

ASX Release

31 January 2012

**COVENTRY RESOURCES
LIMITED**

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ASX Symbol: CVY**Issued Capital:**

174.7 million shares
41.7 million options

Market Capitalisation at
\$0.14/share = ~\$24.5 million

Major Shareholders:

Macquarie Bank – 8.8%
Sun Valley Gold Fund – 5.9%
Directors – 4.9%
Top 20 – 50.5%

**QUARTERLY ACTIVITIES REPORT
DECEMBER 2011****HIGHLIGHTS****Cameron Gold Project**

- Measured, Indicated and Inferred resource estimate at the Cameron Gold Deposit upgraded to:

19.4Mt at 2.24 g/t gold for 1.40 Moz of gold¹

- Substantial, robust, shallow component of this resource base is expected to be amenable to open pit mining. Within 300 metres of surface the shallow resource estimate now comprises:

8.1Mt at 2.50 g/t gold for 653,000oz of gold¹

- Very high confidence in the robustness of the shallow resources, with >81% of the gold resources within 300 metres of surface now classified as “Measured” and “Indicated”¹.
- Pre-feasibility study commenced, utilising the new Resource estimate, to confirm the economic viability of developing the Cameron Gold Deposit.
- Review of previous metallurgical information indicates very good recoveries were returned with conventional cyanidation processes; typically 92-97%.
- Follow-up metallurgical test work program being implemented.
- Mineralisation at the Cameron Gold Deposit remains open along strike to the northwest and at depth, providing considerable potential to continue to expand the resource base.
- 10,000 metre follow-up drilling program in progress.
- Backhoe till sampling around the Cameron Gold Deposit completed in order to delineate additional mineralisation.
- More than 20 other underexplored gold prospects and occurrences at the Cameron Gold Project provide additional exploration potential.

Rainy River Gold Project

- Acquisition of mineral rights adjacent to the rapidly expanding 6.7Moz Rainy River Gold Deposit continued.
- Project now incorporates 120.9 km² of mineral rights, the second largest project by area in the Rainy River district.
- Project incorporates the Martin Anomaly – 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.
- Initial backhoe till sampling program was completed during the quarter.
- Maiden overburden RC drilling program scheduled to commence in the near term.

Corporate

- Approximately \$3.1 million cash at December 31, 2011.
- Have been making good progress towards a potential dual-listing on the TSX, to capitalize on the higher valuations offered to Canadian gold projects by North American investors.

CAMERON GOLD PROJECT

Resource Upgrade

During the December quarter the Company completed the recalculation of the mineral resource estimate for the Cameron Gold Deposit.

29,170 metres of recent drilling data was integrated with 84,541 metres of historic drilling data. When applying a 1.0 g/t lower cut-off, the JORC Code compliant Measured, Indicated and Inferred mineral resource estimate for the Cameron Gold Deposit (see Table 1) now comprises:

19.4Mt at 2.24 g/t gold for 1.40 Moz of gold

This represents a 17% increase in the total number of ounces delineated at the Cameron Gold Deposit at this cut-off grade from the original JORC Code compliant resource estimate reported by the Company on 10 February 2010.

In addition to the increase in the contained ounces at the Cameron Gold Deposit, the level of confidence in the potential to develop an economically viable open pit mining operation has been enhanced considerably.

Throughout its recently completed drilling program the Company has deliberately targeted shallow mineralisation that is potentially amenable to open pit mining. A substantial, robust, shallow component of the global resource base has now been defined. When applying a 1.0 g/t lower cut-off, resources within 300 metres of surface now comprise:

8.1Mt at 2.50 g/t gold for 653,000 oz of gold

Importantly there is a very high level of confidence in the robustness of these shallow resources. Greater than 81% of the gold resources within 300 metres of surface are now classified as "Measured" and "Indicated". Furthermore, comparison of the shallow resources at various depths and cut-off grades demonstrate that the grade and size of the shallow, potentially open-pittable resource base is very robust (see Table 3).

Pre-Feasibility Study

With a sizeable, robust, shallow resource delineated, at a grade that is readily amenable to open pit mining, the Company has considerable confidence that an economically viable open pit mining operation can be developed at the Cameron Gold Deposit. As such it has commenced a pre-feasibility study into the development of the Deposit. The Company anticipates completing this study during the second quarter of 2012.

Metallurgy

During the quarter consultants reviewed all previous metallurgical test work. A substantial amount of data was acquired between 1985 and 1989, with some subsequent gravity concentration work undertaken during 2004.

This review highlighted very promising metallurgical characteristics of the ore at the Cameron Gold Deposit. Metallurgical recoveries between 92% and 97% of the gold were routinely reported with conventional cyanidation processes.

