



Coventry Resources Limited

ABN 33 082 901 362

Financial Report 30 June 2010

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Directors' Report

The Directors present their report for Coventry Resources Limited ("Coventry" or "the Company") and its subsidiaries for the year ended 30 June 2010.

DIRECTORS

The names, qualifications and experience of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr. Michael Haynes (appointed 27 October 2009)

Executive Chairman

Mr. Haynes has more than 18 years experience in the mining industry. Mr. Haynes graduated from the University of Western Australia with an honours degree in geology and geophysics. He has been intimately involved in the exploration and development of resource projects, targeting a wide variety of commodities, throughout Australia and extensively in Southeast and Central Asia, Africa, North and South America, and Europe.

Mr. Haynes has held technical positions with both BHP Minerals Limited and Billiton plc. He ran his own successful consulting business for a number of years providing professional geophysical and exploration services to both junior and major resource companies. He has worked extensively on project generation and acquisition throughout his career. Over the past five years he has been intimately involved in the incorporation and initial public offerings of several resources companies, and in the ongoing financing and management of these companies.

Mr. Haynes is a Director of Genesis Minerals Limited (appointed 4 July 2007), Overland Resources Limited (appointed 9 May 2005) and Black Range Minerals Limited (appointed 27 June 2005). Mr. Haynes was a Director of Iberian Resources Limited (appointed 21 October 2003, resigned 31 July 2007) and Bellamel Mining Limited (appointed 16 May 2007, resigned 31 December 2008).

Mr. Anthony Goddard (appointed 27 October 2009)

Technical Director

Mr. Goddard graduated from the University of Western Australia in 1992 with a first class honours degree in Geology. He has more than 16 years exploration experience worldwide, primarily exploring for gold and copper, working with numerous companies including BHP, Rio Tinto, Equinox Resources, Phelps Dodge and Barrick Gold, as well as acting as an independent consultant. Tony has extensive global experience in project generation, identification and acquisition, mostly recently as regional generative geologist for Barrick Gold in Australia and Eurasia.

Mr. Goddard has not held a Directorship in a publicly listed company in any of the previous three years.

Mr. Faldi Ismail

Non-executive Director

Mr. Ismail has many years experience as a corporate consultant specialising in the restructure and recapitalisation of a wide range of ASX listed companies. Mr. Ismail spent over four years working as a tax supervisor with a major Perth based Accounting firm as well as being a senior within their Corporate Restructuring Division.

Mr. Ismail is currently a Director of ASX listed Kangaroo Resources Limited (appointed 19 November 2008) and Energio Limited (appointed 24 March 2010). He is the principal director of Romfal Corporate Pty Ltd, a privately owned company. Mr. Ismail was a director of Cape Range Limited (appointed 21 April 2008, resigned 4 March 2010), Pan Asia Corporation Limited (appointed 5 August 2008, resigned 10 August 2009), and NSL Consolidated Limited (appointed 11 April 2007, resigned 2 October 2008).

Directors' Report

Mr. Rhod Grivas (appointed 2 August 2010)

Non-executive Director

Mr Grivas is a qualified geologist with over 20 years experience in corporate and technical management of junior and mid-tier resources companies. He has been an executive director of numerous exploration companies and was recently Managing Director of dual ASX/TSX listed gold miner, Dioro Exploration NL, prior to its takeover by Avoca Resources Limited in 2010.

Mr Grivas is currently non-executive Chairman of ASX listed Lodestar Minerals Limited (appointed 13 August 2007) and Canyon Resources Limited (appointed 3 May 2010). Mr. Grivas was a Director of Dioro Exploration Limited (appointed 2 September 2002, resigned 4 March 2010).

Mr. Peter Wall (resigned 27 October 2009)

Non-executive Director

Mr. Wall holds both bachelor of Law and Bachelor of Commerce degrees from the University of Western Australia in addition (UWA) to a Masters of Applied Finance and Investment.

Following graduation from UWA, Mr. Wall commenced employment at a large Perth based law firm and later joined Steinepreis Paganin in January 2000 (made a Partner in July 2005). He has a wide range of experience in all forms of corporate and commercial law with specific expertise in equity capital markets, mergers and acquisitions and resource law.

Mr. Wall is currently a non-executive director of ASX listed company NSL Consolidated Ltd (appointed April 2007).

Mr. Eric De Mori (resigned 27 October 2009)

Non-executive Director

Mr. De Mori is the Associate Director of Corporate Finance for Corporate advisory and stockbroking firm Cygnet Capital. Mr. De Mori has over 5 years investment banking and analyst experience covering a wide range of sectors, working with international and Australian based opportunities. Mr. De Mori has specialist skills in merger and acquisition, valuations, capital raisings, initial public offerings, backdoor listings, project screening, due diligence investigations, early stage project management and extensive knowledge of the Corporation Act and ASX Listing Rules. Mr. De Mori is currently a non-executive director of Incitive Ltd (ASX code: ICV) and Newera Uranium Lt (ASX code: NRU).

Company Secretary

Mr. Nicholas Day (appointed 22 June 2010)

Mr. Day has more than 15 years experience in corporate finance and the resources industry. Previously he was CFO and Company Secretary of Antaria and AIM & ASX listed mining company Albidon Ltd. Prior to this, Nick was a Senior Accountant with Ernst & Young. In addition to his company secretarial skills he has experience in strategic planning, business development, acquisitions and mergers, bankable feasibility studies, and project development general management.

Mr. Scott Funston (appointed 27 October 2009 and resigned 22 June 2010)

Mr Funston is a Chartered Accountant and Company Secretary with more than 10 years experience in the mining industry and accounting profession. His expertise is financial management and corporate advice. Mr Funston possesses a strong knowledge of the Australian Securities Exchange requirements and currently assists a number of resources companies operating throughout Australia, South America, USA and Canada with financial accounting, securities exchange compliance and regulatory activities.

Directors' Report

Mr. S Henbury (resigned 27 October 2009)

Mr. Henbury is a Chartered Accountant with over 13 years experience in public practice with three Perth's major Accounting firms. Recently, he was a founding director of the accounting firm FJH Solution Pty Ltd., where he continues to provide client support across a wide range of industries including mining, exploration, research and development, construction and manufacturing. Mr. Henbury's primary areas of expertise include taxation consulting, taxation compliance, corporate restructuring, financial reporting and company secretarial requirements.

INTERESTS IN THE SECURITIES OF THE COMPANY

At the date of this report the interests of the Directors in the shares and options of Coventry Resources Limited are:

Director	Ordinary Shares	Options over Ordinary Shares
Mr. Michael Haynes	3,776,085	1,258,699
Mr. Anthony Goddard	4,358,696	1,369,565
Mr. Faldi Ismail	269,884	152,516
Mr. Rhod Grivas	-	500,000

RESULTS OF OPERATIONS

The Group's net loss after taxation attributable to the members of Coventry Resources Limited for the year was \$1,123,962 (2009: \$680,906).

