

ASX Release

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Issued Capital:

174.5 million shares
37.8 million options

ASX Symbol: CVY

QUARTERLY ACTIVITIES REPORT SEPTEMBER 2011

HIGHLIGHTS

Cameron Gold Project

- Additional excellent high-grade results received from drilling to evaluate the northern and northwestern extensions of the Cameron Gold Deposit, including:
 - **9.1 metres at 11.91 g/t gold, including**
 - **0.35 metres at 289.0 g/t gold**
 - **1.0 metre at 36.40 g/t gold**
 - **6.2 metres at 5.42 g/t gold**
 - **5.0 metres at 6.55 g/t gold**
 - **6.0 metres at 4.29 g/t gold**
 - **4.0 metres at 6.18 g/t gold, including**
 - **1.0 metre at 19.10 g/t gold**
 - **5.0 metres at 4.48 g/t gold**
- Further high grade gold mineralisation intersected in the poorly drilled footwall of the Cameron Gold Deposit, including bonanza grade shallow intercepts. Recent results include:
 - **3.4 metres at 58.73 g/t gold, including**
 - **0.6 metres at 320.0 g/t gold**
 - **7.0 metres at 6.95 g/t gold**
 - **9.0 metres at 2.92 g/t gold**
- New JORC-Code compliant mineral resource estimate currently being determined that will integrate 29,170 metres of drilling completed by the Company recently at the Cameron Gold Deposit with 84,541 metres of historic drilling data.
- Baseline environmental data collection continues in preparation for mine permitting.

Rainy River Gold Project

- Extensive landholding secured adjacent to the rapidly expanding 6.7Moz Rainy River Gold Deposit – one of Canada's most exciting recent gold discoveries.
- Project incorporates the second highest tenor gold anomaly delineated in the regional survey that led directly to the discovery of the Rainy River Gold Deposit.
- The very limited follow-up of this anomaly returned even higher tenor results, with the bedrock source of this anomalism yet to be identified.
- At 93.6km² the Company's project area is the second largest in the Rainy River district.

Corporate

- Strong financial position with approximately \$5.0 million cash at September 30, 2011.

CAMERON GOLD PROJECT

Cameron Gold Deposit

During the June quarter the Company completed its inaugural drilling program at the Cameron Gold Project in Ontario, Canada (Figure 1). This program comprised a total of 299 drill holes for 44,135 metres.

Most of the drilling targeted the northern and northwestern extensions of the Cameron Gold Deposit and the poorly-tested footwall zone to the main mineralised body. Limited drill testing of higher priority "regional" targets within the greater Cameron Gold Project area was also undertaken.

Analytical results for all 299 drill holes have now been received (results for the only drill hole not previously reported, CCD-11-182, have now been received and are presented in Tables 1 and 2). These data are currently being integrated with 84,541 metres of historical drilling data to determine a new mineral resource estimate for the Cameron Gold Deposit. It is anticipated that this resource will be finalised during November 2011.

Northern and Northwestern Extensions

During the September quarter the Company received analytical results for 72 diamond drill holes completed at the Cameron Gold Deposit. All of these holes were drilled to further evaluate the northern and northwestern extensions of the Cameron Gold Deposit. Significant assays greater than 1.0 g/t gold were returned from 62 holes. Numerous high-grade intersections included (see Figure 2):

- **9.1 metres at 11.91 g/t gold from 256.0 metres, including 0.35 metres at 289.0 g/t gold**
- **1.0 metre at 36.40 g/t gold from 263.2 metres**
- **6.2 metres at 5.42 g/t gold from 240.9 metres**
- **5.0 metres at 6.55 g/t gold from 58.0 metres**
- **6.0 metres at 4.29 g/t gold from 77.0 metres**
- **4.0 metres at 6.18 g/t gold from 171.3 metres, including 1.0 metre at 19.10 g/t gold**
- **5.0 metres at 4.48 g/t gold from 64.0 metres**
- **3.4 metres at 5.03 g/t gold from 117.0 metres**
- **6.0 metres at 2.57 g/t gold from 104.0 metres**
- **6.8 metres at 2.06 g/t gold from 28.0 metres**
- **4.6 metres at 2.83 g/t gold from 199.5 metres**
- **5.0 metres at 2.48 g/t gold from 41.0 metres**
- **2.8 metres at 4.13 g/t gold from 75.3 metres**

The analytical results confirm that additional parallel plunging higher-grade mineralised shoots within the Cameron Lake Shear Zone are present immediately along strike to the north and northwest of the Cameron Gold Deposit. Drilling has also confirmed that these shoots have significant depth potential (see Figure 3).

