

## ASX Release

15 September 2010

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For the latest news:  
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#### Directors / Officers:

Michael Haynes  
Tony Goddard  
Rhoderick Grivas  
Faldi Ismail  
Nick Day

**Issued Capital:**  
127.13 million shares  
30.5 million options

**ASX Symbol:** CVY

## ACQUISITION OF HIGHLY-PROSPECTIVE PROPERTY – CAMERON GOLD PROJECT

- Acquisition of highly prospective property along strike from the Cameron Gold Deposit.
- Property located in a highly favourable geological setting.
- Numerous significant gold occurrences located within the property, including the Meston Prospect:
  - Comprises a quartz-carbonate-pyrite breccia of the same style of mineralisation at the Cameron Gold Deposit.
  - The breccia extends over a strike of 200 metres and is up to 30 metres wide.
  - Only limited exploration has been undertaken previously.
  - Previous trenching returned assays up to:
    - 18.5m @ 6.56 g/t gold
  - Limited drilling has returned intersections including:
    - 6.4m @ 3.11 g/t gold, and
    - 18.2m @ 1.24 g/t gold.
- Several other prospects and geological targets highlighted for immediate follow-up.
- This acquisition is part of the Company's regional consolidation strategy to grow the resource base of the Cameron Gold Project in a newly-emerging gold camp.

Coventry Resources Limited (ASX: CVY and the "Company") is pleased to advise that it has entered into an option agreement with King's Bay Gold Corporation (TSX-V: KBG and "King's Bay Gold") and a privately held company, Lasir Gold Inc ("Lasir") to acquire an 80% interest in the Nucanolan Property (the "Property"), located adjacent to the Company's 100%-owned Cameron Gold Project (see Figure 1). The Property is located along strike from and within five kilometres of the +1 Moz Cameron Gold Deposit (Table 1).

The Nucanolan Property comprises 20 granted mining claims covering 325 hectares (3.25 km<sup>2</sup>) (see Figure 2). These claims also comprise a granted Mining Lease. Access to the Property is excellent, with the extension of the access road to the Cameron Gold Deposit transecting the Property. Extensive logging in the area during the past 7 years has resulted in much of the area being directly accessible.

Limited work has been undertaken at the Property previously, most recently in 1987. It hosts a number of under-explored gold occurrences in a highly-prospective structural location and geological setting, within an extensive corridor of demonstrated gold endowment.

#### **Option Agreement Terms**

The Company has the right to earn an 80% interest in the Property by spending CAD \$1,000,000 on exploration over the next three years.

The Company is also required to pay Lasir CAD \$20,000 and to issue Lasir 50,000 shares by February 16, 2011. The Company is then required to make annual payments to Lasir comprising CAD \$30,000 and 50,000 shares for the following three years (by February 16, through until 2014). The Company is also required to immediately pay King's Bay Gold CAD \$15,000.

Once the Company has met its expenditure commitment on the Property it will establish a Joint Venture with King's Bay Gold. Subsequent expenditure on the Property will be pro-rated on an 80/20 basis, until a production decision is made.

Lasir will retain a 3% NSR royalty interest in the Property, which the Company and King's Bay Gold may reduce to 1.5% by paying Lasir CAD \$1,500,000.

### **Geology**

The geology of the Nucanolan Property comprises a sequence of mafic volcanic and volcanoclastic rocks and intermediate to felsic pyroclastic rocks intruded by gabbro-dolerite sills and quartz feldspar porphyry. This sequence strikes east-west in the western part of the Property, before swinging round to a northeast-southwest orientation in the northeast, dipping steeply to the north and northwest, respectively.

The Monte Cristo Shear Zone transects the central part of the Property and is responsible for the overall structural trend. This shear zone is associated with widespread carbonate-silica-pyrite alteration and brecciation, especially in the vicinity of the Meston Prospect. It forms part of the structural architecture associated with gold mineralisation throughout the Cameron Gold Project.