DIVIDENDS

No dividend was paid or declared by the Company in the year and up to the date of this report.

CORPORATE STRUCTURE

Coventry Resources Limited is a company limited by shares that is incorporated and domiciled in Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the financial year, the principal activity was mineral exploration. At the date of this report the company holds two gold projects in Canada.

EMPLOYEES

The Group had 1 employee at 30 June 2010 (2009: Nil).

REVIEW OF OPERATIONS

During the past year Coventry Resources Limited continued to explore its Ardeen Gold Project in Ontario, Canada. In December 2009 the Company also announced that it had agreed to acquire a 100% interest in the Cameron Gold Project, also located in Ontario, Canada.

The Company completed the acquisition of the Cameron Gold Project in April 2010. It established an initial indicated and inferred JORC code compliant resource of more than 1 million ounces of gold, and has identified considerable exploration upside at the Project. There are more than a dozen advanced but under-explored prospects and occurrences within the Company's 3,205 hectare project area, all within 15 kilometres of the Cameron Gold Deposit.

In June 2010 the Company commenced a 20,000 metre diamond drilling program to commence the systematic evaluation of the exploration upside of the Cameron Gold Project. This drilling program is progressing well. The Company is also working to rapidly expand its land holding in the area.

Directors' Report

The Company acquired Coventry Australia Pty Ltd in August 2009 as part of the acquisition of the Ardeen Gold Project.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 15 September 2010, the Group entered into an option agreement with TSX-listed King's Bay Gold Corporation ("King's Bay Gold") and 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.

Option Agreement Terms

The Group has the right to earn an 80% interest in the Property by spending Canadian dollars ("CAD\$") 1,000,000 on exploration over the next three years.

The Group is also required to pay Lasir CAD \$20,000 and to issue Lasir 50,000 shares by February 16, 2011. The Group 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 Group is also required to immediately pay King's Bay Gold CAD \$15,000.

Once the Group 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% Net Smelter Return royalty interest in the Property, which the Group and King's Bay Gold may reduce to 1.5% by paying Lasir CAD \$1,500,000.

There are no other subsequent events after the balance date that may significantly affect the operations, the results of operations or the state of affairs in the future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future financial years, as the Directors believe that it would be speculative and prejudicial to the interests of the Group.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company carries out operations that are subject to environmental regulations under both Federal Territorial and Provincial legislation in relation in Canada. The Group has formal procedures in place to ensure regulations are adhered to. The Group is not aware of any breaches in relation to environmental matters.

SHARE OPTIONS

As at the date of this report, there were 30,898,248 unissued ordinary shares under options (30,523,248 at the reporting date). The details of the options at reporting date are as follows:

Number	Exercise Price \$	Expiry Date
19,999,995	0.20	30/04/13
10,000,000	0.30	30/01/13
500,000	0.30	25/03/13
4,501	\$48.00	10/02/11
9,376	\$32.00	08/01/11
9,376	\$48.00	08/01/12
30,523,248		

Directors' Report

During the financial year, 500,000 options were exercised at \$0.20 to acquire fully paid ordinary shares. 90,030 options lapsed during the year. 242,265,606 options were consolidated into 12,113,280 options over ordinary shares. Since the end of the financial year, 125,000 options have been exercised at \$0.20 and 500,000 options exercisable at \$0.30 with an expiry date of 30 July 2013 were issued.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has made an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the Corporation Act 2001. The indemnification specifically excludes wilful acts of negligence. The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Company, including officers of the Company's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr. Michael Haynes	3	3
Mr. Rhod Grivas	-	-
Mr. Eric De Mori	-	-
Mr. Peter Wall	-	-
Mr. Anthony Goddard	3	3
Mr. Faldi Ismail	3	2

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Coventry Resources Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that the Company is in compliance with those guidelines to the extent possible, which are of importance to the commercial operation of a junior listed resources company. The Company's Corporate Governance Statement and disclosures are contained elsewhere in the annual report.

AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of Coventry Resources Limited with an Independence Declaration in relation to the audit of the full-year financial report. A copy of that declaration is included at page 48 of this report.

There were no non-audit services provided by the Company's auditor.

Directors' Report

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for key management personnel of Coventry Resources Limited in accordance with the requirements of the *Corporation Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company, and includes the executives in the Company receiving the highest remuneration.

Details of Key Management Personnel

Mr Michael Haynes	Executive Chairman – appointed 27 October 2009
Mr Anthony Goddard	Technical Director – appointed 27 October 2009
Mr Faldi Ismail	Non executive Director
Mr. Rhod Grivas	Non executive Director – appointed 2 August 2010
Ms. Beverley Nichols	Chief Financial Officer – appointed 1 May 2010
Mr. Nicholas Day	Company Secretary – appointed 22 June 2010
Mr. Nick Walker	Country Manager – Canada – appointed 25 March 2010
Mr Peter Wall	Non executive Director – resigned 27 October 2009
Mr Eric de Mori	Non executive Director – resigned 27 October 2009
Mr. Scott Funston	Company Secretary – appointed 27 October 2009, resigned 22 June 2010
Mr. Sean Henbury	Company Secretary – resigned 27 October 2009
Mr. R Walker	Chief Financial Officer – resigned 27 October 2009

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors and management. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Company does not link the nature and amount of the emoluments of such officers to the Group's financial or operational performance. The lack of a performance link at this time is not considered to have a negative impact on retaining and motivating Directors.

As part of its Corporate Governance Policies and Procedures, the board has adopted a formal Remuneration Committee Charter. Due to the current size of the Company and number of directors, the board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter. The Company has no policy on executives and directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted.

The table below shows the performance of the Group as measured by loss per share since 30 June 2006:

As at 30 June	2010	2009(*)	2008(*)	2007(*)	2006(*)
Loss per share (cents)	(1.67)	(47.60)	(124.71)	(374.4)	(1,481.6)

(*) The loss per share was adjusted to reflect the recent share consolidations.