Mineralisation remains open along strike to the northwest and at depth. Further drilling in this area is planned.

Footwall Zone

During the quarter analytical results were returned for three holes drilled to evaluate the footwall zone to the main Cameron Gold Deposit. Select samples from holes CCD-11-099, CCD-11-111 and CCD-11-113 had been re-assayed because of the presence of high-grade gold mineralisation. Abundant visible gold had been observed in shallow mineralisation intersected in CCD-11-099 (see Figure 4).

These holes intersected significant mineralisation, including:

- **3.4 metres at 58.73 g/t gold from 5.4 metres, including 0.6 metres at 320.0 g/t gold from 5.4 metres**
- **7.0 metres at 6.95 g/t gold from 148.0 metres, including 2.0 metres at 17.40 g/t gold from 153.0 metres**
- **9.0 metres at 2.92 g/t gold from 79.0 metres**

- **3.0 metres at 6.05 g/t gold from 160.0 metres**

Significantly the visible gold intersected in CCD-11-099 was contained within a quartz-carbonate-sulphide vein that appears to trend oblique to the main mineralisation at the Cameron Gold Deposit. Given the oblique orientation of this vein relative to the general direction of most previous drill holes, it is possible that additional high-grade vein sets of similar orientation may exist. If so they would be under-represented in the drilling that has been completed to date (because previous drilling has not been optimally directed to test for mineralisation in this orientation). Further work is underway to determine this. Additional drilling to target these oblique vein systems is likely.

Significant shallow mineralisation has now been delineated in the footwall zone of the main Cameron Gold Deposit over a strike length of more than 200 metres. The presence of extensive, shallow mineralisation in this zone, in close proximity to the main Cameron Gold Deposit, is expected to positively impact on the impending resource upgrade (see below) as well as the overall economics of an open pit mining operation at the Cameron Gold Deposit.

Resource Upgrade and Pre-Feasibility Study

Until mid-September the Company had been drilling continuously at the Cameron Gold Project since June 2010. It completed 299 diamond core holes for 44,135 metres. 188 of these holes (29,170m) were drilled at and immediately around the Cameron Gold Deposit

Analytical results for all of these holes have now been received. The Company is currently integrating all of the new drilling data with the historic 84,541 metres of drilling data (from a further 757 drill holes) to upgrade the JORC Code compliant resource estimate for the Project. Utilising a 1.5 g/t lower cut-off grade this Indicated and Inferred resource (see Table 3) currently comprises:

11.3Mt at 2.77 g/t gold for 1.0 Moz of gold.

It is anticipated that the resource estimate recalculation will be completed during November 2011. A follow up drilling program will then be implemented.

The upgraded resource will be utilised to develop a new mine design as part of a pre-feasibility study into the development of an initial open pit mining operation at the Cameron Gold Project. The Company anticipates completing this study during the second quarter of 2012.

Mine Permitting

The Company continues to advance the Cameron Gold Deposit towards production as quickly as possible. An integral part of this process is the ongoing acquisition of all data required to apply for mine permits, particularly environmental baseline data.

During the quarter the Company's consultants continued to acquire environmental data as well as technical data for the pre-feasibility study. Consultants also commenced work to document the archaeology of the area. This included a Traditional Ecological Knowledge study, in which elders and other knowledgeable aboriginals were consulted to determine historic activities within the area.

Forward Work Program

The Company intends commencing a follow-up diamond drilling program at the Cameron Gold Deposit during November. Additional extensions to the known mineralisation at the northwest of the deposit will be targeted.

