



Coventry Resources Limited

November 2011

Coventry Resources Limited ('CVY') is an ASX listed gold junior focussed on the exploration and development of the +1.4Moz Cameron Gold Project in Ontario, Canada.

Cygnet Capital believes that CVY is currently undervalued and trading at a discount to peers on a EV/Resource basis.

Key Points

- **Cygnet believes that CVY is currently Undervalued** and is trading at a ~73% discount against its Australian peers on an EV/Resource basis. In our view the completion of the current regional exploration program, associated JORC upgrade and pre-feasibility study ('PFS') further underpins the development of the Cameron Gold Project and provide the impetus for a re-rating;
- **CVY recently announced the completion of its inaugural drilling program at the Cameron Gold Project:** Previous exploration programs comprised a total of 1,056 drill holes for a total of 128,676m. The results derived from the integration of 29,170m of drilling data compiled during CVY's recent drilling program, and 84,541m of historic drilling data, have allowed CVY to upgrade JORC compliant resource estimates to 19.4Mt at 2.24g/t Au for 1.40Moz of gold;
- **Robust resources within 300m of the surface:** CVY has indicated that more than 81% of the gold resources within 300m of the surface are classified as either "Measured" and "indicated" JORC resources;
- **The upgraded JORC resources will be utilised to develop a PFS** into the development of an initial open pit mining operation at the Cameron Gold Project. The study is expected to be completed during Q2 2012. It is likely that the study will reveal the viability of an open pit mine at the Cameron Gold Deposit, with the commissioning of a definitive feasibility study to follow;
- **A follow-up drill program has commenced at the Cameron Gold Project:** A follow-up drill program has commenced, targeting the northwest strike of the Cameron Gold Deposit, where there is potential to delineate further resources with additional infill drilling; and
- **In October 2011, CVY successfully secured the highly prospective properties that make up the Rainy River Gold Project:** The project, covering 93.6km² in northwest Ontario, is directly adjacent to the exciting 6.7Moz Rainy River Gold Deposit. Very limited exploration works have taken place within the project area. Gold anomalies delineated include a sample returning 462 gold grains in till (57% modified).

Upcoming Activity and Potential News Flow

- Nov 2011 - 10,000m follow-up drill program to take place at the Cameron Q1 2012: Gold Deposit;
- Nov 2011: CVY intends to implement an exploration program at its Rainy River Gold Project, with initial infill sampling planned;
- Q1 2012 - Pre-feasibility study into the development of an open pit mine
- Q2 2012: at Cameron Gold Deposit;
- Q2 2012 - Bankable feasibility study ('BFS') of the open pit mine at
- Q1 2013: Cameron Gold Deposit along with an environmental and social impact assessment ('ESIA'); and
- Q1 2013: Application for mining licence for the Cameron Gold Project.

Ticker:	CVY
Sector:	Materials
Current Price:	A\$0.14
Shares:	174.6m
Options:	nil
Market Cap:	A\$24.4m
Cash (est.):	A\$5.0m
EV:	A\$19.4m

As at 23 November 2011
Source: CVY & ASX

12 Month Price Performance



As at 23 November 2011
Source: ASX

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Background

- CVY is an ASX listed gold junior focussed on developing its advanced Cameron Gold Project in Ontario, Canada;
- The company listed on the ASX in October 2009 following the reverse takeover of Mobilesoft Limited;
- Following the takeover the company raised approximately A\$5m from the successful completion of an IPO on 16 October 2010;
- CVY's principal asset is a 100% interest in the advanced, high-grade Cameron Gold Deposit in the southern-most part of western Ontario near the USA border. The project was acquired by CVY from Nuinsco Resources Limited ('Nuinsco') in April 2010;
- In Q4 2011, CVY announced the successful completion of its inaugural drilling program at the Cameron Gold Project and commenced a PFS into the development of an open pit mining operation; and
- CVY's near term strategy will see the company focus on further advancing the development of the Cameron Gold Project towards production. Whilst simultaneously pursuing aggressive exploration programs of both the Cameron and Rainy River projects.

Board & Management

Mike Haynes - Executive Chairman

- Mike Haynes has 18 years of experience in the mining industry. As a qualified geologist/geophysicist he has held a number of roles including roles at BHP, Billiton and Dominion. In addition to his current position at CVY, Mike is currently the Managing Director of Black Range Minerals Limited and Chairman of both Overland Resources Limited and Genesis Minerals Limited.
- Mike has significant experience in the identification, acquisition and financing of resource projects, and has been instrumental in the incorporation and initial public offerings of several resources companies.

Tony Goddard - Technical Director

- Tony Goddard has 16 years of experience in the mining industry, primarily in gold and copper. Tony has worked with companies including BHP, Rio Tinto, Equinox Resources, Phelps Dodge and Barrick Gold. Prior to his role at CVY, Tony was the regional generative geologist for Barrick Gold of Australia Limited.