The Nolan Lake stock is located immediately southeast of the Property and is a syn-post tectonic granitoid intrusion located in the nose position of a local anticline.

About 70% of the Property is covered by glacial till up to several metres in thickness. The till is best developed in the southern part of the Property over the interpreted trace of the Monte Cristo Shear Zone.

### **Historic Mining and Previous Exploration**

Gold was first discovered on the Property in the early 1900's, with two shafts and an adit being developed at the Sullivan Prospect. The two shafts were completed to depths of 33.4 and 10.0 metres, together with 33 metres of lateral development. The adit was completed concurrently over a length of 14.6 metres. Records of ore production ore during this period are unavailable. Production ceased in 1933. Sampling of the dump material associated with the shafts has returned assay values in the order of 3 g/t gold.

The Property lay dormant until the early 1970's when Canex Placer completed ground electromagnetic (EM) and magnetic surveys and mapping. Surface sampling by Canex Placer at the Meston Prospect uncovered an area measuring approximately 213 x 46 metres, where surface samples averaged 2.48 g/t gold. Three diamond drill holes totalling 439.3 metres were completed to the test the prospect, however these holes were drilled parallel to the strike of stratigraphy. Despite this an intercept of 6.4 metres @ 3.11 g/t gold was recorded.

In the early 1980's, Nolan Lake Explorations completed geological mapping and sampling, induced polarisation (IP) and VLF EM surveys and diamond drilling (19 holes for 1,171m). The geological mapping and sampling highlighted quartz-carbonate-pyrite breccias at the Meston Prospect, as well as additional mineralised occurrences associated with the Sullivan Prospects. A further zone of quartz-carbonate-pyrite alteration was identified in the southern part of the Property. These zones recorded chargeability anomalies in the IP data and were tested by a series of mostly vertical diamond drill holes. Despite the vertical drill hole orientation a number of highly anomalous results were recorded at the Meston Prospect, including 18.2 metres @ 1.24 g/t gold, 4.0 metres @ 2.02 g/t gold and 1.2 metres @ 7.65 g/t gold.

In the mid 1980's Canolan Resources and Nucanolan Resources also completed geological mapping and sampling, and IP and VLF EM surveys over the entire Property. Limited basal RC till sampling and diamond drilling was also undertaken in the northern part of the Property on Rowan Lake. Continuous sampling of historic trenches returned up to 18.5 metres @ 6.56 g/t gold, together with numerous other anomalous results. This work further extended the mineralisation at the Meston Prospect.

No work has been undertaken on the Property since 1987.

## **Prospects**

Three main prospects have been delineated within the Property – Meston, Sullivan and Reliance:

### *Meston Prospect*

The Meston Prospect comprises a quartz-carbonate-pyrite breccia similar to that which hosts the mineralisation at the Company's Cameron Gold Deposit. The breccia extends over a strike of more than 200 metres and is up to 30 metres wide. Surface sampling has returned results up to 18.5 metres @ 6.56 g/t gold. Largely ineffectual and non-systematic drilling returned intersections including 6.4 metres @ 3.11 g/t gold and 18.2 metres @ 1.24 g/t gold. The mineralisation is associated with the Monte Cristo Shear Zone, which forms the contact between mafic and intermediate volcanic rocks. The mineralisation has a chargeable response in IP surveys. The Meston Prospect is highly-prospective and forms the main target for the Company's planned exploration activities on the Property.

### *Sullivan Prospect*

The Sullivan Prospect comprises a series of historic workings (two shafts and an adit) in a geologically complex area. Gold at the Sullivan No 1 shaft occurs in association with pyrite in sheared and silicified pyroclastic rocks, and in carbonate and quartz-veined mafic volcanic rocks with quartz feldspar porphyry. At the Sullivan No 2 shaft, carbonate-rich quartz veins occur at the contact between quartz feldspar porphyry in the hangingwall and gabbro in the footwall. Historic sampling of the workings has recorded assay values in the order of 3 g/t gold, with a peak assay of 7.78 ounces per ton gold. Limited shallow diamond drilling has recorded up to 0.8m @ 1.25 g/t gold. The effectiveness of the drilling completed in this area is interpreted to be limited

### *Reliance Prospect*

The Reliance Prospect is located 240 metres north of the Meston Prospect. It is an area of apparent vegetative anomalism at a sheared contact between gabbro and mafic volcanic rocks. This structural position is the same as that hosting the Cameron Gold Deposit.