The recently identified, high-grade vein set within the Cameron Gold Deposit will also be evaluated with further drilling. A zone of alteration and lower-grade mineralisation that was intersected in historic drilling to the west of the Cameron Shear Zone will also be targeted for further drilling.

RAINY RIVER GOLD PROJECT

During the September quarter the Company announced that it had acquired mineral rights covering 93.6km² adjacent to the 6.7Moz Rainy River Gold Deposit in northwestern Ontario, Canada (see Figure 1). Despite very limited previous exploration, numerous high priority gold targets have been delineated within the Company's project area.

The highest priority target is the Martin Anomaly (see Figure 5). A sample from the Ontario Geological Survey (OGS) regional till geochemistry survey in 1987-88 returned the second highest tenor gold anomaly of the entire survey. Analysis of this particular till sample returned a count of 81 gold grains, 12% of which were pristine¹. The only sample that returned a higher tenor gold anomaly was one that led directly to the discovery of the Rainy River Gold Deposit. That sample included 211 gold grains, 36% of which were pristine¹.

In the late 1990s, five shallow holes were drilled to further evaluate the overburden in close proximity to the anomalous OGS sample at the Martin Anomaly. Highly anomalous results were returned, including one sample that returned 462 gold grains in till (57% modified¹). The primary source of the modified gold grains is

interpreted to be located 500-1,000 metres away. Despite this no further work was undertaken to identify the primary source of this anomalism; presumably because the focus of work had by then turned to the newly discovered Rainy River Gold Deposit.

Some of the numerous other gold targets within the project area comprise other anomalies delineated in the 1987-88 OGS survey, including the Stafford Anomaly (22 gold grains in till; 36% pristine or modified¹), the Neilson Anomaly (57 gold grains in till; 57% modified¹) and the Stock Anomaly (34 gold grains in till; 71% modified¹) (see Figure 5). No follow-up of these anomalies has been undertaken previously.

There are large portions of the Company's project area, particularly the western portions, where the OGS either collected extremely broadly-spaced samples or no samples at all during its survey in 1987-88. As such significant anomalies could have gone undetected. The geology in these areas is interpreted to be the same as the geology hosting the Rainy River Gold Deposit, so these areas are highly prospective. Additional exploration is certainly warranted.

Potential for Nickel-Copper-Cobalt-PGE Mineralisation

Rainy River Resources Limited recently announced that it had intersected high-grade, primary nickel-copper-cobalt-gold-silver-platinum-palladium mineralisation within ultramafic rocks in drilling at a prospect located approximately 1,000 metres south of the Rainy River Gold Deposit (an intersection of 2.85 metres at 3.06% Ni, 1.19% Cu, 0.062% Co, 1.23 g/t Au, 1.76 g/t Pt, 5.55 g/t Pd and 8.68 g/t silver from 119.25 metres). Virtually no exploration for this style of mineralisation has been undertaken in this district previously. The Company's project incorporates extensions of the geological sequence that hosts both Rainy River Resources Limited's gold deposit and its nickel-copper-cobalt mineralisation. As such the Company's project area is also prospective for this style of mineralisation.

At 93.6km² the Company's project area is the second largest in the Rainy River district, with only Rainy River Resources Limited controlling a larger area. This is a very substantial landholding in a highly underexplored area that is very prospective for both gold and base metals.

Forward Work Program

The Company intends implementing an aggressive exploration program at its Rainy River Gold Project while simultaneously continuing to explore and advance the Cameron Gold Project towards production.

The majority of the Rainy River Project is covered by glacial till. As such initial exploration will comprise shallow RC drilling to delineate gold in the overburden/shallow bedrock. A systematic, first pass RC drilling program is scheduled to commence in November. This will comprise both follow up of high priority targets, including the Martin Anomaly, as well as reconnaissance drilling in other underexplored areas.

Targets delineated will subsequently be followed up with infill RC and diamond drilling and geophysical surveying.

ARDEEN GOLD PROJECT

No work was completed at the Ardeen Gold Project during the September quarter. The Company has now earned its 51% interest in the project and intends moving to 75% ownership by undertaking further exploration during the next 12-18 months.

CORPORATE

Cash reserves at 30 September 2011 were \$5.06 million.