Rhod Grivas - Non-Executive Director

- Rhod is a qualified geologist with over 20 years of experience in the management of junior and mid-tier resources companies. Rhod's most recent role was Managing Director of ASX/TSX-listed Dioro Exploration NL.

Faldi Ismail - Non-Executive Director

- Faldi has extensive experience as a corporate consultant specialising in the restructure and recapitalisation of numerous ASX listed companies. Faldi is currently a Director of ASX listed Kangaroo Resources Limited and Cape Range Wireless Limited. He is principle Director of Romfal Corporate Pty Limited, a privately-owned corporate consulting firm.

Shareholder with >5%

Shareholders	Holding (%)
Macquarie Bank Limited	8.8
Sun Valley Gold LLC	5.9
Nuinsco Resources Limited	5.7
Total	20.4

Source: Intierra

'CVY has a 100% interest in the advanced, high-grade Cameron Gold Deposit.'

'Highly experienced board to transition from explorer to producer.'

'Based on peer comparison we calculate an implied valuation for CVY of \$0.42 per share.'



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Cameron Gold Project

Background

- Nuinsco acquired the Cameron Gold Project from local prospectors in 1980. Prior to CVY's acquisition in 2010, a total of 757 surface and underground drill holes, totalling 84,541m, had been completed at the deposit;
- In April 2010 CVY acquired a 100% interest in the Cameron Gold Project from Nuinsco for consideration of CAD\$6.0m cash, 12m CVY shares and a 3% NSR royalty;
- CVY has the right to buy-back 2% of the royalty by issuing CAD\$2m worth of CVY shares (market price) within the next 5 years;
- In November 2011 independent consultants, DataGeo, recalculated a JORC-compliant mineral resource of 19.4Mt at 2.24g/t Au for 1,397,200 ounces of gold (1.0g/t Au cut off);
- The Cameron Gold Project comprises 20 gold prospects and occurrences, several of which have gold mineralisation intersected in past drilling exploration;
- The Cameron Gold Deposit represents a robust resource with greater than 81% of the gold resources within 300m of the surface now classified as "Measured" and "Indicated", representing ~0.65Moz of gold delineated at a cut-off grade of 1.0 g/t Au; and
- Recently the granted mine leases for the Cameron Gold Deposit were renewed for a further 21 years.

Project Location



Source: CVY

Cameron Gold Deposit Resource Summary

JORC 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

Note: Measured, Indicated and Inferred resources are given for the cut-off grade of 1.0g/t Au.
Source: CVY

'Over 81% of the gold resources within 300m of the surface are classified as "Measured" or "Indicated", representing ~0.65Moz Au at a cut-off grade of 1.0g/t AU.'

Location and Infrastructure

- The Cameron Gold Project is located within the highly endowed Archean Superior Province approximately 90km southeast of the city of Kenora (pop. ~15,000) in Ontario, Canada near the US border;
- The project enjoys all year direct access via an all-weather gravel road, which links the site to the Provincial Highway 71, 22 km's to the west;
- High-voltage power lines traverse within 30km of the project removing the need for mass onsite power generation;
- The project is equipped with onsite diesel generator, workshops and accommodation, with capacity to accommodate ~30 individuals at any one time; and
- More than 3,500 meters of underground development for exploration purposes exist within the project area (to a total depth of 243 metres).



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Cameron Gold Project Cont.

Geology & Metallurgy

- The mineralisation at the Cameron Gold Project is delineated over a strike of >1000m and to a vertical depth of >750m;
- The mineralisation is hosted by mafic volcanic rocks and comprises quartz-albite veins and breccia associated with intense silica-sericite-carbonate-pyrite alteration;
- Gold is associated with disseminated pyrite, with high sulphide concentrations generally corresponding with higher grades; and
- Previous test work completed by Lakefield Resources recorded recoveries of up to 92% using conventional flotation techniques. Regrinding and cyanidation of the flotation concentrate recorded up to 96% recoveries.

Development

- On 9 November 2011, CVY announced an upgrade of the cumulative gold resources at its Cameron Gold Deposit. With substantial resources now classified as either "Measured" or Indicated" CVY expects that the ongoing PFS will confirm viability of an open pit mine, with an eventual depth of between 250 and 300m and a cut-off grade of ~1.0g/t Au;
- CVY is confident that considerable additional resources will be recoverable by way of underground mining once open pit mining is completed;
- In October 2010 CVY announced it had entered into an option agreement with two prospectors to acquire a 100% interest in the Roy property located within 5km's of the Cameron Gold Project; and
- In September 2010 CVY announced it had entered into an option agreement with Kings Bay Gold Corporation and Lasir Gold Inc to acquire an 80% interest in the Nucanolan property, adjacent to the Cameron Gold Project. The property consists of three main targets; Meston, Sullivan and Reliance prospects.