Directors' Report

Details of the nature and amount of each element of the emolument of each key management personnel of the Company for the financial year are as follows:

2010	Short Term			Post Employment	Options	Total	Option related
	Base Salary	Directors Fees	Consulting Fees	Superannuation	Share Based Payments		
Directors	\$	\$	\$	\$	\$	\$	%
Mr. M Haynes*	-	-	100,833	-	-	100,833	-
Mr. A Goddard*	-	-	164,995	-	-	164,995	-
Mr. F Ismail	-	36,000	-	-	-	36,000	-
Mr. P Wall**	-	-	-	-	-	-	-
Mr. De Mori**	-	15,000	-	-	-	15,000	-
<i>Executive</i>							
Mr. S Henbury**	-	-	-	-	-	-	-
Mr. R Walker **	-	-	-	-	-	-	-
Mr. S Funston***	-	-	40,000	-	-	40,000	-
Mr. N Walker ****	-	-	46,771	-	10,141	56,912	17.01%
Mr. N Day ****	-	-	2,200	-	-	2,200	-
Ms. B Nichols*****	-	-	6,000	-	-	6,000	-
	-	51,000	360,799	-	10,141	421,940	-

* Mr. Haynes and Mr. Goddard were both appointed on 27 October 2009

** Mr. Wall, Mr. De Mori, Mr. Walker and Mr. Henbury resigned on 27 October 2009

*** Mr. Funston was appointed on 27 October 2009 and resigned on 22 June 2010

**** Mr. Day was appointed on 22 June 2010

***** Ms. B Nichols was appointed on 1 May 2010

***** Mr. N Walker was appointed on 25 March 2010

2009	Short Term			Post Employment	Options	Total	Option related
	Base Salary	Directors Fees	Consulting Fees	Superannuation	Share Based Payments		
Directors	\$	\$	\$	\$	\$	\$	%
Mr. P Blundell*	-	-	-	-	-	-	-
Mr. R Edwards**	-	-	-	-	-	-	-
Mr. P Wall	-	-	-	-	-	-	-
Mr. F Ismail	-	-	-	-	-	-	-
Mr. De Mori	-	-	-	-	-	-	-
<i>Executive</i>							
Mr. S Henbury	-	-	-	-	-	-	-
Mr. R Walker	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

*Mr. Blundell resigned on 28 May 2009

** Mr. Edwards resigned on 28 May 2009

Directors' Report

There were no other key management personnel of the Company during the year. The share options issued as part of remuneration to the Key Management Personnel were not subject to a performance hurdle as these options were issued as a form of retention bonus and incentive package for the purpose of identifying, evaluating and proposing to the Group any new projects.

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

	Grant Date	Grant Number	Vesting Date	Expiry Date/Last exercise date	Fair Value per option at grant date	Exercise price per option	Total value granted \$	% vested
30 June 2010								
N Walker	6/05/2010	250,000	25/03/2011	25/03/2015	\$0.1551	\$0.30	38,767	-
	6/05/2010	250,000	25/03/2012	25/03/2015	\$0.1551	\$0.30	38,767	-

There were no options granted or vested in the financial year ended 30 June 2009.

Options granted have been valued using the Black-Scholes option pricing model, which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option. Options granted carry no dividend or voting rights. For details on the valuation of options, including models and assumptions used, please refer to note 24.

There were no alterations to the terms and conditions of options granted as remuneration since their grant. No employee options were exercised, forfeited or lapsed for the year ended 30 June 2010 (2009: Nil).

Executive Directors and other Key Management Personnel

Directors' and Executive remuneration is stipulated in consulting services agreements between the Company and the Directors' related entities. A summary of the key terms of the agreements are outlined below:

The Executive Chairman, Mr. Michael Haynes, is employed under a consulting services agreement, which commenced on 15 September 2009 for a period of twenty-four months. The agreement may be terminated by Mr. Haynes at any time by giving three months notice in writing, or such shorter period of notice as may be agreed. The Company may terminate the agreement by giving three months written notice or by paying an amount equivalent to three months fees (based on the agreed consulting fee) or without notice in case of serious misconduct, at which time Mr. Haynes would be entitled to that portion of consulting fees services arising up to the date of termination. No additional Director's fees will be paid to Mr. Haynes in addition to the fees paid under the consulting agreement.

The Technical Director, Mr. Anthony Goddard is employed under a consulting services agreement, which commenced on 15 September 2009 for a period of twenty-four months. The agreement may be terminated by Mr. Goddard at any time by giving three months notice in writing, or such shorter period of notice as may be agreed. The Company may terminate the agreement by giving three months written notice or by paying an amount equivalent to three months fees (based on the agreed consulting fee) or without notice in case of serious misconduct, at which time Mr. Goddard would be entitled to that portion of consulting fees services arising up to the date of termination. No additional Director's fees will be paid to Mr. Goddard in addition to the fees paid under the consulting agreement.

The Company Secretary, Mr. Nicholas Day consults to the Company and is remunerated on a monthly basis. Mr. Day's services may be terminated with three months notice.

Directors' Report

The Chief Financial Officer, Ms. Beverley Nichols consults to the Company and is remunerated on a monthly basis. Ms. Nichols' services may be terminated with one months notice.

The Country Manager in Canada, Mr. Nicholas Walker is employed by the Company and is remunerated on a monthly basis. Mr. Walker's services may be terminated with one months notice.

Non-Executive Director

The Directors, Mr. Faldi Ismail and Mr. Rhod Grivas, are paid an annual Director's fee on a monthly basis and their services may be terminated by either party at anytime.

END OF REMUNERATION REPORT

Signed on behalf of the board in accordance with a resolution of the Directors.



Michael Haynes

Executive Chairman

30 September 2010

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.

Corporate Governance Statement

The Board of Directors of the Company is responsible for corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company established a set of corporate governance policies and procedures. These were based on the Australian Securities Exchange Corporate Governance Council's (the Council's) "Principles of Good Corporate Governance and Best Practice Recommendations" (the Recommendations). In accordance with the Council's recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure. For further information on corporate governance policies adopted by the Company, refer to our website: www.blackrangeminerals.com

Structure of the Board

The skills, experience and expertise each director in office at the date of the annual report are included in the Directors' Report. Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement.

The Board has accepted the following definition of an Independent Director:

"An Independent Director is a director who is not a member of management, is a Non-Executive Director and who:

- is not a substantial shareholder (under the meaning of Corporations Act 2001) of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- has not within the last three years been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Company or another group member;
- is not a significant consultant, supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Company or another group member other than as a director of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company."

In accordance with the definition of independence above, no Directors are considered Independent due to the number of shares and share options held by each Director.

There are procedures in place, as agreed by the Board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the Company's expense. Such advice is to be shared amongst other Directors.

The term in office held by each Director in office as at the date of this report is as follows:

Name	Term in office
Michael Haynes	11 months
Anthony Goddard	11 months
Faldi Ismail	1 year 4 months
Rhod Grivas	2 months

Corporate Governance Statement

Nomination Committee

The Board has formally adopted a Nomination Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Nomination Committee Charter. At such time when the Company is of sufficient size a separate Nomination Committee will be formed.

Audit and Risk Management Committee

The Board has formally adopted an Audit and Risk Management Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead the function of the Committee will be undertaken by the full Board in accordance with the policies and procedures outlined in the Audit and Risk Management Committee Charter. At such time when the Company is of sufficient size a separate Audit and Risk Management Committee will be formed.

It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non financial-information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control.

Performance

The Board of The Company conducts its performance review of itself on an ongoing basis throughout the year. The small size of the Company and hands on management style requires an increased level of interaction between directors and executives throughout the year. Board members meet amongst themselves both formally and informally. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Company.

