

ASX Release

31 July 2012

**COVENTRY RESOURCES
LIMITED**

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ASX Symbol: CVY**Issued Capital:**

216.6 million shares
41.7 million options

Market Capitalisation at
\$0.06/share = ~\$13 million

Major Shareholders:

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

**QUARTERLY ACTIVITIES REPORT
JUNE 2012****HIGHLIGHTS****Cameron Gold Project**

- Economic Study progressed and preliminary production, operating and capital costs being reviewed by independent Australian consultant.
- Preliminary metallurgical test work results return high gold recoveries of greater than 93% from cyanide leach tests.
- Regional backhoe till sampling delineates several high-priority anomalies for follow-up, both proximal to the Cameron Gold Deposit and in surrounding areas.
- RC overburden drilling completed to the west and northwest of the Cameron Gold Deposit has returned further anomalism along strike to the northwest of the Deposit corresponding with pit sampling results.
- Further pit sampling and trenching to delineate anomaly sources underway.

West Cedartree Gold Project

- Acquisition of the West Cedartree Gold Project located 10 km west of the Cameron Gold Project.
- Project hosts a JORC-Code compliant Indicated and Inferred resource at the Dubenski Gold Deposit totalling:
573,000 tonnes at a grade of 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 Coventry shares which equates to an acquisition cost of approximately \$15 per resource ounce.
- Anticipated that the acquisition will have a positive impact on the economics of developing the Cameron Gold Project.

Rainy River Gold Project

- Results from the maiden regional RC overburden drilling program has outlined eight separate gold in till anomalies.
- A precious and base metal anomalous semi-massive sulphide body was also intersected during the program.

Corporate

- Mike Naylor commenced employment as the Company's new Managing Director and Chief Executive Officer and has relocated to Toronto, Canada.

CAMERON GOLD PROJECT

Economic Study

The economic study to assess the development of the 1.4Moz Cameron Gold Deposit in north-western Ontario, Canada (Figure 1) has progressed. Preliminary production, mining, processing and capital costs for the open pit have been received and are currently being reviewed by an independent Australian consultant with extensive processing and mining experience in both Australia and Canada. The results from this review are expected to be released in the coming weeks.

Metallurgy

The Company received positive results from a metallurgical test work program undertaken on a sample that is considered representative of material that would be mined by open pit and underground methods.

Whole ore leach testing resulted in average recoveries of 93.3% of the contained gold.

This preliminary test work demonstrates that the mineralisation from the Cameron Gold Deposit is readily amenable to a conventional crush, grind and CIL treatment route.

In addition, preliminary comminution test work was conducted with the following outcomes:

- Ball mill bond index (BWI) averaged 12.4 kWh/t indicating low to moderate crushing and power requirements;
- Rod Mill Bond (RWI) index averaged 15.5 kWh/t; and
- The abrasion indices averaged 0.328 indicating a moderate liner and media wear rate in crushing and grinding circuits.

The test-work, performed by SGS Vancouver, has shown the sample has low to moderate work indices and does not exhibit excessive crushing and grinding power requirements or abrasive issues.

Environmental and Archaeological Studies

Contractors for the Company (DST Consulting Engineers) have completed the summer wildlife monitoring component of the environmental baseline study required for the application of mine permits. Further wildlife studies will be conducted during the northern hemisphere winter. Water quality and flow monitoring is being conducted on a continuous basis at stations located in drill holes and in a nearby creek. Additional environmental assessment work is scheduled to commence once the site layout for the potential operation has been finalised.

The Company in partnership with Archaeological Services Inc (ASI) continues to engage with the local First Nation communities to collect and document sites of cultural and archaeological significance. It is the policy of the Company that this data is shared with the communities. The work conducted indicates that no sites of cultural and archaeological significance are located in the potential development area for a mining operation at the Cameron Gold Deposit.