It was concluded that, although further work is recommended, it is highly likely that very good metallurgical recoveries could be expected if ore is treated through a Carbon in Leach (CIL) circuit.

A suitable follow-up metallurgical test work program is now being implemented.

Exploration

Follow-up Drilling Program

Mineralisation at the Cameron Gold Deposit remains open along strike to the north and at depth. Considerable potential remains to delineate additional resources at the Cameron Gold Deposit itself with further drilling.

In addition there are more than 20 other known, underexplored gold occurrences and prospects within the 12,800 hectare Cameron Gold Project area. Many of these are high-priority targets for further exploration that provide considerable potential for expanding the Project's resource base.

A follow-up, 10,000 metre diamond core drilling program was initiated in November to continue to evaluate the exploration potential of the Cameron Gold Project. Approximately 4,500 metres of drilling has been completed to date. Drilling continues. All analytical results are pending.

Till Sampling

In order to identify additional mineralisation outside the known resources at the Cameron Gold Deposit, a total of nineteen bulk till geochemical samples were collected by backhoe over an area measuring approximately 1,000m x 2,000m around the Deposit. These samples will be submitted for analysis by both traditional

geochemical assay and by gold grain counting/identification techniques. Additional till samples will be collected by backhoe in and around the Meston and Sullivan prospects 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 acquisition of environmental baseline and archaeological data that will be required for the mine permit application. The Company continued to acquire these data during the December quarter and these permitting activities continue.

RAINY RIVER GOLD PROJECT

During the quarter the Company continued to build on its sizeable and very prospective land holding in the Rainy River Greenstone Belt, adjacent to the 6.7Moz Rainy River Gold Deposit in northwestern Ontario, Canada (see Figure 1). The Company now controls mineral rights over 120.9 km² in area.

Despite very limited previous exploration, numerous high priority gold targets have been delineated within the Company's project area.

Initial till sampling using a backhoe was undertaken during the quarter. A total of 47 bulk samples were collected in areas of relatively thin glacial cover. These samples have been submitted for analysis by both geochemical assay and by gold grain counting/identification techniques.

The backhoe till sampling is part of a larger, project-wide, overburden sampling program that will be implemented to rapidly identify the highest priority areas for follow up work within the Company's extensive landholding. Reverse circulation (RC) drilling will be used extensively to explore for gold in the glacial till cover, particularly in areas where this till is too deep to effectively employ backhoe sampling.

A RC drilling program is scheduled to commence in the near term. Known historic till geochemical gold anomalies at the Martin, Stafford, Neilson and Stock localities will be followed up during this program. First-pass, reconnaissance type samples will also be collected at the Company's Blue property, where stratigraphy akin to that hosting the Rainy River Gold Deposit has been acquired. No exploration has been undertaken here previously.

ARDEEN GOLD PROJECT

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

CORPORATE

The Company has been assessing the potential benefits of seeking a dual-listing on the Toronto Stock Exchange (TSX) in order to make it a more attractive investment proposition for North American investors. Generally TSX-listed companies with projects in Canada are offered higher market valuations than ASX-listed counterparts. The Company continues to assess the merits of proceeding with such a strategy.

Cash reserves at 31 December 2011 were \$3.1 million.