The Company will continue to aggressively explore the Cameron and Rainy River Gold Projects while simultaneously advancing the Cameron Gold Deposit towards production.

Mike Haynes
Executive Chairman

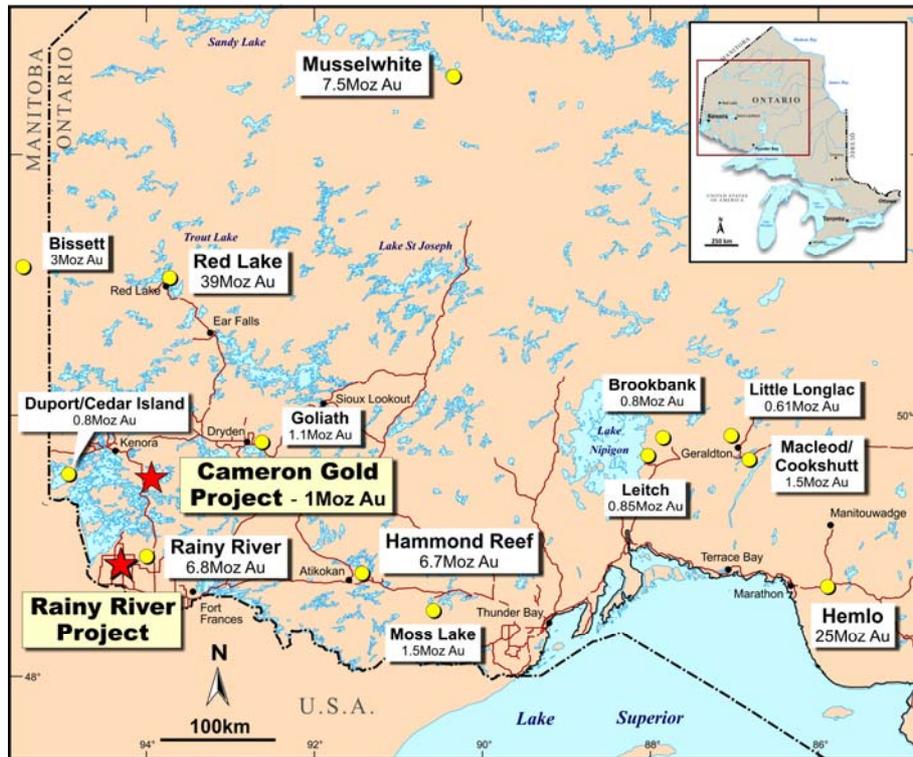


Figure 1. Location of the Company's Cameron and Rainy River Gold Projects in NW Ontario, Canada.