Exploration

Till Sampling

The Company completed a total of 36 reverse circulation (RC) drillholes (for 300m) through the glacial overburden that mantles the region in an area down-ice from the gold-fertile Cameron Lake Shear Zone (CLSZ) – see Figure 2.

This program was conducted in conjunction with the excavation of 90 pits to sample the overburden around the Cameron Gold Deposit itself and within the western half of the Project area. Samples from this program were submitted for gold assays by Instrumental Neutron Activation Analysis (INAA) and ICP-MS. At the end of the quarter, results from Bulk Leach Extractable Gold (BLEG) analyses for the pit samples remain outstanding.

The glacial overburden over the Cameron Gold Deposit is characterised by a type of sediment associated with glaciofluvial deposition. This has resulted in much of the gold in the overburden around the Deposit likely being washed away by streams flowing underneath the ice mass and hence a low and subdued geochemical signature is expected. Despite this, a significant anomaly to the NW of the Deposit along the CLSZ, which was identified during initial pit sampling in the first quarter of 2012, has been confirmed by RC drilling (Figure 2). This is considered a very high priority anomaly and follow-up overburden sampling prior to drill testing has commenced.

Pit sampling completed immediately to the south and down-ice from the Cameron Gold Deposit returned moderately anomalous Au, Cu and Cd results (Figure 2). A similarly anomalous metal assemblage was

repeated to the NW of the Cameron Gold Deposit, as well as to the SE, again further repeating earlier, wider-spaced till pit sampling programs.

This anomaly is also considered a very high priority and additional pit sampling and trenching has commenced to define the source of the gold as a lead up to drill testing.

Regional pit sampling completed at 75 sites in the western part of the Cameron Gold Project has also identified a further 9 gold anomalies that warrant additional follow-up sampling (Figure 3). These range up to 760 ppb and 95 ppb gold.

Follow-up pit sampling to further define these regional gold anomalies has commenced.

WEST CEDARTREE GOLD PROJECT

During the quarter Coventry reached agreement to acquire 100% of Houston Lake Mining Incorporated's (TSX-V: HLM; "Houston Lake" and "HLM") West Cedartree Gold Project, located 10 kilometres west-north west of the Cameron Gold Deposit (Figure 4). The West Cedartree Gold Project incorporates mineral rights over 16.51 km², which can be readily accessed via the all-weather road that was constructed to access the Cameron Gold Deposit (see Figure 4).

Geology

The Project area principally covers the 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 previous NI 43-101¹ mineral resource estimate has been calculated for the Angel Hill Prospect, however this has yet to be audited to 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 that is up to 20m wide over a strike of 400m. Mineralisation to date 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 HLM.

Utilising information from 72 drill holes a JORC-Code compliant mineral resource estimate was calculated for the Dubenski Deposit in January 2009 under NI 43-101 regulations. This indicated and inferred mineral resource estimate² comprised (see Table 3):

573,000 tonnes at a grade of 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 calculating an updated JORC-Code compliant mineral resource estimate, incorporating all drilling information, in the coming months.

Angel Hill Prospect

The Angel Hill Prospect is located 2.8km to the west of the Dubenski Gold Deposit (Figure 4). 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 compliant¹ 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 HLM 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 Target² 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 gold²

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

A north-south trending mineralised shear zone identified 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 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 has commenced work to update the mineral resource estimates for the Dubenski and Angel Hill Gold Deposits. It is anticipated that these resources will be incorporated into the Economic Study for the Cameron Gold Project, which is currently being prepared.

Mineral resource estimates that are compliant with the JORC-Code will also be determined for the Angel Hill and Dogpaw Prospects.

Additional drilling will be undertaken at the West Cedartree 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 has paid 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 three 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 Cameron Gold Deposit thereby building concentrating ownership of the 'gold camp' in the region, which has been a stated objective of the Company 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.