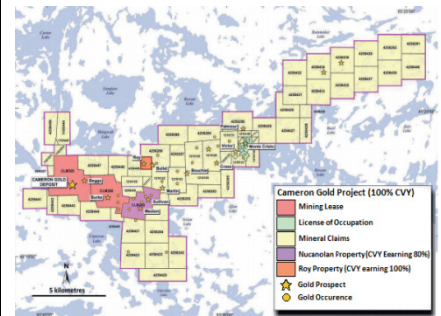
Project Funding

- CVY's current \$5m cash holding is expected to be adequate enough to meet ongoing costs associated with the PFS, scheduled for completion by June 2012; and
- Following the completion of the PFS, further capital needs will be assessed before undertaking the BFS, which will help to accurately define the capital requirements for the development of an open pit mining operation, contemplated for the Cameron Gold Deposit. The company has indicated that both debt and equity capital are being considered.

Future Development

- Significant opportunity exists to further delineate additional resources at the Cameron Gold Project through further drilling programs. There are more than 20 known gold occurrences and prospects within the project area. A follow-up drill program commenced November 2011, to evaluate this considerable exploration potential;
- The viability of an open pit mining operation at the Cameron Gold Deposit is to be assessed via the PFS (commenced Q4 2011). The study will be followed by a BFS, which CVY expects to complete by late 2012 to early 2013; and
- The company intends to submit an application for mining licence in early 2013, It is expected initial construction works will follow from mid 2013 and finally production from 2014-onwards.

Land Holdings



Source: CVY

'Pre-feasibility study underway, to test the viability of an open pit mine at the Cameron Gold Deposit'

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Rainy River Gold Project

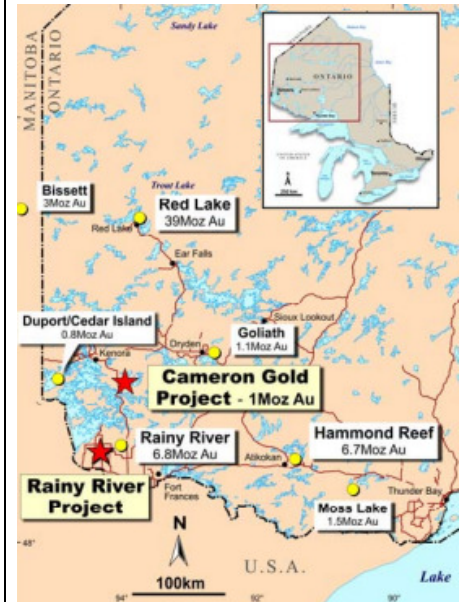
Background

- On 4 October 2011, CVY announced it had secured extensive landholdings making up the Rainy River Project. The Rainy River Project area covers 93.6km² comprising the consolidation of a number of leases including, those providing CVY with 100% of the mineral rights, whilst others claims comprise of a variety of different conditions. However, CVY maintains the right to acquire 100% of the mineral rights for all of the claims that make up the project area over the next seven years;
- The Rainy River Project is located ~100km to the south west of the Cameron Gold Project, and directly adjacent to the Rainy River Resources Limited (TSX-V: RR) owned Rainy River Gold Deposit;
- The Rainy River Gold Deposit was first discovered in 1994 as a result of the follow-up of gold anomalies delineated by a regional till geochemistry survey conducted by the Ontario Geological Survey ('OGS') within the Rainy River Greenstone Belt during 1987 and 1988;
- In 2005 Rainy River Resources Limited acquired the project area comprising the Rainy River Gold Deposit. At the date of acquisition, 558,500 ounces of gold had been delineated at the Rainy River Deposit. Subsequent work by Rainy River Resources has seen the resource expand to 6.7Moz of gold by April 2011; and
- Among the gold anomalies delineated by the regional till geochemical survey, the Martin Anomaly, which falls within the Rainy River Project area, is of particular interest. Sample analysis of the Martin Anomaly have proven to be comparable to similar analysis of the Rainy River Resources Limited owned Rainy River Deposit, but have never been followed up with bedrock drilling.

Future Developments

- CVY intends to engage in exploration activities at the Rainy River Gold Project. Initial exploration is focused around the Martin Anomaly;
- The Martin Anomaly has been selected due to results obtained from 5 follow up surface sample conducted in the late 1990s following the OGS survey, which highlighted a promising gold anomaly at the site, including one sample returning 462 gold grains in till (57% modified); and
- Glacial till covers the majority of the Rainy River Project, as a result shallow RC drilling will be utilised to systematically evaluate the project. Bedrock drilling is likely to follow, once the results are received.

