

ASX Release

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COVENTRY RESOURCES LIMITED

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Issued Capital:
127 million shares

ASX Symbol: CVY

\$10 MILLION PLACEMENT COMPLETED – 15-20,000 METRE DRILLING PROGRAM TO COMMENCE SHORTLY

Coventry Resources Limited (ASX:CVY and “the Company”) is pleased to advise that it has completed the placement of 45.45 million shares to raise \$10 million. These shares have now been allotted.

Funds raised have been used to complete the acquisition of a 100% interest in the +1Moz Cameron Lake Gold Project in Ontario, Canada.

Following the completion of this acquisition the Company still holds cash reserves of approximately \$6.5 million. These funds will be used to rapidly advance the Cameron Lake Gold Project towards production.

Preliminary open pit mining studies indicate that a “starter” open pit mining operation at the Cameron Lake Gold Deposit can potentially generate positive free cash in excess of US\$156 million. With considerable high grade mineralisation located immediately beneath the base of the conceptual “starter” open pit, the Company anticipates that it will be possible to substantially improve on the economics of any mining operation with the development of a subsequent underground mining operation. Underground mining studies are in progress.

The mineralisation at the Cameron Lake Gold Deposit remains open in all directions, and with further upgrades to the resource base the Company believes that it can further improve on the economics of a mining operation.

The Company will commence an extensive 15-20,000 metre drilling program later this month, in order to:

- (i) Convert resources within the conceptual open pit and underground mine models to reserves;
- (ii) Extend the known limits of mineralisation at the Cameron Lake Deposit, which is open along strike in both directions and at depth, hence adding resource ounces;
- (iii) Evaluate the considerable exploration upside of the project, where essentially no exploration has been undertaken since the late 1980s; and
- (iv) Acquire additional metallurgical, geotechnical and hydrological data so that feasibility studies on the project can be completed.

Having completed the \$10 million placement the Company is now exceptionally well positioned to advance the project through feasibility studies to production.

Cameron Lake Gold Project - Background

The Cameron Lake Gold Deposit is an advanced, high-grade gold deposit that is exposed at surface and extends over a strike of more than 1,000 metres and to a known depth of 850 metres. The Company recently completed conceptual mining studies that indicate the deposit can be brought into production in the near term by way of open pit mining.

The Cameron Lake Gold Deposit was discovered in 1960. More than 750 diamond drill holes (predominantly drilled from underground) have been completed to evaluate the deposit, returning in excess of 84,500 metres of diamond drill core. Approximately 3,500 metres of underground development has been established by way of a decline and exploration drill drives, to a maximum depth of 243 metres. Very little work has been undertaken at the project since the late 1980s.

The JORC Code compliant indicated and inferred resource base at the Cameron Lake Gold Project currently comprises **11.3 million tonnes at 2.77 g/t gold for 1,005,833 ounces of gold** (1.5 g/t gold cut-off). The mineralisation remains open along strike in both directions and at depth. Eleven other advanced prospects and occurrences have been delineated within the 3,000 hectare project area. As such there is considerable potential to expand the resource base.

The Company's medium term exploration target¹ is to delineate 1.5-2.0 million ounces of gold at the Cameron Lake Gold Project as it moves the project through feasibility studies and towards production during 2010. This exploration target of 1.5-2.0 million ounces is conceptual in nature as insufficient exploration has been undertaken to define a mineral resource of this size under the JORC Code and it is uncertain if further exploration will result in the determination of a mineral resource of this size.

Mike Haynes
Executive Chairman

Category	Tonnes	Grade (g/t gold)	Ounces of gold
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

Table 1. JORC Code compliant resource estimate for the Cameron Lake Gold Deposit (1.5 g/t gold cut-off).

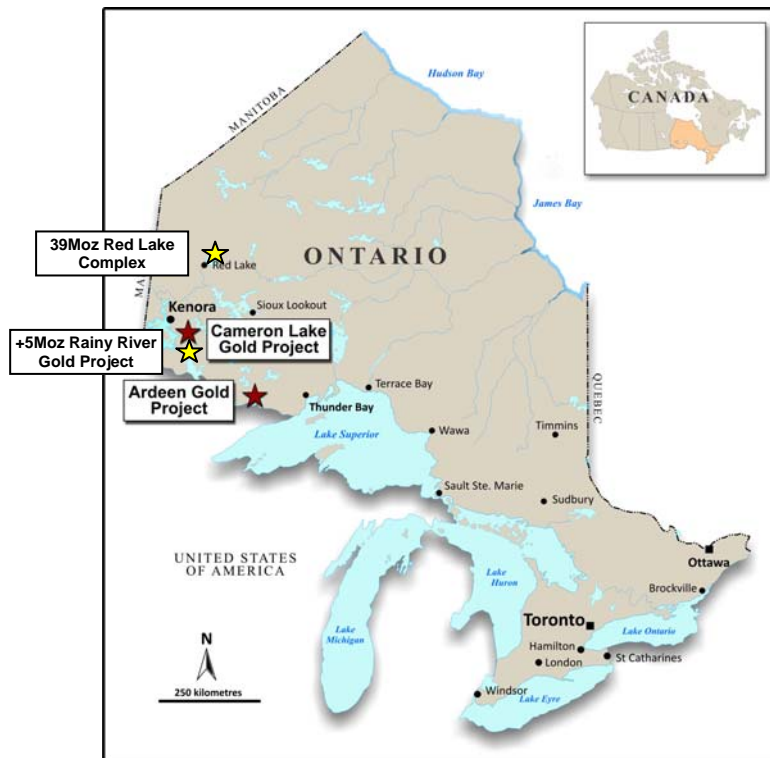


Figure 1. Location of the Cameron Lake and Ardeen Gold Projects, Ontario, Canada.

Competent Persons Statement

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 Australian 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 'Australian 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.

The information in this announcement that relates to exploration results is based on information compiled by Anthony Brendon Goddard. Anthony Brendon Goddard is a Member of the Australian Institute of Geoscientists and a Competent Person for the purposes of the JORC Code. Mr Goddard is Technical Director of Coventry Resources Limited, and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

¹*The exploration target of 1.5-2.0 million ounces is conceptual in nature as insufficient exploration has been undertaken to define a mineral resource of this size under the JORC Code and it is uncertain if further exploration will result in the determination of a mineral resource of this size.*