

## ASX Release

28 June 2012

### COVENTRY RESOURCES LIMITED

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#### Directors / Officers:

Michael Haynes  
Tony Goddard  
Rhoderick Grivas  
Faldi Ismail  
Nick Day

**ASX Symbol:** CVY

#### Issued Capital:

216.6 million shares  
41.7 million options

Market Capitalisation at  
\$0.07/share = ~\$15.1 million

#### Major Shareholders:

Sun Valley Gold Fund – 9.4%  
Macquarie Bank – 7.0%  
Directors – 4.1%  
Top 20 – 54.1%

## ACQUIRES ADDITIONAL RESOURCES PROXIMAL TO THE CAMERON GOLD DEPOSIT

### HIGHLIGHTS

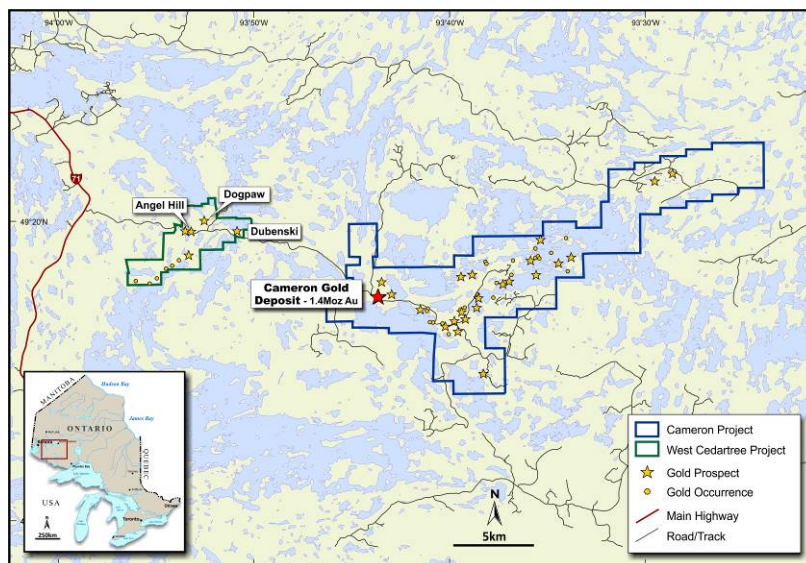
- Agreement reached to acquire 100% interest in a 16.5km<sup>2</sup> project area located 10km west of the Cameron Gold Deposit.
- Project hosts a JORC-Code compliant Indicated and Inferred resource at the Dubenski Gold Deposit totalling:

**573,000 tonnes at 3.50 g/t gold for 64,500 ounces of gold**

- Mineralisation at Dubenski is shallow and amenable to open pit mining.
- Considerable exploration upside remains at Dubenski with mineralisation open in all directions.
- Additional exploration upside at numerous other prospects located within the project area, including two prospects with non-compliant resources.
- Consideration payable comprises \$500,000 cash and 7.7 million CVY shares.
- Anticipated that the acquisition will have a positive impact on the economics of developing the Cameron Gold Project.

Coventry Resources Limited (ASX: CVY; "Company") is very pleased to advise that it has reached agreement to acquire 100% of Houston Lake Mining Incorporated's (TSX-V:HLM; "Houston Lake") West Cedartree Gold Project ("Project"), located 10 kilometres west-northwest of the Cameron Gold Deposit.

The Project incorporates mineral rights over 16.51 km<sup>2</sup>, which can be readily accessed via the all-weather road that was constructed to access the Company's 1.4Moz Cameron Gold Deposit (see Figure 1).