Project Location



Source: CVY

'CVY seeks to explore the Rainy River Gold Project situated adjacent to the 6.7Moz Rainy River Gold Deposit'

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Comparative Valuation

Cygnnet believes that CVY is significantly undervalued when compared to competing ASX listed gold developers on an EV/Resource basis.

EV/Resource

- CVY is currently trading at an EV/Resource of \$14/oz. Au. This represents a discount of more than 73% when compared to the average EV/Resource of \$53oz. AU for competing early stage ASX listed gold developers;
- On an EV/Resource (JORC) basis we calculate an implied value applying each of the cut-off grades from 2.0g/t Au – 0.5g/t Au. The Implied valuation as a result ranges from \$0.27 - \$0.49 respectively;

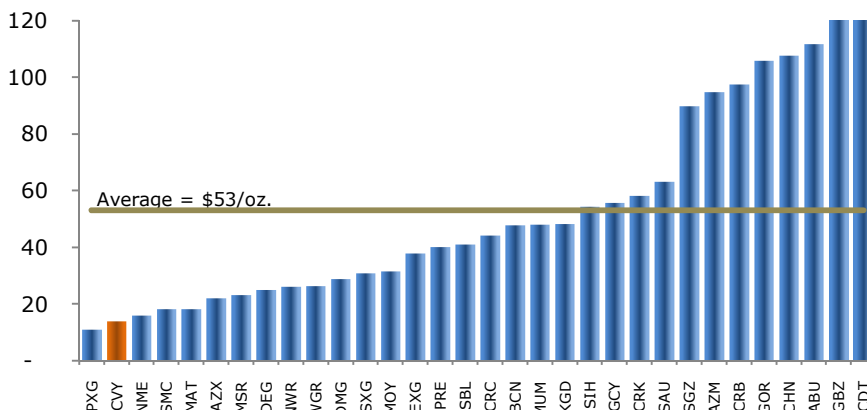
Implied Valuation (EV/Resource Multiple)

Cut-off grade (g/t Au)	Resource (oz)	Comparable EV/Resource Multiple ¹ (A\$)	Implied Valuation (A\$m)	Implied Valuation per share (A\$)
2.0	882,000	53	46.77	\$0.27
1.5	1,133,000	53	60.08	\$0.34
1.0	1,397,200	53	74.09	\$0.42
0.5	1,599,000	53	84.79	\$0.49

1. Multiples are calculated from ASX listed companies using current EV calculations and announced JORC compliant resources.

- The chart below illustrates comparable ASX listed companies (including CVY) on a EV/Resource basis. Comparable Junior miners are currently trading at an average EV/Resource multiple of A\$53per ounce of JORC compliant ounce of resource.

EV/Resource (A\$/oz.) - ASX Listed Developers



Source: Cygnnet Capital as at 23 November 2011

ASX Junior Gold Miners

Gold Company	Main Oper.*	Mkt Cap
ABM Resources NL ('ABU')	Australia	200.1
Gold Road Resources ('GOR')	Australia	132.5
Azumah Resources ('AZM')	Gahana	124.1
Kula Gold ('KGD')	Papua New Guinea	116.2
Dragon Mountain Gold ('DMG')	China	104.7
Westgold Resources ('WGR')	Australia	80.8
Sihayo Gold ('SIH')	Indonesia	68.3
Chalice Gold Mines Limited ('CHN')	Australia	66.3
Carrick Gold Limited ('CRK')	Australia	54.5
Millennium Minerals ('MOY')	Australia	54.0
Signature Metals Limited ('SBL')	Ghana	39.3
Manas Resources ('MSR')	Kyrgyz Republic	37.7
Cortona Resources ('CRC')	Australia	30.9
Auzex Resources ('AZX')	Australia	30.1
Excelsior Gold Limited ('EXG')	Australia	30.0
Matsa Resources ('MAT')	Australia	29.3
Gascoyne Resources Limited ('GCY')	Australia	28.9
Castle Minerals Limited ('CDT')	Ghana	28.4
Coventry Resources ('CVY')	Canada	24.4
Mount Magnet South ('MUM')	Australia	23.4
Carbine Resources Limited ('CRB')	Australia	23.1
Phoenix Gold ('PXG')	Australia	19.1
GBM Resources Limited ('GBZ')	Australia	18.2
Strategic Minerals Corporation N.L. ('SMC')	Australia	18.1
Southern Cross Goldfields ('SXG')	Australia	16.6
Scotgold Resources ('SGZ')	Scotland	15.3
Northwest Resources Limited ('NWR')	Australia	13.1
Nex Metals Exploration ('NME')	Australia	12.3
Southern Gold Limited ('SAU')	Australia	11.4
Pacrim Energy Limited ('PRE')	Australia	9.1
De Grey Mining ('DEG')	Australia	7.0
Beacon Minerals ('BCN')	Australia	5.0

*Main country of operations
As at 23 November 2011
Source: Iress



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