RAINY RIVER GOLD PROJECT

During the quarter the Company received the remaining results from its inaugural 181 hole (4,349 metres) RC overburden drilling program undertaken over Coventry's large land holding in the Rainy River Greenstone Belt, adjacent to the 8.0 Moz Rainy River Gold Deposit in northwestern Ontario, Canada (see Figure 5). RC drilling was conducted on lines spaced 800m apart with holes on 300m centres across the Pattullo and Blue properties that comprise the Project area. This drill pattern was designed so that at least one hole would intersect a till anomaly arising from a typical Archaean gold deposit in Canada.

Eight definitive anomalies worthy of further follow-up work have been delineated from this program. In addition, a semi-massive sulphide body, anomalous in precious and base metals, was also intersected during the drilling program.

Pattullo Property

A total of 130 holes were completed within the Pattullo Property which contains the largest landholding of the Project area. Till depths were variable ranging from a few metres to more than 40m. Four probable gold-in-till anomalies have been delineated within the Pattullo Property. These are the Martin, Stafford, Neilson and Desserre anomalies (Figures 5, 6 and 7).

The Martin and Stafford Anomalies are located within the same 'train' of gold grains in till that has been delineated over a strike length of more than 7 kilometres. It is likely that part of this train contains gold grains transported from the Rainy River Gold Deposit located some 15 kilometres to the northeast (Figure 6). However, the variation in the number of reshaped grains giving localised high anomalies within the trains, as well as significant numbers of modified and pristine grains from pit sampling, suggests that two local sources of gold grains may exist within the broader anomaly.

The Neilson and Desserre Anomalies are interpreted to be associated with structural features evident in the airborne magnetic data.

Blue Property

A total of 51 RC holes were completed within the Blue Property, located in the western-most part of the Project area. Overburden thickness consistently averaged in the order of 30m. Four probable gold-in-till anomalies have been delineated within the Blue Property (Figure 7). In addition, a semi-massive sulphide that is anomalous in precious and base metals was intersected in a single hole in the southwestern part of the property (Figure 7).

Follow-up drilling and other ground work over all defined anomalies are being planned. This is likely to be undertaken during the northern hemisphere autumn (fall) of 2012.

ARDEEN GOLD PROJECT

No work was completed at the Ardeen Gold Project during the quarter. Future work at this project will be directed at the large gold-in-till anomaly (peak assay 682 ppb Au) associated with the large-scale Boundary Fault Zone that extends over a strike of greater than 1,300m.

CORPORATE

During the quarter Mr Mike Naylor commenced employment as the Company's Managing Director and Chief Executive Officer. Mr Naylor has over 16 years experience in the resources sector, primarily in gold projects located in Europe, Africa and Australia.

In his most recent position as Finance Director of Dragon Mining Limited, a gold mining company listed on the Australian Securities Exchange, Mr Naylor was integral in the exploration, mining and processing operations of its open pit and underground gold mines and development projects in Sweden and Finland.

Mr Naylor has extensive experience in feasibility studies, project finance, development and risk management of gold projects. Mr Naylor is a Chartered Accountant and formerly held a senior management position with Ernst and Young in Perth and Toronto.

In anticipation of Coventry ramping up activities to meet the additional demands necessary to effect an orderly transition from explorer to developer, Mr Naylor relocated to Toronto, Canada. The move is a strong commitment by the Company in its efforts to develop the Cameron Gold Project.

The Company's current Executive Chairman, Michael Haynes, will assume a non-executive role at the end of July 2012.