**Figure 1.** Location of the West Cedartree Gold Project in relation to the Company's Cameron Gold Project

## **THE WEST CEDARTREE GOLD PROJECT**

### **Geology**

The West Cedartree Gold Project is located to the west of the Cameron Lake Shear Zone, the structure that hosts the Company's 1.4Moz Cameron Gold Deposit 10km to the east. The Project area principally covers a sheared contact between mafic volcanic rocks and an upper sequence of mostly intermediate volcanic rocks, with minor sedimentary rocks. A series of prominent gabbro sills have intruded the upper sequence prior to being folded. Felsic to intermediate intrusive rocks also occur throughout the sequence.

### **Mineralisation and Resources**

The Dubenski Gold Deposit is the most advanced prospect within the Project area. JORC-Code compliant mineral resources have been estimated for this Deposit previously.

A NI 43-101<sup>1</sup> mineral resource estimate has been calculated previously for the Angel Hill Prospect, however this is yet to be audited to comply with JORC-Code standards.

Numerous other prospects and occurrences are known within the Project area, the most advanced of which is the Dogpaw Prospect.

#### ***Dubenski Gold Deposit***

Gold mineralisation at Dubenski is hosted by a sub-vertical shear zone over a strike of 400m that is up to 20m wide and has been delineated to a vertical depth of more than 150m. The mineralisation consists of fine-grained pyrite and free gold associated with carbonate, sericite, silica and locally, fuchsite alteration within strongly-deformed mafic volcanic rocks. The mineralisation is open in all directions.

The Dubenski mineralisation was first discovered in the 1930s, with a 27m deep exploration shaft constructed in 1946, which was further deepened to 40m in 1950. Exploration has subsequently been undertaken intermittently, with the majority of previous work being completed in the late 1990s and more recently by Houston Lake.

Utilising information from 72 drill holes a JORC-Code compliant mineral resource estimate was calculated for the Dubenski Gold Deposit in January 2009 under NI 43-101 regulations. This Indicated and Inferred mineral resource estimate comprises (see Table 1):

**573,000 tonnes at 3.50 g/t gold for 64,500 ounces of gold.**

Subsequent exploration has included completion of a further 42 drill holes (6,602 metres). Results from this drilling are yet to be incorporated into an updated mineral resource estimate. The Company intends recalculating an updated JORC-Code compliant mineral resource estimate, incorporating all drilling information, in the coming months.

**Table 1.** January 2009 JORC-Code compliant Mineral Resource Estimate for the Dubenski Gold Deposit, West Cedartree Project.

<b>Resource Classification</b>	<b>Tonnes</b>	<b>Gold Grade (g/t Au)</b>	<b>Gold Ounces</b>
Indicated	551,000	3.53	62,700
Inferred	22,000	2.57	1,800
<b>Total</b>	<b>573,000</b>	<b>3.50</b>	<b>64,500</b>

Cut-off – 0.65 g/t gold

### ***Angel Hill Prospect***

The Angel Hill Prospect is located 2.8km to the west of the Dubenski Gold Deposit (Figure 1). The mineralisation at Angel Hill is contained within a shear zone at the contact of differential units within a gabbro sill. It comprises silica, carbonate and sericite alteration that ranges from 1-11m wide over a strike of 130m and to a vertical depth of 75m. Visible gold is common in discontinuous quartz veins. The mineralisation is also associated with pyrite, chalcopyrite, galena and molybdenite. The mineralisation is open along strike to the south and at depth.

In May 2006 Houston Lake extracted a 1,041 tonne bulk sample that yielded a total of 190 ounces of gold at an average grade of 5.67 g/t gold after processing at a third party mill.

A historic, NI 43-101 compliant<sup>1</sup> mineral resource estimate for the Angel Hill Prospect was calculated in October 2005. This resource however is yet to be fully validated so that it can be classified as JORC-Code compliant.

