of its overall growth strategy to discover and acquire additional gold resources.

CORPORATE

During the December quarter the Company completed a heavily oversubscribed placement to raise \$12 million. As a result the Company is suitably financed to aggressively advance the exploration and development of the Cameron Gold Project.

Mike Haynes
Executive Chairman

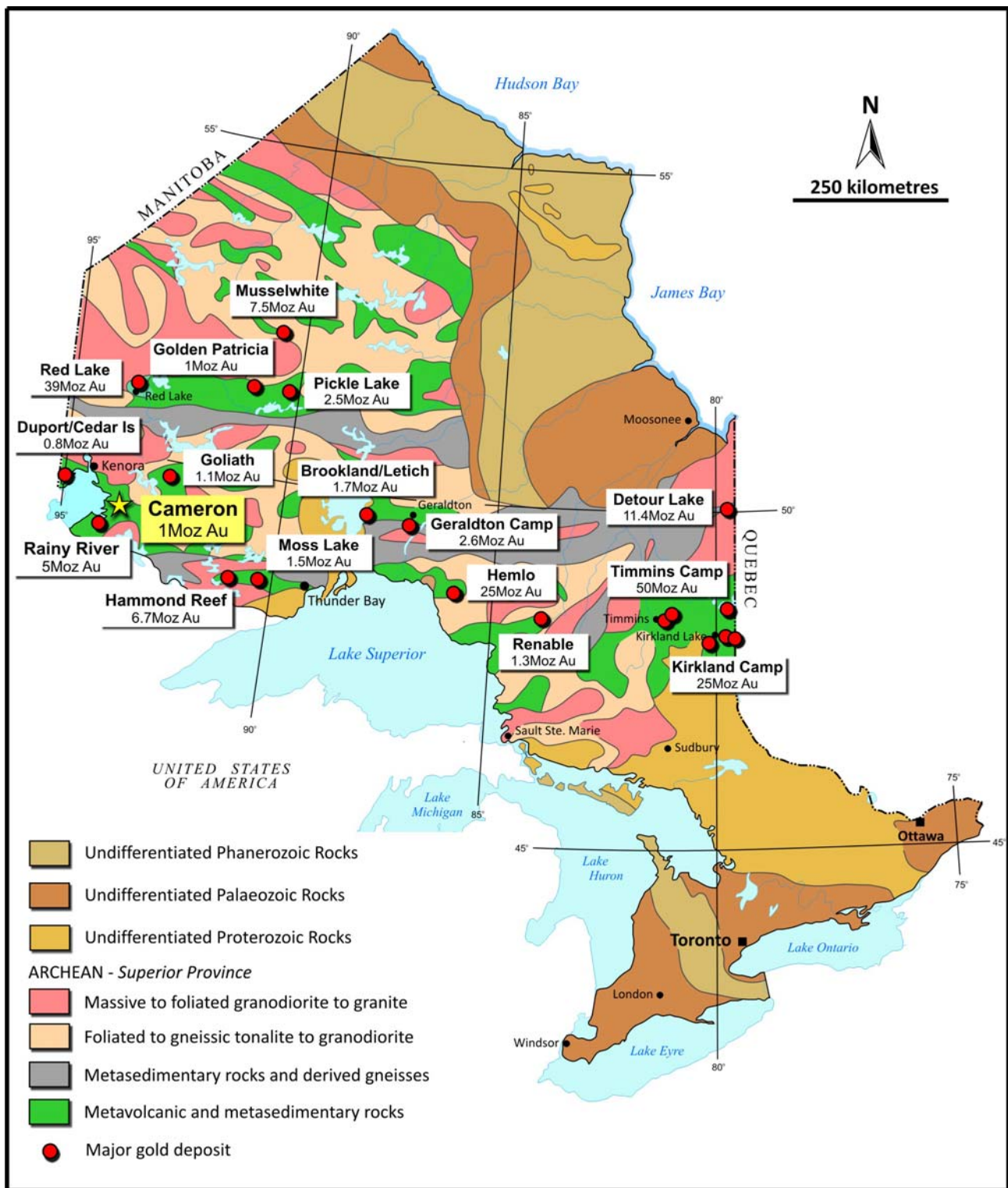


Figure 1. Location of the Cameron Gold Project in Ontario, Canada, with significant deposits highlighted within the Superior Province.