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality board by remunerating directors fairly and appropriately with reference to relevant employment market conditions. The Board does not link the nature and amount of executive and directors' emoluments to the Company's financial and operational performance.

For details of remuneration of Directors and Executives please refer to the Directors' Report.

The Board is responsible for determining and reviewing compensation arrangements for directors and management. The Board has formally adopted a Remuneration Committee Charter however given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Remuneration Committee Charter. At such time when the Company is of sufficient size a separate Remuneration Committee will be formed.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.

Assurance

The Executive Chairman and CFO periodically provide formal statements to the Board that in all material aspects:

- the company's financial statements present a true and fair view of the company's financial condition and operational results; and
- the risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

Corporate Governance Statement

This assurance forms part of the process by which the Board determines the effectiveness of its risk management and internal control systems in relation to financial reporting risks.

Corporate Governance Compliance

During the financial year The Company has complied with each of the 8 Corporate Governance Principles and the corresponding Best Practice Recommendations, other than in relation to the matters specified below:

Best Practice Recommendation	Notification of Departure	Explanation of Departure
2.1	The Company does not have a majority of independent Directors.	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.2	The chairperson is not an independent director	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.4	The Company does not have a Nomination Committee	The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.
4.1 and 4.2	The Company does not have an Audit and Risk Management Committee	The role of the Audit and Risk Management Committee has been assumed by the full Board operating under the Audit and Risk Management Committee Charter adopted by the Board.
8.1	The Company does not have a Remuneration Committee	The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.
8.2	Non-executive directors receive options as a part of remuneration.	To attract and retain the independent Non-executive director with sufficient skills and experience to the Company, incentive options are required to form part of the remuneration package.

Statement of Comprehensive Income for the year ended 30 June 2010

	Notes	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
Interest revenue		167,211	852	166,709	852
Revenue		167,211	852	166,709	852
Other income	3(a)	42,139	29,975	420,306	29,975
Public company costs		(54,138)	-	(54,138)	-
Consulting and directors fees		(388,525)	-	(387,761)	-
Legal fees		(128,258)	(51,936)	(82,467)	(51,936)
Staff costs		(79,736)	(20,948)	(26,570)	(20,948)
Serviced office and outgoings		(92,968)	(47,329)	(90,000)	(47,329)
Impairment allowance expenses	7	-	-	(338,781)	-
Travel expenses		(327,081)	-	(181,833)	-
Other expenses	3(b)	(262,606)	(591,520)	(182,302)	(591,520)
Loss from continuing operations before income tax		(1,123,962)	(680,906)	(756,837)	(680,906)
Income tax expense	4	-	-	-	-
Loss from continuing operations after tax		(1,123,962)	(680,906)	(756,837)	(680,906)
Other Comprehensive Income/(loss)					
Foreign currency translation		367,125	-	-	-
Other comprehensive income/(loss) for the year		367,125	-	-	-
Total comprehensive loss for the year		(756,837)	-	-	-
Loss per share:					
Basic loss per share (cents per share)	18	(1.67)	(47.6)		
Diluted loss per share (cents per share)	18	(1.67)	(47.6)		

Coventry Resources Limited

Statement of Financial Position as at 30 June 2010

	Notes	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	15(a)	6,039,292	1,533,577	3,820,007	1,533,577
Trade and other receivables	5	171,311	-	59,136	-
TOTAL CURRENT ASSETS		6,210,603	1,533,577	3,879,143	1,533,577
NON CURRENT ASSETS					
Investments in subsidiaries	6	-	-	3,854,500	-
Other receivables	7	-	-	14,859,103	-
Plant and equipment	8	73,967	-	2,475	-
Deferred exploration and evaluation expenditure	9	16,793,462	-	-	-
TOTAL NON CURRENT ASSETS		16,867,429	-	18,716,078	-
TOTAL ASSETS		23,078,032	1,533,577	22,595,221	1,533,577
CURRENT LIABILITIES					
Trade and other payables	10	655,061	248,420	172,250	248,420
Financial liabilities		-	1,176,765	-	1,176,765
Provisions	11	-	36,774	-	36,774
TOTAL CURRENT LIABILITIES		655,061	1,461,959	172,250	1,461,959
TOTAL LIABILITIES		655,061	1,461,959	172,250	1,461,959
NET ASSETS		22,422,971	71,618	22,422,971	71,618
EQUITY					
Issued Capital	12(a)	35,665,011	15,204,000	35,665,011	15,204,000
Reserves	13	3,017,304	3,000	2,650,179	3,000
Accumulated losses	14	(16,259,344)	(15,135,382)	(15,892,219)	(15,135,382)
TOTAL EQUITY		22,422,971	71,618	22,422,971	71,618

Coventry Resources Limited

Statement of Cash Flows for the year ended 30 June 2010

	Notes	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers and employees		(1,711,820)	(65,476)	(1,309,512)	(65,476)
Interest received		153,108	852	151,722	852
NET CASH FLOWS USED IN OPERATING ACTIVITIES					
	15(b)	(1,558,712)	(64,624)	(1,157,790)	(64,624)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(77,081)	-	(2,870)	-
Cash acquired on acquisition of Investment in Coventry Australia Pty Ltd	26	27,000	-	-	-
Loans to subsidiaries		-	-	(11,694,459)	-
Expenditure on exploration		(9,032,299)	-	-	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES					
		(9,082,380)	-	(11,697,329)	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		16,118,000	575,000	16,118,000	575,000
Share issue costs		(976,451)	-	(976,451)	-
Proceeds from share applications received		-	982,000	-	982,000
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES					
		15,141,549	1,557,000	15,141,549	1,557,000
Net increase in cash and cash equivalents		4,500,457	1,492,376	2,286,430	1,492,376
Cash and cash equivalents at beginning of year		1,533,577	41,201	1,533,577	41,201
Net foreign exchange differences		5,258	-	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR					
	15(a)	6,039,292	1,533,577	3,820,007	1,533,577