Mike Naylor
Managing Director and Chief Executive Officer

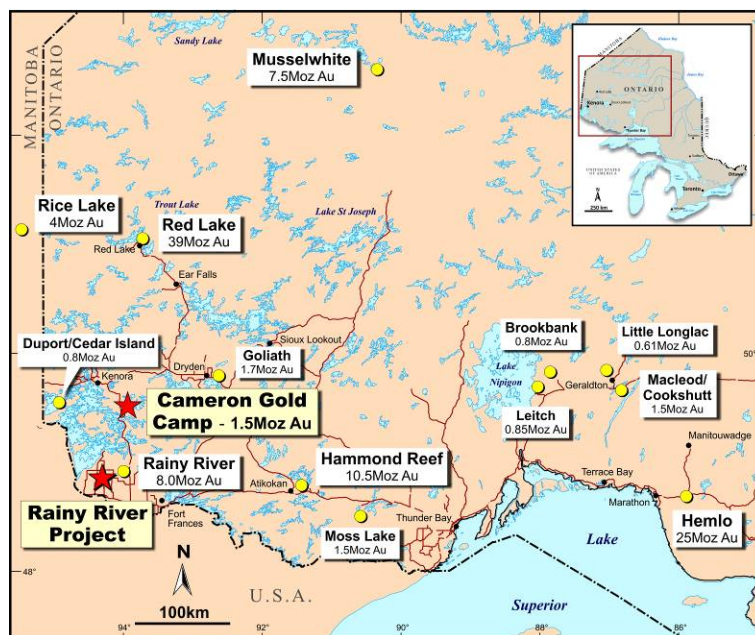


Figure 1. Location of the Company's Cameron and Rainy River Gold Projects in NW Ontario, Canada.

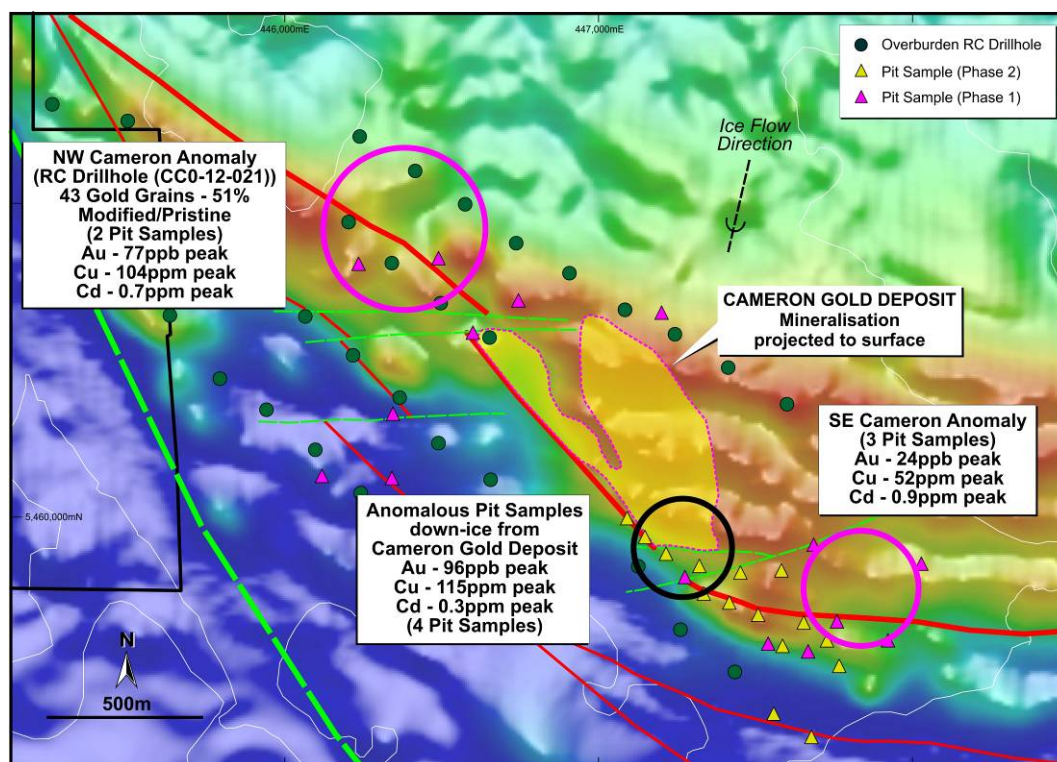


Figure 2. Total Magnetic Intensity (TMI) image around the Cameron Gold Deposit with interpreted major structures and the location of recently defined gold-in-till anomalies from RC and Pit Sampling.