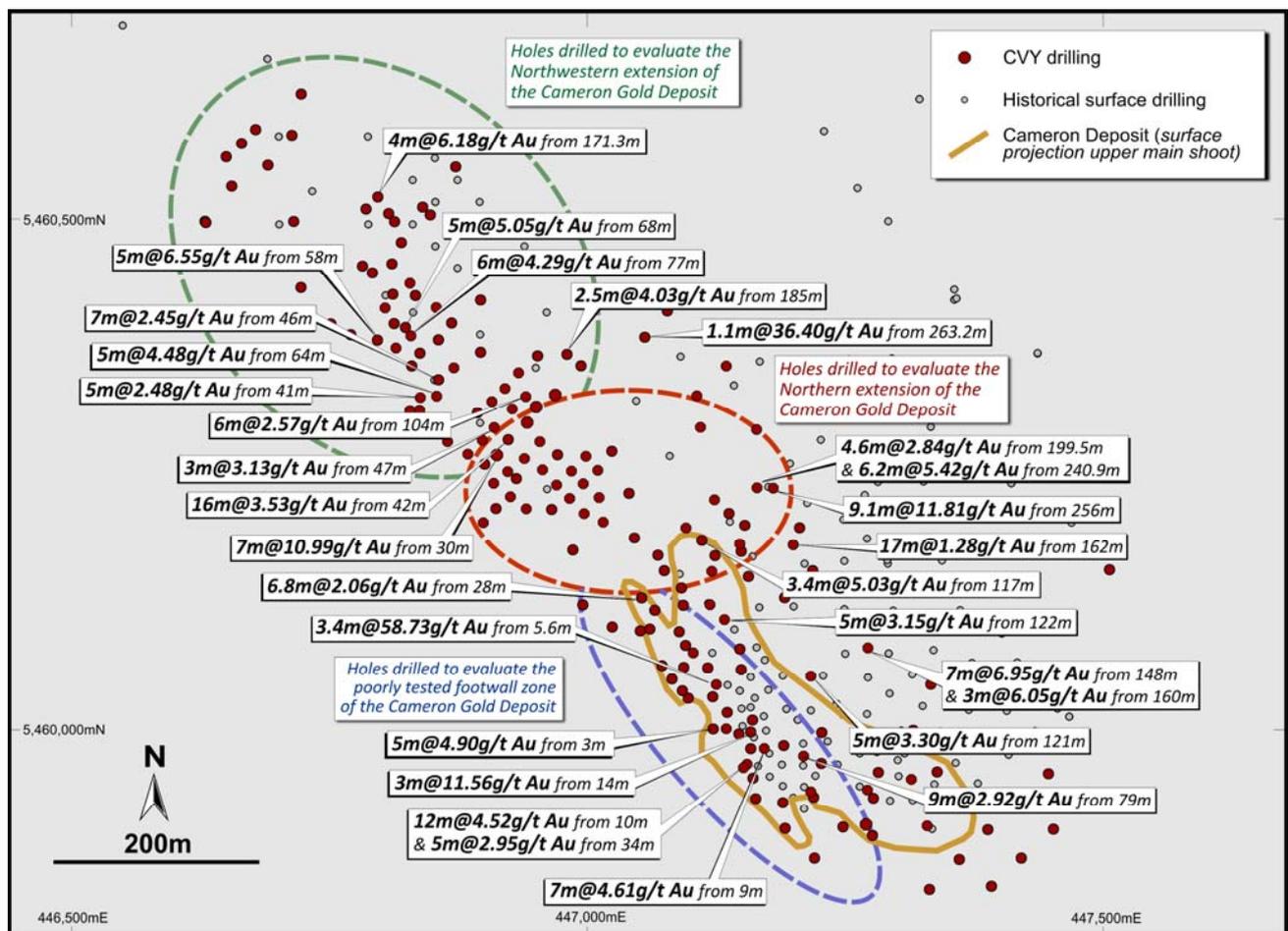


Figure 2. Location plan showing collars of surface drill holes, highlighting those drilled recently and better results, at the Cameron Gold Project.