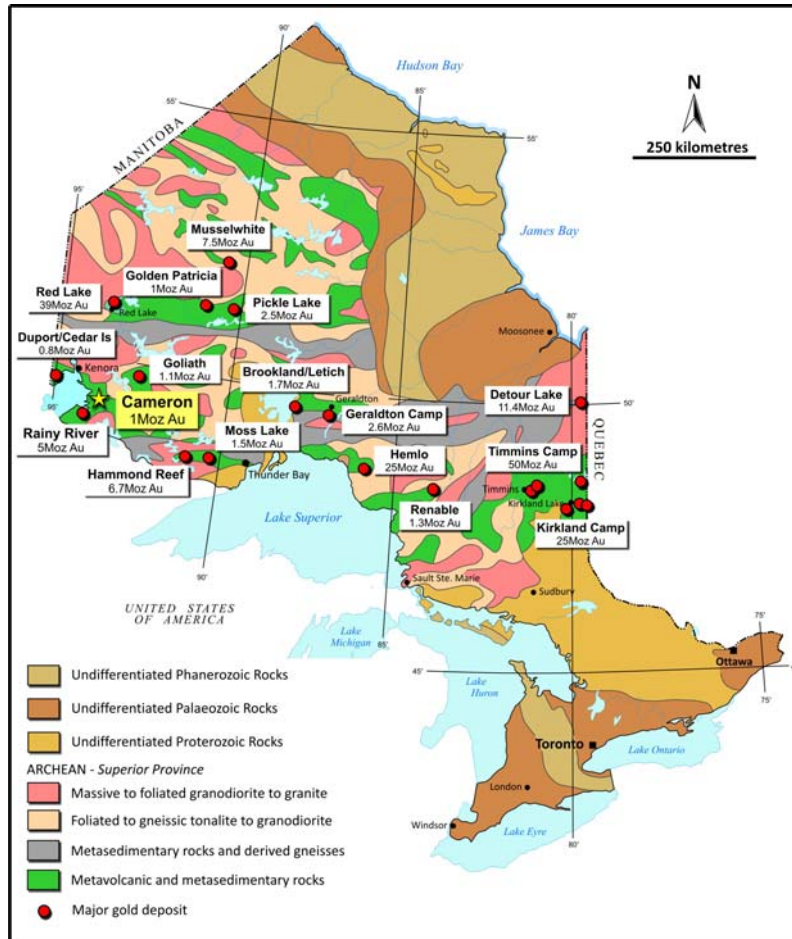
## **Work Program**

The Company plans to undertake an aggressive exploration program on the Property in tandem with its activities on the larger Cameron Gold Project. Work will include line cutting and geological mapping and sampling, to be followed by airborne magnetic and IP surveying. A property-wide geochemical sampling program will also be undertaken in conjunction with the rest of the Cameron Project.