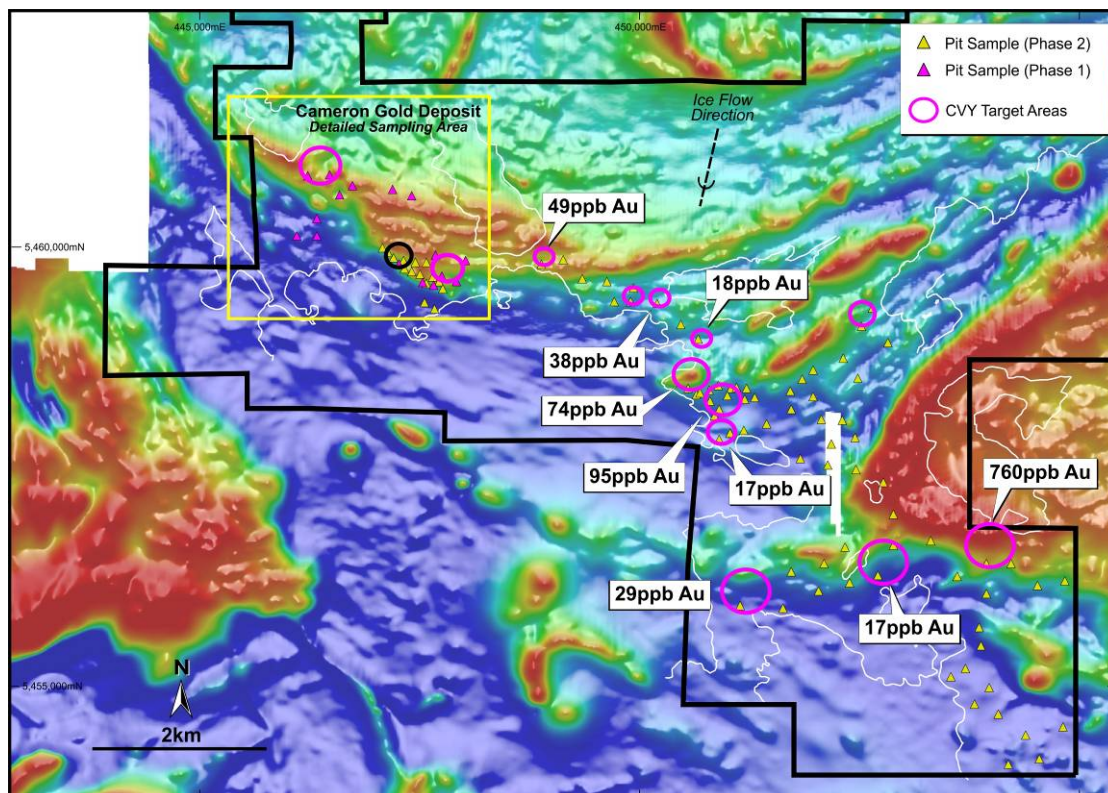


Figure 3. Total Magnetic Intensity (TMI) image of the western part of the around the Cameron Gold Project showing recently defined pit sampling gold anomalies.