Mike Haynes
Executive Chairman

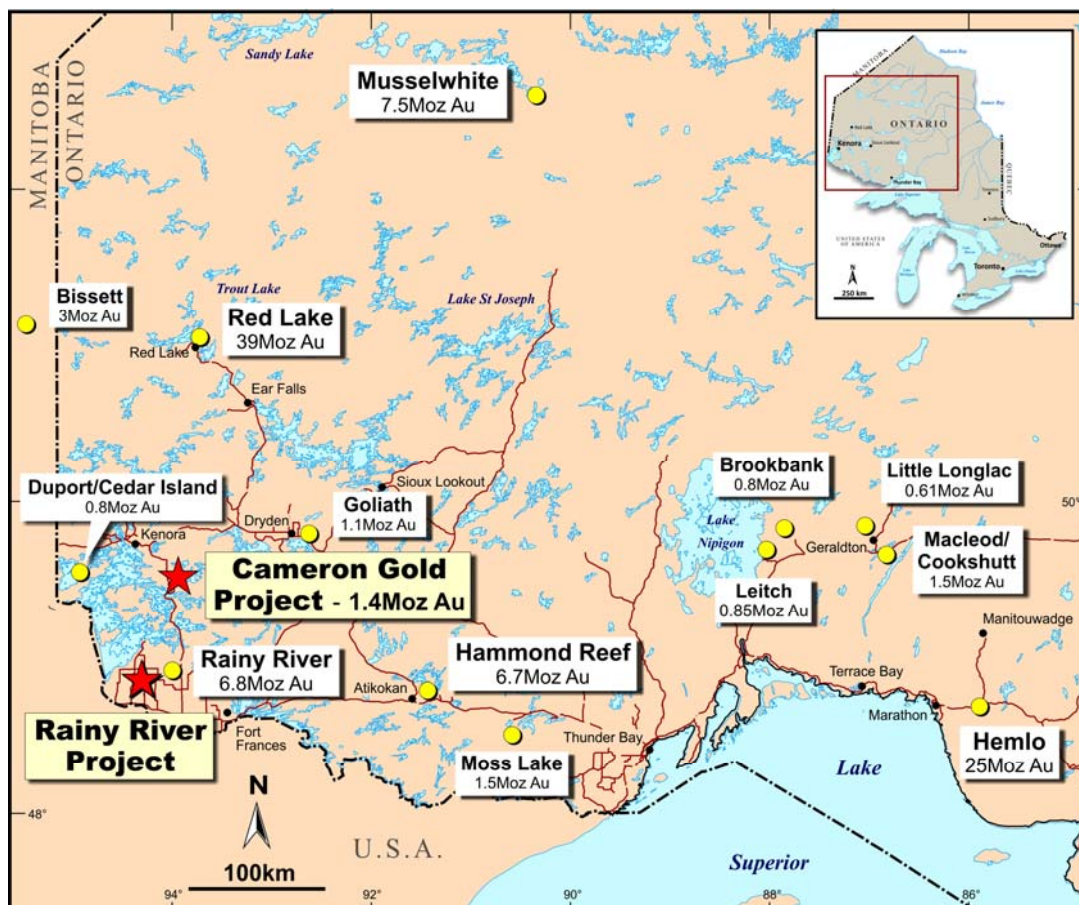


Figure 1. Location of the Company's Cameron and Rainy River Gold Projects in NW Ontario, Canada.

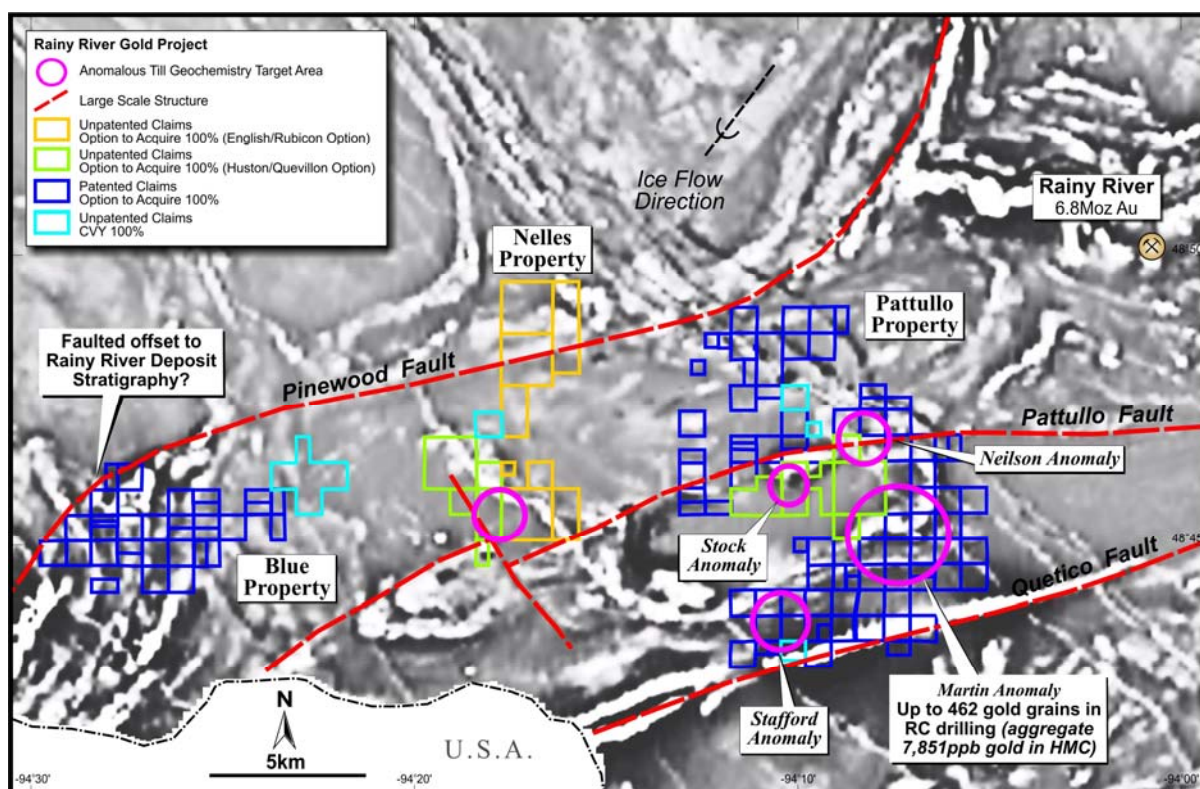


Figure 2. Image of aeromagnetic data from the Company's Rainy River Project, illustrating interpreted major structures. Gold till anomalies are highlighted in magenta.