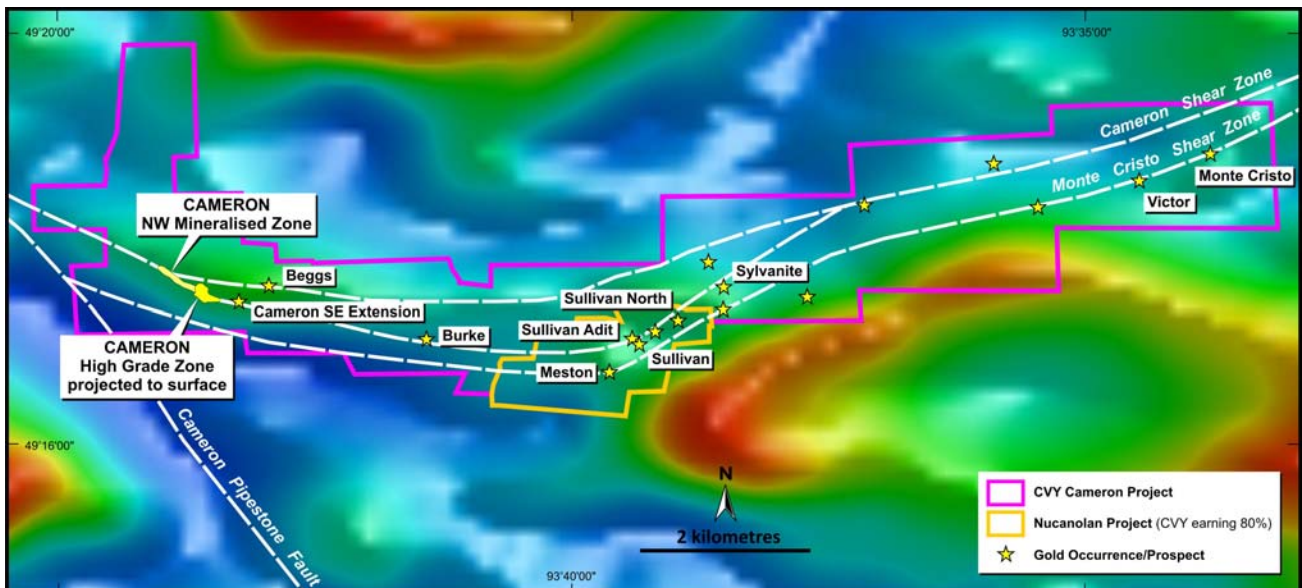
Diamond drilling will be undertaken at the Meston Prospect as soon as all titles have been transferred according to the conditions of the Ontario Provincial Government.

It is anticipated that additional prospects are likely to be generated following detailed compilation of all historic exploration data and the implementation of the Company's planned work program.

**Mike Haynes**  
**Executive Chairman**



**Figure 1.** Location of the Cameron Gold Deposit in Ontario, Canada, with other significant deposits in the Western part of the Superior Province.



**Figure 2.** Cameron Gold Project (magenta) and the Nucanolan Property (yellow) showing existing historic low-resolution airborne magnetic data and mineral deposits and occurrences. The acquisition of the Nucanolan Property secures the cluster of gold occurrences and prospects located on the bend of a known gold-fertile structural corridor comprising the Monte Cristo and Cameron Shear Zones.

**Table 1.** JORC code compliant resource estimate for the Cameron Gold Deposit applying various cut-off grades.

<b>Cut-off grade (g/t gold)</b>	<b>Category</b>	<b>Tonnes</b>	<b>Grade (g/t gold)</b>	<b>Ounces of gold</b>
<b>0.5</b>	Indicated	7,221,000	2.26	523,477
	Inferred	13,311,000	1.84	786,150
	<b>Total</b>	<b>20,531,000</b>	<b>1.98</b>	<b>1,309,627</b>
<b>1.0</b>	Indicated	5,818,000	2.61	488,366
	Inferred	10,585,000	2.11	719,457
	<b>Total</b>	<b>16,403,000</b>	<b>2.29</b>	<b>1,207,823</b>
<b>1.5</b>	Indicated	4,164,000	3.16	422,353
	Inferred	7,148,000	2.54	583,480
	<b>Total</b>	<b>11,312,000</b>	<b>2.77</b>	<b>1,005,833</b>
<b>2.0</b>	Indicated	2,978,000	3.72	356,169
	Inferred	3,870,000	3.27	406,457
	<b>Total</b>	<b>6,848,000</b>	<b>3.46</b>	<b>762,626</b>

**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 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.*

*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.*