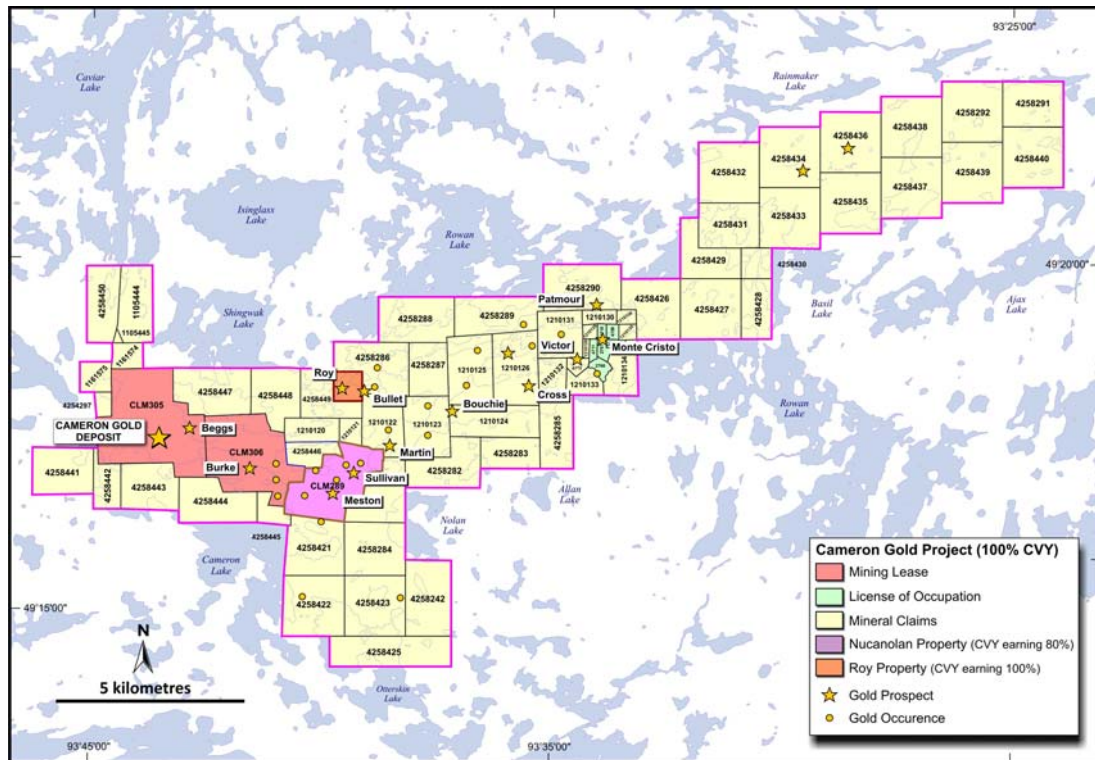


Figure 2. Cameron Gold Project area showing the location of known gold deposits, prospects and occurrences within the gold corridor related to the Cameron and Monte Cristo Shear Zones.