Statement of Changes in Equity for the year ended 30 June 2010

Consolidated	Issued capital \$	Accumulated losses \$	Foreign currency translation reserve \$	Share based payment reserve \$	Option premium reserve \$	Total \$
At 1 July 2009	15,204,000	(15,135,382)	-	-	3,000	71,618
Loss for the year	-	(1,123,962)	-	-	-	(1,123,962)
Foreign currency translation	-	-	367,125	-	-	367,125
Total comprehensive (loss)/profit for the year	-	(1,123,962)	367,125	-	-	(756,837)
Transactions with owners in their capacity as owners						
Shareholder equity contribution	23,120,000	-	-	-	-	23,120,000
Shareholder options contribution	100,000	-	-	-	-	100,000
Transaction costs on share issue	(2,758,989)	-	-	-	-	(2,758,989)
Share based payments	-	-	-	2,647,179	-	2,647,179
At 30 June 2010	35,665,011	(16,259,344)	367,125	2,647,179	3,000	22,422,971
At 1 July 2008	14,629,000	(14,454,476)	-	-	3,000	177,524
Loss for the year	-	(680,906)	-	-	-	(680,906)
Total comprehensive loss for the year	-	(680,906)	-	-	-	(680,906)
Transactions with owners in their capacity as owners						
Shareholder equity contribution	575,000	-	-	-	-	575,000
Shareholder options contribution	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-
At 30 June 2009	15,204,000	(15,135,382)	-	-	3,000	71,618
Parent						
At 1 July 2009	15,204,000	(15,135,382)	-	-	3,000	71,618
Loss for the year	-	(756,837)	-	-	-	(756,837)
Total comprehensive loss for the year	-	(756,837)	-	-	-	(756,837)
Transactions with owners in their capacity as owners						
Shareholder equity contribution	23,120,000	-	-	-	-	23,120,000
Shareholder options contribution	100,000	-	-	-	-	100,000
Transaction costs on share issue	(2,758,989)	-	-	-	-	(2,758,989)
Share based payments	-	-	-	2,647,179	-	2,647,179
At 30 June 2010	35,665,011	(15,892,219)	-	2,647,179	3,000	22,422,971
At 1 July 2008	14,629,000	(14,454,476)	-	-	3,000	177,524
Loss for the year	-	(680,906)	-	-	-	(680,906)
Total comprehensive loss for the year	-	(680,906)	-	-	-	(680,906)
Transactions with owners in their capacity as owners						
Shareholder equity contribution	575,000	-	-	-	-	575,000
Shareholder options contribution	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-
At 30 June 2009	15,204,000	(15,135,382)	-	-	3,000	71,618

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

1. Corporate Information

The financial report of Coventry Resources Limited ("Coventry" or "the Company") and its controlled entities ("the Group") for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the directors on 30 September 2010.

Coventry Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' report.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

The Company has chosen to continue to present financial statements for the consolidated and parent entities in accordance with the class order 10/654 as issued by the Australian Securities & Investments Commission.

The financial report is presented in Australian dollars.

(a) Compliance Statement

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(b) New accounting standards and interpretations

New accounting standards and interpretations issued but not yet effective

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective.

Reference	Title	Summary	Application date for Group
AASB 9 and 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes: <ul style="list-style-type: none">▪ two categories for financial assets being amortised cost or fair value▪ removal of the requirement to separate embedded derivatives in financial assets▪ strict requirements to determine which financial assets can be classified as amortised cost or fair value. Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows▪ an option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition	1 July 2013

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

Reference	Title	Summary	Application date for Group
		<ul style="list-style-type: none"> ▪ reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes ▪ changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income 	
AASB 2009-5	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	<p>This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.</p> <p>The amendment to AASB 124 clarifies and simplifies the definition of a related party as well as providing some relief for government-related entities (as defined in the amended standard) to disclose details of all transactions with other government-related entities (as well as with the government itself)</p>	1 July 2010
AASB 2010-3	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]	<p>Limits the scope of the measurement choices of non-controlling interest at proportionate share of net assets in the event of liquidation. Other components of NCI are measured at fair value.</p> <p>Requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses.</p> <p>Clarifies that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated.</p> <p>Eliminates the requirement to restate financial statements for a reporting period when significant influence or joint control is lost and the reporting entity accounts for the remaining investment under AASB 139. This includes the effect on accumulated foreign exchange differences on such investments.</p>	1 July 2010
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	<p>This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.</p> <p>In particular, it amends AASB 8 Operating Segments to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. It also makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB.</p>	1 July 2011

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

Reference	Title	Summary	Application date for Group
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions Clarify that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.	1 July 2011

The group has not elected to early adopt any new Standards or Interpretations and is in the process of assessing the impact of these new standards and interpretations on the group's future financial statements.

Changes in accounting policies and disclosures

The Group has adopted the all of the new and amended Australian Accounting Standards and AASB Interpretations that became effective during the year. When the adoption of the Standard or Interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below:

AASB 8 Operating Segments

AASB 8 replaced AASB 114 Segment Reporting upon its effective date on 1 July 2009. The Group concluded that it operates in one operating segment.

AASB 101 Presentation of Financial Statements (revised 2007)

The group has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 July 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the group had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

AASB 127 Consolidated and Separate Financial Statements (revised)

AASB 127 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. This is different to the Group's previous accounting policy where transactions with minority interests were treated as transactions with parties external to the group.

The changes were implemented prospectively from 1 July 2009.

AASB 2009-2 Amendments to Australian Accounting Standards – Improving disclosures about financial instruments

Adoption of the new Accounting Standards and Interpretations had no impact on the financial position or performance of the Group.

AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

The amendments delete the reference to the “cost method” making the distinction between pre and post acquisition profits no longer relevant. All dividends received are now recognised in profit or loss rather than having to be split between a reduction in the investment and profit and loss. However the receipt of such dividends requires an entity to consider whether there is an indicator of impairment of the investment in that subsidiary.

The amendments further clarify cases or reorganisations where a new parent is inserted above an existing parent of the group. It states that the cost of the subsidiary is the previous carrying amount of its share of equity items in the subsidiary rather than its fair value. The adoption of these amendments did not have any impact on the financial position or the performance of the Group.

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Coventry Resources Limited and its subsidiaries as at 30 June each year (‘the Group’).

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(d) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Determination of mineral resources and ore reserves

The Group estimates its mineral resources and ore reserves in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the 'JORC code'). The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values, deferred stripping costs and provisions for decommissioning and restoration.

Capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Share based payment transactions

The group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 24.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

(e) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

No deferred income tax will be recognised in respect of temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Comprehensive Income.

(f) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the Statement of Financial Position. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(g) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Intercompany loans are impaired to the extent that the impairment reflects the net deficiency of the subsidiaries.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

(h) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance expenditure is charged to the Statement of Comprehensive Income during the financial period in which it is incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Computer Equipment	33%
All other categories	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the Statement of Comprehensive Income.

(i) Exploration Expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest. Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

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Notes to the financial statements for the financial year ended 30 June 2010

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and evaluation of mineral resources. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in AASB 6 is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

(j) Impairment of non financial assets other than goodwill

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or categories of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

(k) Trade and other payables

Liabilities for trade creditors and other amounts are measured at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Group.

(l) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(n) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

(o) Share based payment transactions

The group provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the group in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 24.

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions').

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(p) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except the GST component of investing and financing activities, which is receivable from or payable to the ATO, are disclosed as operating cash flows.

(q) Investments in controlled entities

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. Subsequent to the initial measurement, investments in controlled entities are carried at cost less accumulated impairment losses.

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

(r) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of Coventry Resources Limited and Coventry Australia Pty Ltd is Australian dollars. The functional currency of the overseas subsidiaries is Canadian dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses for each Statement of Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Statement of Comprehensive Income, as part of the gain or loss on sale where applicable.