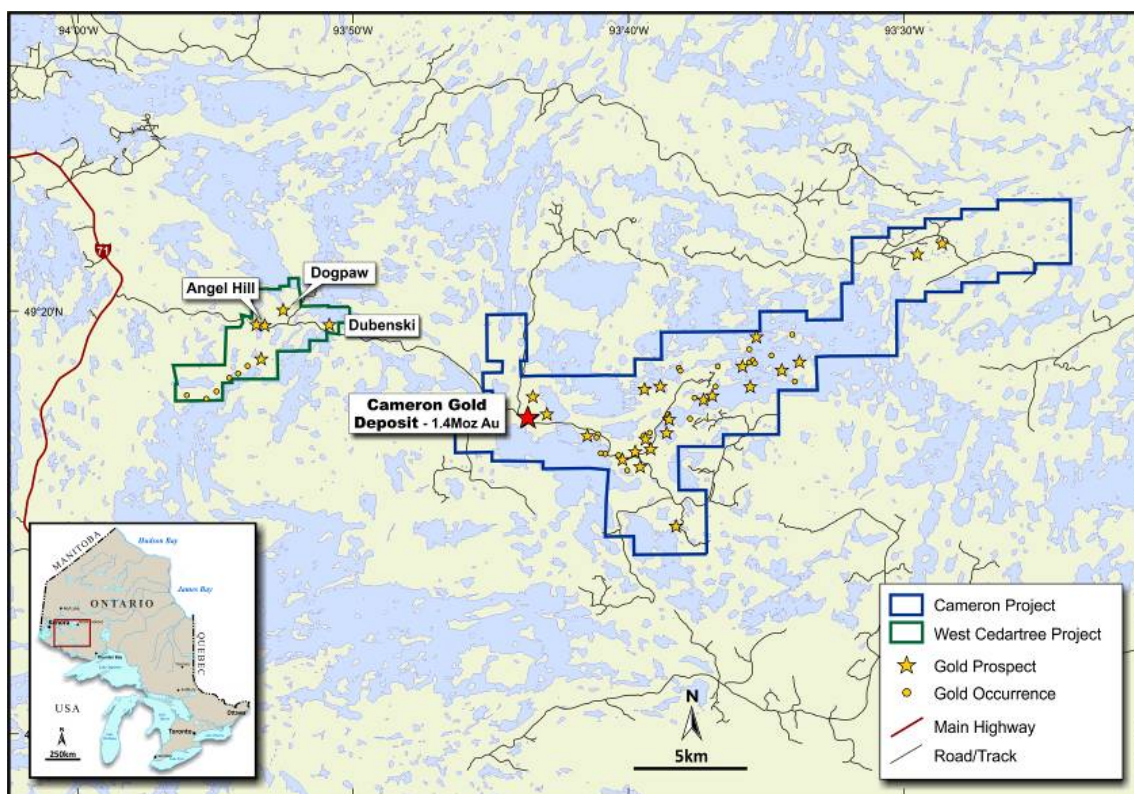


Figure 4. Location of the West Cedartree Project in relation to the Company's Cameron Gold Project.