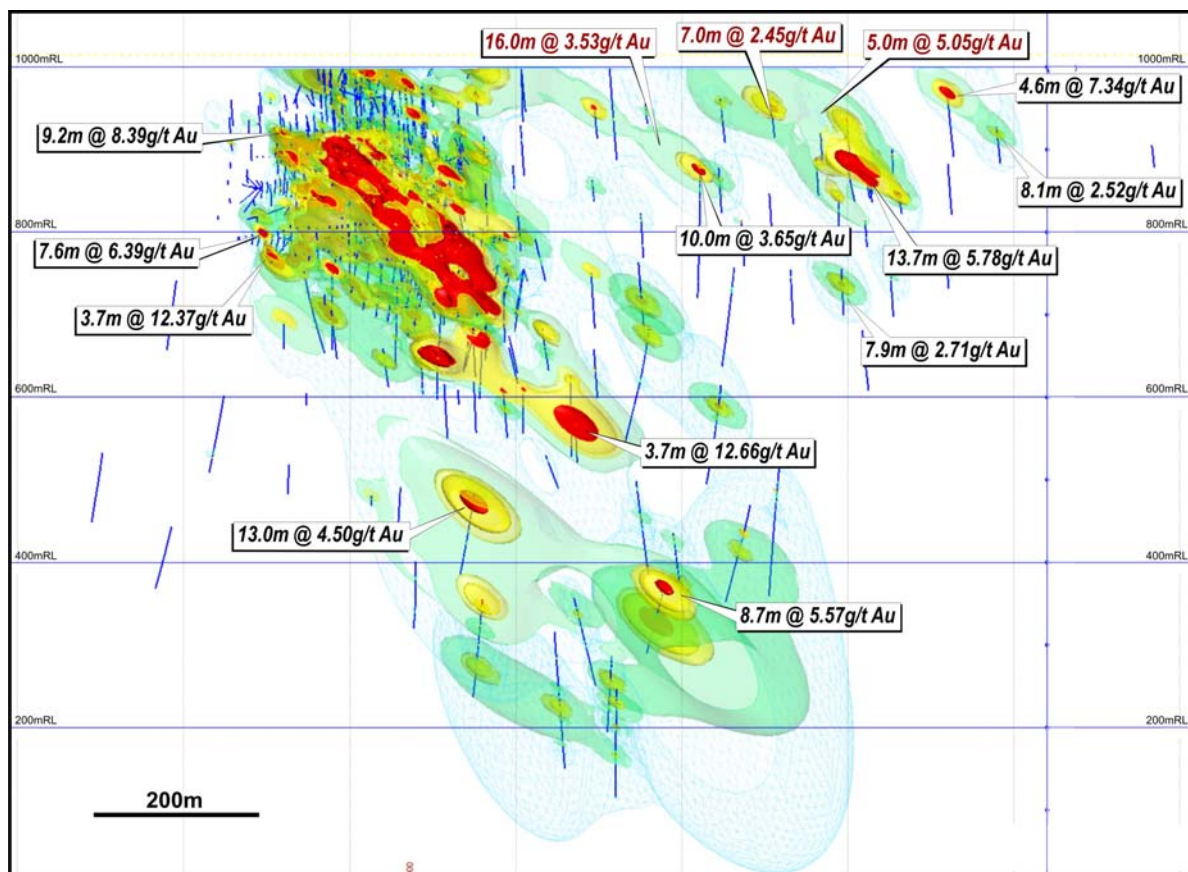


Figure 3. Cameron Gold Deposit long section facing southwest, highlighting the approximate position of recent intersections of significant mineralisation in diamond drilling in red text boxes. (Red zones on image > 5.0 g/t gold). The model by Leapfrog™ Software was completed prior to the commencement of the Company's drilling, so traces of recently completed drill holes do not appear on this image.