(s) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Leases are classified as operating leases where substantially all the risks and benefits remain with the lessor.

Payments in relation to operating leases are charged as expenses in the periods in which they are incurred.

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Coventry Resources Limited.

(u) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(v) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

(w) Comparatives

Certain comparative figures have been reclassified to conform with current year presentation and disclosure requirements

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
3. Other income and expenses				
(a) Other income				
Foreign exchange gain	5,258	-	383,425	-
Other	36,881	29,975	36,881	29,975
	<u>42,139</u>	<u>29,975</u>	<u>420,306</u>	<u>29,975</u>

(b) Other expenses				
Accounting and audit fees	181,196	-	110,939	-
Bank fees	3,542	-	1,584	-
Computer expenses	17,218	-	17,218	-
Insurance	12,148	-	10,621	-
Printing and stationery	5,684	-	5,683	-
Postage	1,460	-	1,460	-
Subscriptions	1,458	-	1,458	-
Telephone	2,533	-	2,405	-
Depreciation	763	-	395	-
Impairment of development costs	-	500,000	-	500,000
Other	36,604	91,520	30,539	91,520
	<u>262,606</u>	<u>591,520</u>	<u>182,302</u>	<u>591,520</u>

4. Income Tax

(a) Income tax expense

Major component of tax expense for the year:

Current tax	-	-	-	-
Deferred tax	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(b) Numerical reconciliation between aggregate tax expense recognised in the Statement of Comprehensive Income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable tax rate is as follows:

Loss from operations before income tax expense	(1,123,962)	(680,906)	(756,837)	(680,906)
Tax at the Group's tax rate of 30%	(337,189)	(204,272)	(227,051)	(204,272)
Expense of remuneration options	3,042	-	3,042	-
Other non deductible expenses	990	-	990	-
Income tax benefit not brought to account	333,157	204,272	223,019	204,272
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Deferred tax				
Statement of Financial Position				
<i>Liabilities</i>				
Capitalised exploration and evaluation expenditure	3,926,638	-	-	-
Accrued income	4,496	-	4,496	-
Foreign exchange gain	-	-	76,054	-
Offset by deferred tax assets	(3,931,134)	-	(80,550)	-
Deferred tax liability not recognised	-	-	-	-
<i>Assets</i>				
Losses available to offset against future taxable income	4,257,391	-	190,538	-
Write down on loan recovery	-	-	101,634	-
Accrued expenses	6,900	-	6,900	-
	4,264,291	-	299,072	-
Deferred tax assets not brought to account as realisation is not regarded as probable	(333,157)	-	(218,522)	-
Deferred tax assets offset against deferred tax assets / (liabilities)	(3,931,134)	-	(80,550)	-
Deferred tax asset not recognised	-	-	-	-
Unused tax losses				
Unused tax losses	1,110,523	-	635,128	-
Potential tax benefit not recognised at 30%	333,157	-	190,538	-

The benefit for tax losses will only be obtained if:

- (i) the Company derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and
- (ii) the Company continues to comply with the conditions for deductibility imposed by tax legislation in Australia and
- (iii) no changes in tax legislation in Australia, adversely affect the Company in realising the benefit from the deductions for the losses.

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
5. Trade and Other Receivables - Current				
GST receivable	67,223	-	43,730	-
Accrued interest income	14,987	-	14,987	-
Other	89,101	-	419	-
	171,311	-	59,136	-

Other debtors and goods and services tax are non-interest bearing and generally receivable on 30 day terms. The balances are neither past due nor impaired and fully collectible. Due to the short term nature, their carrying value is assumed to approximate their fair value.

6. Investments in subsidiaries

Investment at cost	-	-	3,854,500	-
Accumulated impairment expense	-	-	-	-
Carrying amount at end of year	-	-	3,854,500	-

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2(c). Details of subsidiary companies are as follows:

Name	Country of Incorporation	% Equity Interest	
		2010	2009
Coventry Australia Pty Ltd	Australia	100%	-
Coventry Resources Ontario Inc.	Canada	100%	-
Cameron Holdings Cooperatief U.A.	The Netherlands	100%	-
2235411 Ontario Inc.	Canada	100%	-
Cameron Lake JEX Corporation	Canada	100%	-

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
7. Other Receivables – Non Current				
Tenement deposits	-	-	-	-
Amount owing by controlled entities:				
Coventry Ontario Inc.	-	-	13,797,884	-
Coventry Australia Pty Ltd	-	-	1,400,000	-
Cameron Holdings Cooperatief U.A.	-	-	-	-
Less: impairment losses	-	-	(338,781)	-
	-	-	14,859,103	-

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

Recovery of amounts due from controlled entities is dependent on successful development and commercial exploitation or sale of exploration interests held by the controlled entities. The Company has recognised an impairment loss of \$338,781 (2009: \$Nil) on the loan receivable from Coventry Ontario Inc., of which \$338,781 relates to current year (2009: \$Nil). The amounts owed by controlled entities are interest free and have no specified repayment date.

8. Plant and Equipment

	Consolidated		Parent	
	2010 \$	2009 \$	2010 \$	2009 \$
Plant and Equipment				
Cost	29,307	-	-	-
Accumulated depreciation	(2,256)	-	-	-
Net carrying amount	27,051	-	-	-
Camp				
Cost	1,334	-	-	-
Accumulated depreciation	(100)	-	-	-
Net carrying amount	1,234	-	-	-
Motor Vehicles				
Cost	43,570	-	-	-
Accumulated depreciation	(363)	-	-	-
Net carrying amount	43,207	-	-	-
Computer Equipment				
Cost	2,870	-	2,870	-
Accumulated depreciation	(395)	-	(395)	-
Net carrying depreciation	2,475	-	2,475	-
Total Plant and Equipment	73,967	-	2,475	-

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year:				
Plant and Equipment				
Carrying amount at beginning of year	-	-	-	-
Additions	29,307	-	-	-
Depreciation expense	(2,256)	-	-	-
Net exchange differences on translation	-	-	-	-
Carrying amount at end of year	27,051	-	-	-
Camp				
Carrying amount at beginning of year	-	-	-	-
Additions	1,334	-	-	-
Depreciation expense	(100)	-	-	-
Net exchange differences on translation	-	-	-	-
Carrying amount at end of year	1,234	-	-	-
Motor Vehicles				
Carrying amount at beginning of year	-	-	-	-
Additions	43,570	-	-	-
Depreciation expense	(363)	-	-	-
Net exchange differences on translation	-	-	-	-
Carrying amount at end of year	43,207	-	-	-
Computer Equipment				
Carrying amount at beginning of year	-	-	-	-
Additions	2,870	-	2,870	-
Depreciation expense	(395)	-	(395)	-
Net exchange differences on translation	-	-	-	-
Carrying amount at end of year	2,475	-	2,475	-
Total Plant and Equipment	73,967	-	2,475	-
9. Deferred Exploration and Evaluation Expenditure				
Exploration and evaluation				
At cost	16,793,462	-	-	-
Accumulated impairment	-	-	-	-
Total exploration and evaluation	16,793,462	-	-	-
Carrying amount at beginning of the year	-	-	-	-

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

Acquisitions	4,039,000	-	-	-
Exploration expenditure during the year	12,754,462	-	-	-
Carrying amount at end of year	16,793,462	-	-	-

The recoverability of the carrying amount of the deferred exploration and evaluation expenditure is dependant on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
10. Trade Payables				
Trade payables	525,725	206,024	116,757	206,024
Other creditors	129,336	42,396	55,493	42,396
	655,061	248,420	172,250	248,420

Trade creditors, other creditors and goods and services tax are non-interest bearing and generally payable on 30 day terms. Due to the short term nature of these payable, their carrying value is assumed to approximate their fair value.