Table 1. JORC code compliant resource estimate for the Cameron Gold Deposit, applying a 1.0 g/t gold cut-off grade. Tonnes and ounces rounded to the nearest “1,000” and “100” respectively.

Category	Tonnes	Grade (g/t gold)	Ounces of gold
Measured	2,472,000	2.68	213,400
Indicated	4,724,000	2.33	353,700
Inferred	12,226,000	2.11	830,100
Total	19,422,000	2.24	1,397,200

Table 2. JORC code compliant resource estimate for the Cameron Gold Deposit applying various cut-off grades. Tonnes and ounces rounded to the nearest “1,000” and “100” respectively.

Cut-off grade (g/t gold)	Category	Tonnes	Grade (g/t gold)	Ounces of gold
0.5	Measured	3,230,000	2.23	232,000
	Indicated	6,922,000	1.82	405,000
	Inferred	17,847,000	1.68	962,000
	Total	27,999,000	1.78	1,599,000
1.0	Measured	2,472,000	2.68	213,400
	Indicated	4,724,000	2.33	353,700
	Inferred	12,226,000	2.11	830,100
	Total	19,422,000	2.24	1,397,200
1.5	Measured	1,793,000	3.23	186,000
	Indicated	3,084,000	2.91	289,000
	Inferred	7,853,000	2.60	658,000
	Total	12,730,000	2.77	1,133,000
2.0	Measured	1,288,000	3.81	158,000
	Indicated	2,068,000	3.49	232,000
	Inferred	4,867,000	3.14	491,000
	Total	8,223,000	3.33	882,000

Table 3. JORC code compliant resource estimates for mineralisation that lies within 200, 250 and 300 metres of surface at the Cameron Gold Deposit, applying various cut-off grades. Tonnes and ounces rounded to the nearest “1,000” and “100” respectively.

Cut-off grade (g/t gold)	Category	Resources within 200 metres of surface			Resources within 250 metres of surface			Resources within 300 metres of surface		
		Tonnes	Grade (g/t gold)	Ounces of gold	Tonnes	Grade (g/t gold)	Ounces of gold	Tonnes	Grade (g/t gold)	Ounces of gold
0.5	Measured	2,246,000	2.25	162,600	2,888,000	2.28	211,800	3,145,000	2.25	227,700
	Indicated	5,007,000	1.72	277,500	5,680,000	1.78	324,800	6,351,000	1.81	370,500
	Inferred	187,000	2.13	12,800	922,000	2.21	65,700	2,125,000	2.02	137,800
	Total	7,440,000	1.89	452,900	9,491,000	1.97	602,200	11,621,000	1.97	736,000
1.0	Measured	1,698,000	2.74	149,400	2,203,000	2.75	195,100	2,406,000	2.71	209,800
	Indicated	3,311,000	2.25	239,100	3,784,000	2.31	280,500	4,279,000	2.34	321,900
	Inferred	125,000	2.75	11,100	601,000	3.00	58,000	1,427,000	2.65	121,500
	Total	5,135,000	2.42	399,600	6,589,000	2.52	533,700	8,112,000	2.50	653,100
1.5	Measured	1,243,000	3.28	131,200	1,619,000	3.30	171,800	1,762,000	3.25	184,000
	Indicated	2,074,000	2.85	190,300	2,404,000	2.93	226,100	2,773,000	2.94	262,400
	Inferred	117,000	2.85	10,800	402,000	3.88	50,300	822,000	3.69	97,400
	Total	3,434,000	3.01	332,300	4,425,000	3.15	448,100	5,356,000	3.16	543,800
2.0	Measured	887,000	3.90	111,200	1,174,000	3.89	146,900	1,270,000	3.83	156,500
	Indicated	1,346,000	3.46	149,800	1,593,000	3.53	180,900	1,861,000	3.54	211,600
	Inferred	61,000	3.90	7,600	275,000	4.88	43,100	552,000	4.65	82,500
	Total	2,293,000	3.64	268,600	3,042,000	3.79	370,900	3,684,000	3.80	450,600

¹When applying a 1.0 g/t gold lower cut-off grade

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.