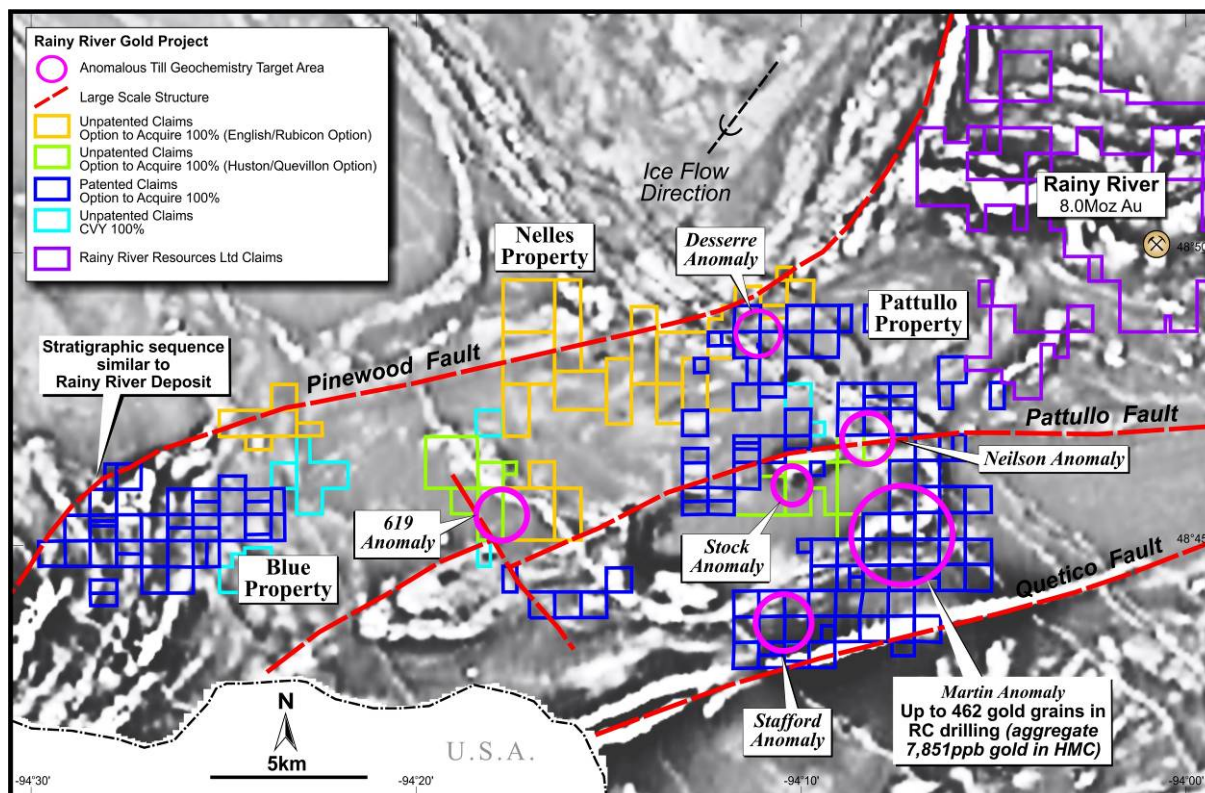


Figure 5. First-vertical derivative aeromagnetic image from the Company's Rainy River Project illustrating interpreted major structures. Gold till anomalies are highlighted in magenta.