11. Provisions – current

Employee benefits	-	36,774	-	36,774
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12. Issued Capital

(a) Issued capital

Ordinary shares fully paid	35,665,011	15,204,000	35,665,011	15,204,000
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	2010		2009	
	Number of shares	\$	Number of shares	\$
(b) Movements in ordinary shares on issue				
At 1 July	183,570,967	15,204,000	329,130,387	14,629,000
Capital raising at \$0.005	400,000,000	2,000,000	-	-
Consolidation of capital at 1:20	(554,392,003)	-	-	-
Share issue at \$0.001	-	-	60,000,000	60,000
Share issue at \$0.005	-	-	103,000,000	515,000
Consolidation of existing share capital on 1:16 basis	-	-	(308,559,420)	-
Issue of shares and options to Coventry Australia shareholders	15,000,002	3,000,000	-	-
Capital raising at \$0.20	25,000,000	5,000,000	-	-
Exercise of options at \$0.20	500,000	100,000	-	-
Capital raising at \$0.22	45,454,545	10,000,000	-	-
Issue of shares for the purchase of Cameron Gold Project	12,000,000	3,120,000	-	-
Transaction costs on share issue	-	(2,758,989)	-	-
At 30 June	127,133,511	35,665,011	183,570,967	15,204,000

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

(c) Ordinary shares

The Company does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

(d) Capital risk management

The Company's capital comprises share capital, reserves less accumulated losses amounting to \$22,422,971 at 30 June 2010 (2009: \$71,618). The Company manages its capital to ensure its ability to continue as a going concern and to optimize returns to its shareholders. The Company was ungeared at year end. Refer to note 23 for further information on the Company's financial risk management policies. There are no externally imposed capital requirements.

(e) Share options

Information relating to the Coventry Resources Limited Employee Share Option Plan, including details of options issued under the plan, is set out in note 24.

As at 30 June 2010, there were 30,523,248 unissued ordinary shares under options. The details of the options at reporting date are as follows:

Number	Exercise Price \$	Expiry Date
19,999,995	0.20	30/04/13
10,000,000	0.30	30/01/13
500,000	0.30	25/03/13
4,501	\$48.00	10/02/11
9,376	\$32.00	08/01/11
9,376	\$48.00	08/01/12
30,523,248		

During the financial year, 500,000 options were exercised at \$0.20 to acquire fully paid ordinary shares. 90,030 options lapsed during the year. 242,265,606 options were consolidated into 12,113,280 options over ordinary shares.

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
13. Reserves				
Share based payment reserve	2,647,179	-	2,647,179	-
Option premium reserve	3,000	3,000	3,000	3,000
Foreign currency translation reserve	367,125	-	-	-
	3,017,304	3,000	2,650,179	3,000
Movement in reserves:				
<i>Share based payment reserve</i>				
At 1 July	-	-	-	-
Share based payment expense	2,647,179	-	2,647,179	-
A 30 June	2,647,179	-	2,647,179	-

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

The Share based payment reserve is used to record the value of equity benefits provided to Directors and individuals acting as employees as part of their remuneration. Refer to note 24 for further details of this plan.

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
<i>Option Premium reserve</i>				
At 1 July	3,000	3,000	3,000	3,000
Options exercised	-	-	-	-
At 30 June	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>

The Options Premium reserve is used to record the premium paid on the issue of listed options.

Foreign currency translation reserve

At 1 July	-	-	-	-
Foreign currency translation	<u>367,125</u>	-	-	-
At 30 June	<u>367,125</u>	-	-	-

The Foreign Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in note 2(r). The reserve is recognised in profit and loss when the net investment is disposed of.

14. Accumulated Losses

Movements in accumulated losses were as follows:

At 1 July	15,135,382	14,454,476	15,135,382	14,454,476
Net Loss for the year	<u>1,123,962</u>	<u>680,906</u>	<u>756,837</u>	<u>680,906</u>
At 30 June	<u>16,259,344</u>	<u>15,135,382</u>	<u>15,892,219</u>	<u>15,135,382</u>

15. Cash and Cash Equivalents

(a) Reconciliation of cash

Cash balance comprises:

Cash at bank	<u>6,039,292</u>	<u>1,533,577</u>	<u>3,820,007</u>	<u>1,533,577</u>
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Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

	Consolidated		Parent	
	2010	2009	2010	2009
(b) Reconciliation of the net loss after tax to the net cash flows from operations				
Net loss after tax	(1,123,962)	(680,906)	(756,837)	(680,906)
Adjustments for:				
Foreign exchange (gain) / losses	(5,258)	-	(383,425)	-
Depreciation	763	-	395	-
Impairment on development costs	-	500,000	-	500,000
Share based payment	10,141	-	10,141	-
Impairment allowance expense	-	-	338,781	-
Gain on loan group settlement	-	(44,373)	-	(44,373)
Changes in assets and liabilities:				
(Increase) / decrease in receivables	(148,398)	-	(59,136)	-
Increase / (decrease) in trade and other creditors	(255,224)	150,041	(270,935)	150,041
Increase/(decrease) in provisions	(36,774)	10,614	(36,774)	10,614
Net cash flow used in operating activities	(1,558,712)	(64,624)	(1,157,790)	(64,624)

Non-cash financing activities are as follows:

- Share-based payments as discussed in note 24; and issue of shares to acquire the Cameron Gold Project and Coventry Australia Pty Ltd.

16. Expenditure Commitments

Rental and services agreement

The Company entered a service agreement administrative services and office space for a term of 24 months. The Company is required to give three months written notice to terminate the agreement.

The Company entered into a rental agreement for office space in Toronto, Canada for a period of 30 months. The lease is subject to annual operating costs adjustments. These amounts have not been included as the amounts remain uncertain at 30 June 2010. The Company is required to give written notice to terminate the agreement.