Based on the historic work completed by Houston Lake, which demonstrated that the mineralisation is continuous from section to section and of a mineable grade and thickness, and that the mineralised zone is open to the south and at depth, the Company has determined an initial Exploration Target<sup>2</sup> for the Angel Hill Prospect of:

**150,000-250,000 tonnes at a grade of 1.5-1.8 g/t gold for approximately 7,700-12,900 ounces of gold<sup>2</sup>**

### ***Dogpaw Prospect***

The Dogpaw Prospect comprises six identified vein sets that extend over a strike of 310m and to a vertical depth of 210m. Gold mineralisation occurs mainly in gabbro at the contact with mafic volcanic rocks where porphyry intrusions are apparently localised by a series of northwest-trending faults.

In 1995 a 500 ton (imperial) bulk sample was extracted and processed at a third party smelter. The average grade of this sample was 6.53 g/t gold.

Houston Lake completed a 17 hole (2,561m) drilling program in 2007. Results included intercepts of up to 7.5m at 29.9 g/t gold.

### ***Other Gold Occurrences***

Numerous other gold occurrences have been identified by previous explorers within the Project area. These include:

#### ***Robertson Prospect***

The Robertson Prospect comprises a north-south trending mineralised shear zone that has been delineated over a strike length of 200m. A recent (2011) drill program of four holes (2,522m) by Houston Lake returned intercepts of up to 38.7m at 1.41 g/t gold (including 3.0m at 8.80 g/t gold). The mineralisation remains open in all directions.

#### ***McLennan Prospect***

Located at the sheared contact between mafic volcanic rocks and gabbro, the mineralised zone at the McLennan Prospect has been traced over a strike of more than 450m. A recent 2011 drill program of 15 holes (3,000m) by Houston Lake returned intercepts of up to 4.9m at 2.54 g/t gold. The mineralisation remains open in all directions.

### **Forward Work Program**

The Company is currently assessing the additional time it may take to incorporate the Dubenski Deposit into the ongoing economic study into the development of the Cameron Gold Project, which is nearing completion. The Company is reluctant to delay the completion of this study significantly, but will advise in the near term whether the Dubenski Deposit can be included with minimal delay.

The Company has commenced work to update the mineral resource estimates for the Dubenski and Angel Hill Gold Deposits. A mineral resource estimate that is compliant with the JORC-Code will also be determined for the Dogpaw Prospect.