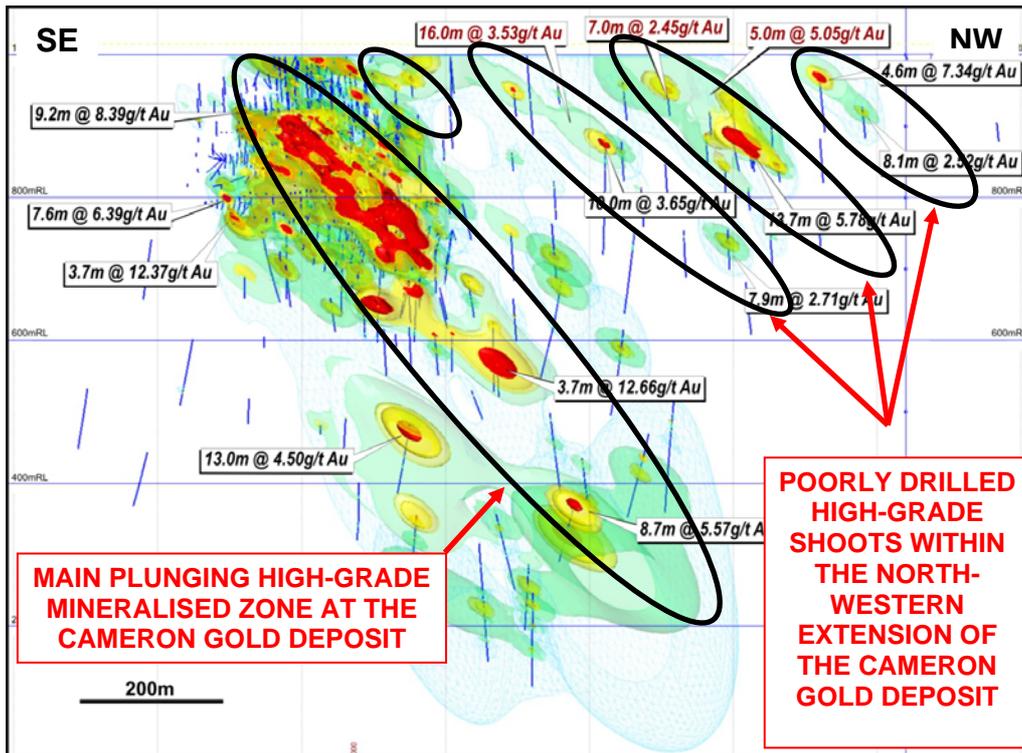


Figure 3. Cameron Gold Deposit long section facing southwest, highlighting in red text boxes the approximate position of intersections of significant mineralisation in the first phase of diamond drilling at the north-western extension of the Cameron Gold Deposit. (Historic drill hole traces are shown in blue; 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 the Company's drill holes do not appear on this image.

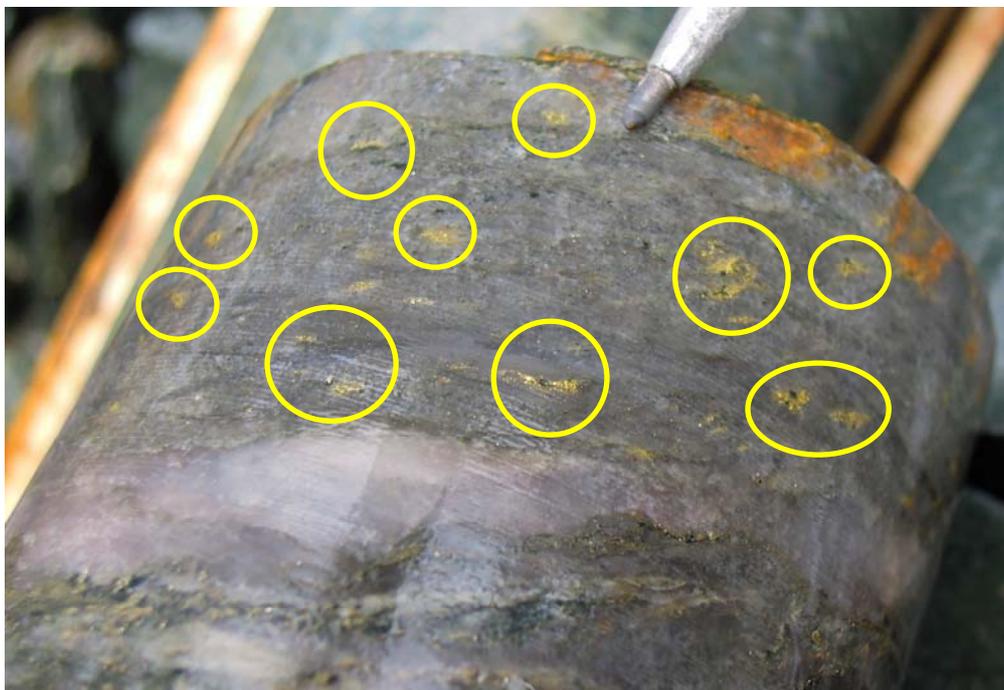


Figure 4. Abundant visible gold (circled) in diamond core from drill hole CCD-11-099, drilled to test the footwall zone of the Cameron Gold Deposit. Width of core is 48mm. Analytical results returned were 3.4 metres at 58.73 g/t gold from 5.4 metres, including 0.6 metres at 320.0 g/t gold from 5.4 metres.