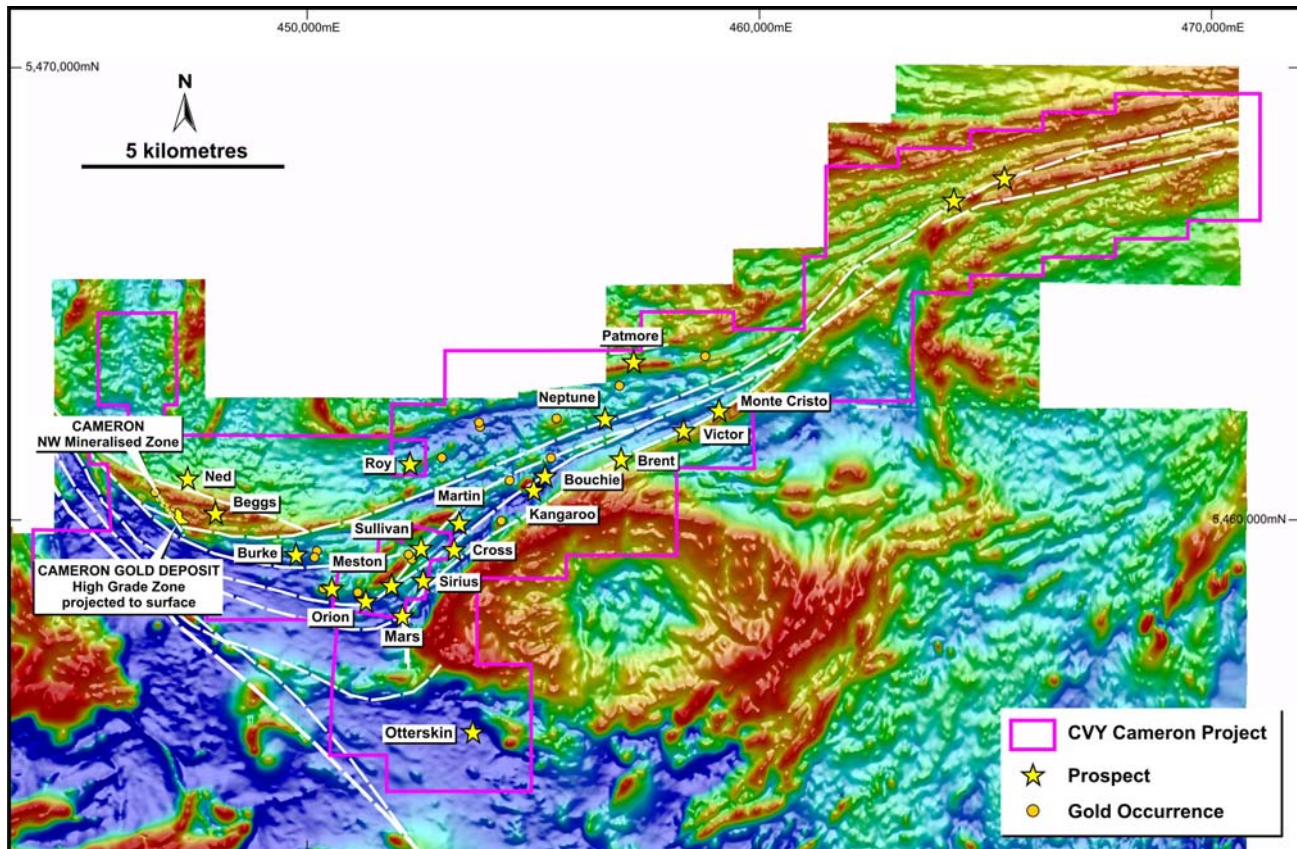


Figure 4. Newly-acquired high-resolution image of Total Magnetic Intensity (TMI), showing some of the known gold deposits, prospects and occurrences associated with large-scale structures including the Cameron and Monte Cristo Shear Zones within the Company's Cameron Gold Project.

Table 1. JORC code compliant resource estimate for the Cameron Gold Deposit applying various cut-off grades.

Cut-off grade (g/t gold)	Category	Tonnes	Grade (g/t gold)	Ounces of gold
0.5	Indicated	7,221,000	2.26	523,477
	Inferred	13,311,000	1.84	786,150
	Total	20,531,000	1.98	1,309,627
1.0	Indicated	5,818,000	2.61	488,366
	Inferred	10,585,000	2.11	719,457
	Total	16,403,000	2.29	1,207,823
1.5	Indicated	4,164,000	3.16	422,353
	Inferred	7,148,000	2.54	583,480
	Total	11,312,000	2.77	1,005,833
2.0	Indicated	2,978,000	3.72	356,169
	Inferred	3,870,000	3.27	406,457
	Total	6,848,000	3.46	762,626

Sample Analyses and Quality Control

All NQ drillcore is geologically logged, marked up and cut (half core) by company personnel at the facilities on site the Cameron Gold Project. Half of the cut core is submitted for analysis, with the remaining half core being stored at Cameron.

Core samples are prepared and analysed by Activation Laboratories (Actlabs), Thunder Bay, Ontario, an ISO 17025 Accredited Laboratory. Samples are dried and crushed (~2mm) with a 250g split portion of the sample pulverised to 95% passing 150 microns. Samples are submitted for analysis for gold by gravimetric fire assay (code 1A3).

Certified reference material standards, blanks and duplicate samples are inserted every 20 samples, respectively.

Competent Persons Statement

The information in this announcement 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 Limited and a Member of the Australian Institute of Geoscientists. Mr Goddard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity 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" and a Qualified Person as defined in the Canadian National Instrument 43-101 (standards of disclosure for Mineral Projects). 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.

The information in this report that relates to Mineral Resources or Ore Reserves 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 the report of the matters based on his information in the form and context in which it appears.