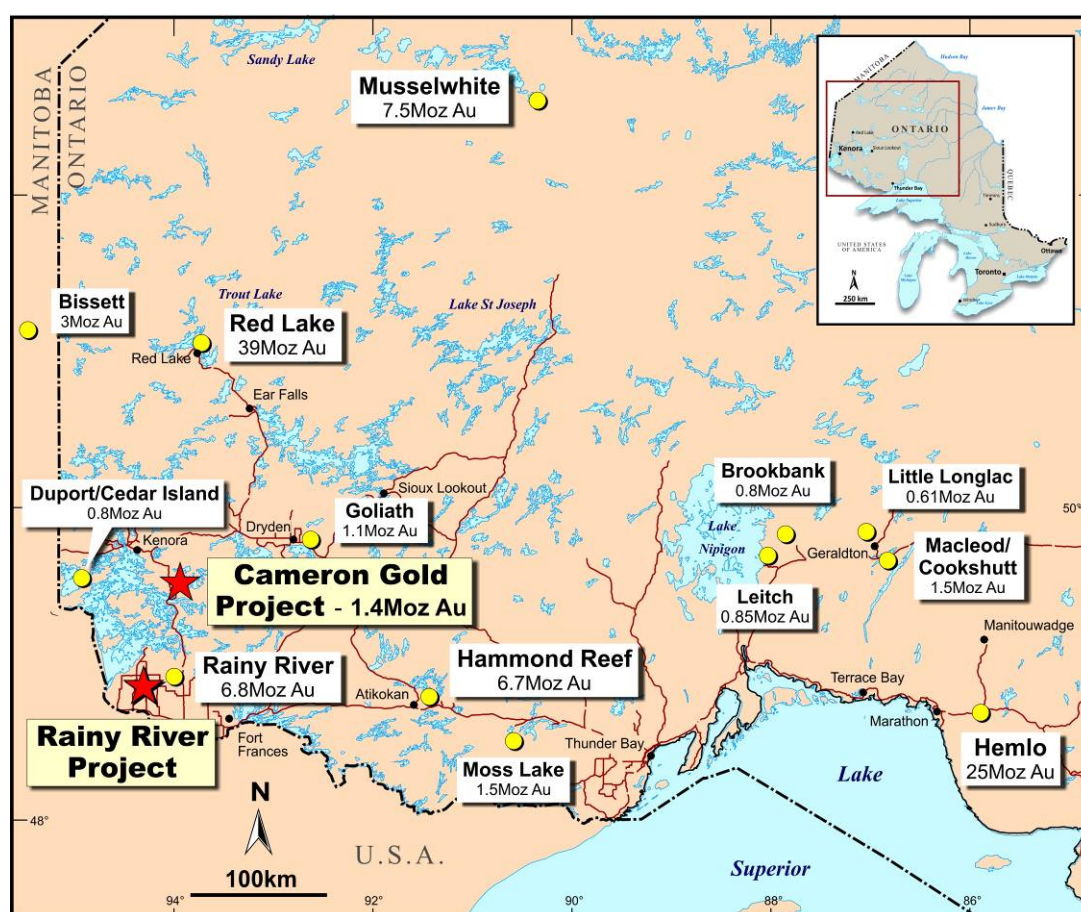
Additional drilling will be undertaken at the West Cedartree Gold Project in conjunction with further exploration at the Cameron Gold Project, with the aim of extending the mineral resources at the known deposits and delineating new resources at other prospects within the Project area. A significant number of gold occurrences have been identified since the 1930s and many of these showings have had minimal work completed. Therefore the Project is highly prospective and there is significant potential to discover additional mineral resources.

### **Commercial Terms**

The Company has executed a binding Letter of Intent with Houston Lake to acquire 100% of the West Cedartree Gold Project. The Company will immediately pay Houston Lake \$100,000. It will pay a further \$400,000 cash and issue Houston Lake 7.7 million shares in the Company on completion of due diligence; on execution of a comprehensive Purchase and Sale Agreement; and once licences are transferred to the Company, which is expected to be completed within four months. Houston Lake will reserve a 2.5% NSR royalty on approximately 20% of the Project area around the Robertson Prospect.

The acquisition of the West Cedartree Gold Project further consolidates the Company's interest in the mineral resources around the 1.4 Moz Cameron Gold Deposit, thereby concentrating ownership of the 'gold camp' in the region, which has been one of the Company's stated objectives since acquiring the Cameron Gold Project. This acquisition is expected to have a positive impact on the economics of developing a mining operation at the Cameron Gold Deposit. The Company also considers there is considerable potential to delineate additional resources at the West Cedartree Gold Project with further exploration.

**Mike Haynes**  
Executive Chairman



**Figure 2.** Location of the Company's Cameron and Rainy River Gold Projects in NW Ontario, Canada.

- <sup>1</sup> National Instrument (NI) 43-101 is the Canadian equivalent of the JORC Code.
- <sup>2</sup> The potential quantities and grades presented are conceptual in nature; there has been insufficient exploration to define a Mineral Resource; and it is uncertain if further exploration will result in the determination of a Mineral Resource.

**Competent Persons Statement**

*The information in this announcement that relates to Exploration Results and Mineral Resources 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 Canadian National Instrument 43-101 (Standards of Disclosure for Mineral Projects). Mr Goddard consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.*

*The information in this announcement that relates to Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Ball who is a Chartered Professional and Member of the Australasian Institute of Mining and Metallurgy. Mr Ball is the Director of DataGeo Geological Consultants. Mr 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 and a Qualified Person as defined in Canadian National Instrument 43-101 (Standards of Disclosure for Mineral Projects). Mr Ball consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.*