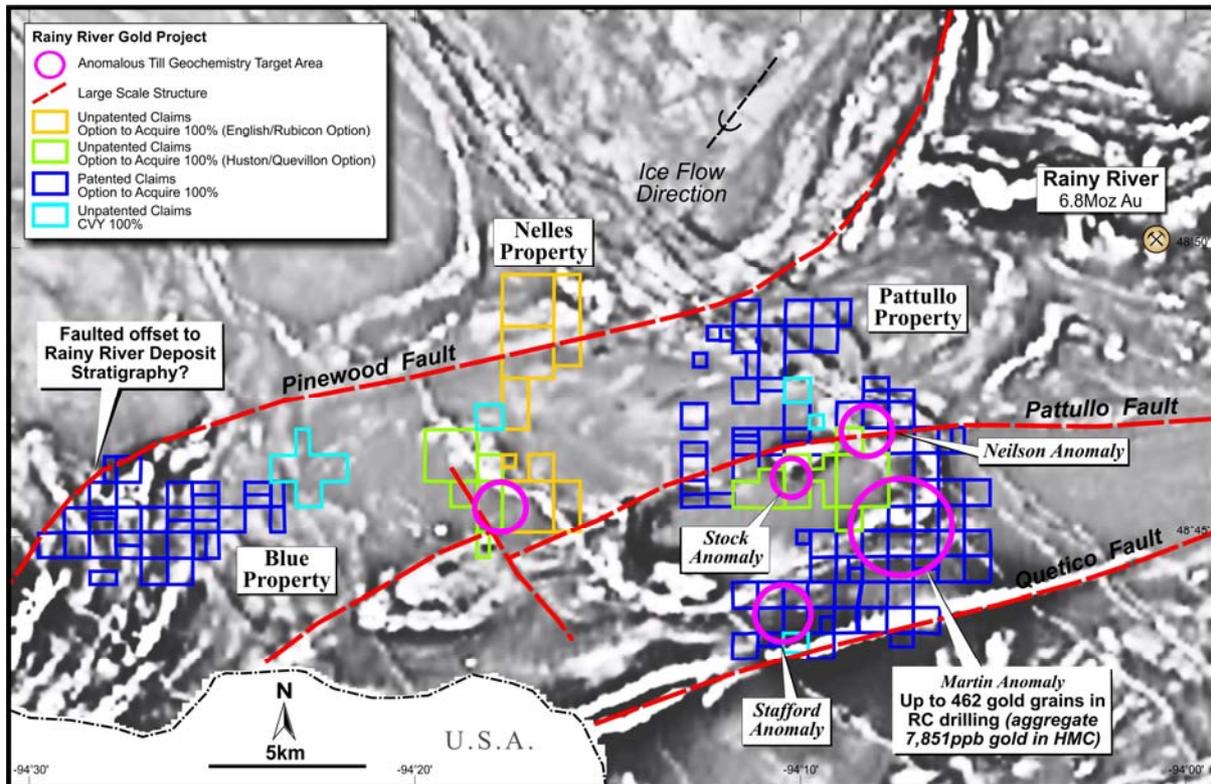


Figure 5. Image of aeromagnetic data from the Company’s Rainy River Project, illustrating interpreted major structures. Gold till anomalies are highlighted in magenta.

Table 1. Drillhole collar and depth information for the reported hole at the Cameron Gold Project.

Hole Number	Zone	Easting (NAD83 Zone 15)	Northing (NAD83 Zone 15)	Easting (Local)	Northing (Local)	Inclination	Azimuth	Total Depth
CCD-11-182	NW Extension	446812	5460499	100050	50790	225	-63	216

Table 2. Significant intersections greater than 1.0 g/t gold for the hole reported at the Cameron Gold Project, applying a 0.5 g/t gold cut-off and two metres maximum of internal dilution.

Hole Number	From (m)	To (m)	Interval (m)	Au (g/t)
CCD-11-182	137.0	139.0	2.0	2.55
	150.0	154.0	1.4	4.33

Table 3. 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

¹ A typical method of evaluating gold anomalism in glacial till involves sampling the till and then counting the number of gold grains and categorising the morphology of the individual gold grains as either “pristine”, “modified” or “reshaped”. The distance that these grains have been transported from their primary sources is considered to typically be 0-500 metres, 500-1,000 metres, and >1,000 metres respectively.

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.