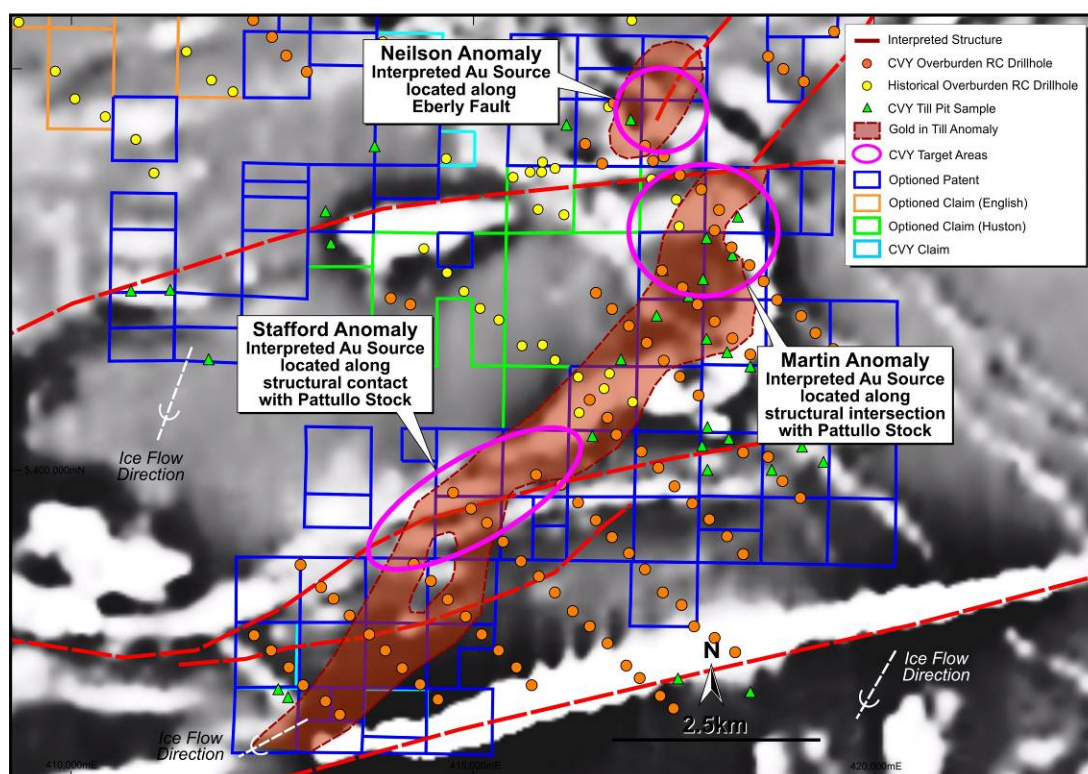


Figure 6. First Vertical Derivative magnetic image with main anomalies in the Pattullo Property, Rainy River Gold Project with interpreted structures.

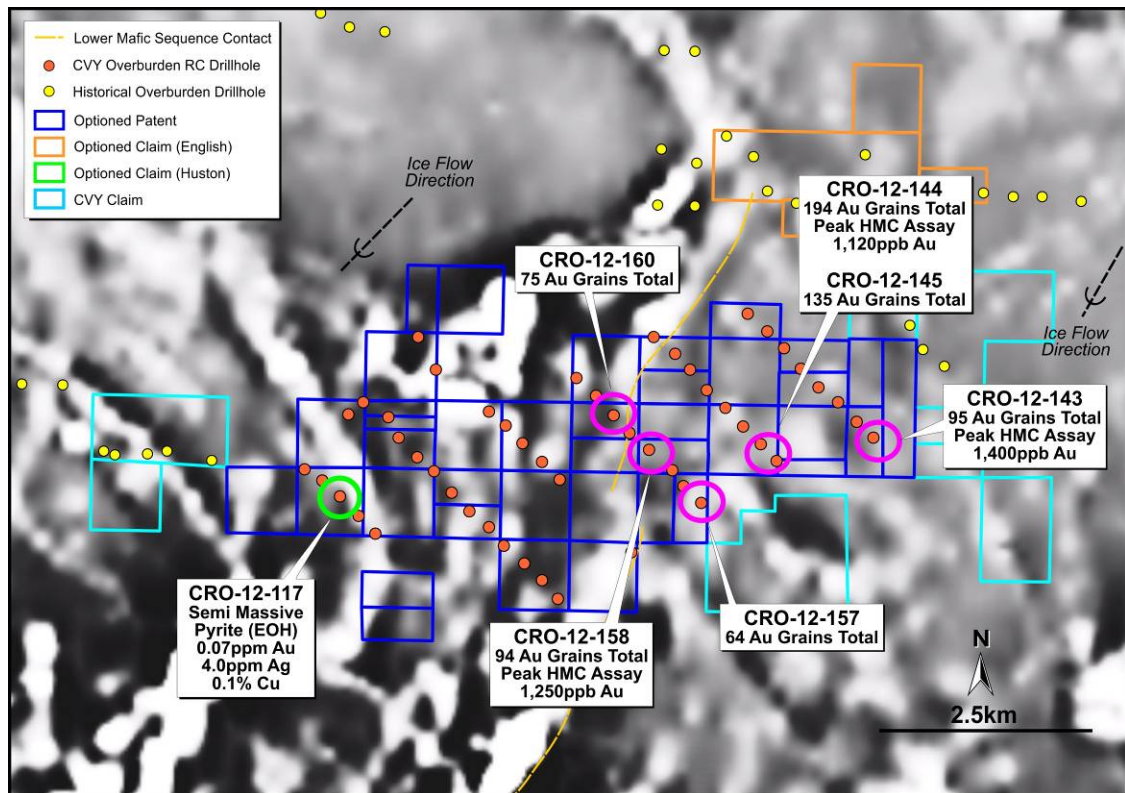


Figure 7. First Vertical Derivative magnetic image with main anomalies in the Blue Property, Rainy River Gold Project with interpreted structures.

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

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

Cut-off – 0.65 g/t gold

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