The expenditure commitments relating to the above two offices are as follows:

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Within one year	152,788	-	120,000	-
After one year but not longer than 5 years	87,843	-	25,000	-
	240,631	-	145,000	-

Expenditure commitments

Commitments contracted for at reporting date but not recognised as liabilities are as follows:

Within one year	144,233	-	-	-
After one year but not longer than 5 years	130,041	-	-	-
Greater than 5 years	-	-	-	-
	274,274	-	-	-

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

Remuneration commitments

Commitments contracted for at reporting date but not recognised as liabilities are as follows:

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Within one year	99,685	-	99,685	-

17. Subsequent Events

On 15 September 2010, the Group entered into an option agreement with TSX-listed King's Bay Gold Corporation ("King's Bay Gold") and 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

Option Agreement Terms

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

The Group is also required to pay Lasir CAD \$20,000 and to issue Lasir 50,000 shares by February 16, 2011. The Group 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 Group is also required to immediately pay King's Bay Gold CAD \$15,000.

Once the Group 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% Net Smelter Return royalty interest in the Property, which the Group and King's Bay Gold may reduce to 1.5% by paying Lasir CAD \$1,500,000.

There are no other subsequent events after the balance date that may significantly affect the operations, the results of operations or the state of affairs in the future financial years.

18. Loss Per Share

	Consolidated	
	2010	2009
	\$	\$
Loss used in calculating basic and diluted EPS	(1,123,962)	(680,906)
	Number of Shares	
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share:	67,493,660	1,430,444
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	67,493,660	1,430,444

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

The comparative weighted average number of ordinary shares was adjusted to reflect the recent 1:20 share consolidation. There is no impact from 30,523,248 options outstanding at 30 June 2010 (2009: 12,113,280 options) on the loss per share calculation because they are anti-dilutive. These options could potentially dilute basic EPS in the future.

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$

19. Auditors Remuneration

The auditor of Coventry Resources Limited is Ernst & Young (Australia)

Amounts received or due and receivable by Ernst & Young (Australia) for:

- an audit or review of the financial report of the entity and any other entity in the Consolidated group

	32,445	10,500	32,445	10,500
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There were no other services provided by Ernst & Young (Australia) other than audit services.

20. Key Management Personnel Disclosures

(a) Details of Key Management Personnel

Mr Michael Haynes	Executive Chairman – appointed 27 October 2009
Mr Anthony Goddard	Technical Director – appointed 27 October 2009
Mr Faldi Ismail	Non executive Director
Mr. Rhod Grivas	Non executive Director – appointed 2 August 2010
Ms. Beverley Nichols	Chief Financial Officer – appointed 1 May 2010
Mr. Nicholas Day	Company Secretary – appointed 22 June 2010
Mr. Nick Walker	Country Manager – Canada – appointed 25 March 2010
Mr Peter Wall	Non executive Director – resigned 27 October 2009
Mr Eric de Mori	Non executive Director – resigned 27 October 2009
Mr. Scott Funston	Company Secretary – appointed 27 October 2009, resigned 22 June 2010
Mr. Sean Henbury	Company Secretary – resigned 27 October 2009
Mr. R Walker	Chief Financial Officer – resigned 27 October 2009

(b) Remuneration of Key Management Personnel

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year are as follows:

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Short term employee benefits	411,799	-	411,799	-
Post employment benefits	-	-	-	-
Share based payments	10,141	-	10,141	-
Total compensation	421,940	-	421,940	-

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

(c) Shareholdings of Key Management Personnel

Share holdings

The number of shares in the company held during the financial year held by each director of Coventry Resources Limited, including their personally related parties, is set out below. There were no shares granted during the current or prior reporting period as compensation.

2010	Balance at the start of the year	Granted during the year	On exercise of share options	Other changes during the year	Balance at the end of the year
Mr. M Haynes	-	-	-	3,776,085*	3,776,085
Mr. A Goddard	-	-	-	4,358,696*	4,358,696
Mr. F Ismail	3,397,672	-	-	(3,227,788)**	169,884
Mr. P Wall (resigned 27 October 2009)	8,000,000	-	-	(8,000,000)	-
Mr. E De Mori (resigned 27 October 2009)	3,000,000	-	-	(3,000,000)	-

* received as consideration for the purchase of Coventry Australia Pty Ltd

** Changes as a result of the 1:20 share consolidation during the year

2009	Balance at the start of the year	Granted during the year	On exercise of share options	Other changes during the year	Balance at the end of the year
Mr. P. Blundell	31,684,240	-	-	(31,684,240)	-
Mr. R. Edwards	3,392,940	-	-	(3,392,940)	-
Mr. P. Wall	-	-	-	8,000,000*	8,000,000
Mr. F. Ismail	-	-	-	3,397,672*	3,397,672
Mr. E. De Mori	-	-	-	3,000,000*	3,000,000

* Shares acquired as part of the Reconstruction Deed of the Group

All equity transactions with key management personnel other than arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

(c) Option holdings of Key Management Personnel

The numbers of options over ordinary shares in the company held during the financial year by each director of Coventry Resources Limited and specified executive of the group, including their personally related parties, are set out below:

2010	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year
Mr. M Haynes	-	-	-	1,258,699*	1,258,699
Mr. A Goddard	-	-	-	1,369,565*	1,369,565
Mr. F Ismail	3,050,200	-	-	(2,897,684)**	152,516
Mr. P Wall (resigned 27 October 2009)	13,050,200	-	-	(13,050,200)	-
Mr. E De Mori (resigned 27 October 2009)	10,500,000	-	-	(10,500,000)	-
Mr. N Walker (appointed 29 March 2010)	-	500,000	-	-	500,000

* received as consideration for the purchase of Coventry Australia Pty Ltd

** Changes as a result of the 1:20 share consolidation during the year

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

2009	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year
Mr. F Ismail	-	-	-	3,050,320*	3,050,320
Mr. P Wall	-	-	-	13,050,200*	13,050,200
Mr. E De Mori	-	-	-	10,500,000*	10,500,000

* Options acquired as part of the Reconstruction Deed of the Group

There was no grant of options as remuneration to Key Management Personnel during the years ended 30 June 2009. Options were granted as an incentive package for the purpose of identifying, evaluating and proposing to the Group new projects. No options were vested during the years ended 30 June 2010 and 30 June 2009.

Options granted have been valued using the Black-Scholes option pricing model, which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option. Options granted carry no dividend or voting rights. For details on the valuation of options, including models and assumptions used, please refer to note 24.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. No employee options were exercised for the year ended 30 June 2010 (2009: Nil).

(d) Other transactions with key management personnel

MQB Ventures Pty Ltd, a company of which Mr. Michael Haynes is a director, provided the company with a fully serviced office including administration support for a fee totalling \$90,000 (2009: \$Nil) during the year. MQB Ventures Pty Ltd employs geological and accounting staff which are on charged at cost to the Company for an amount totalling \$17,315 (2009: \$Nil). Reimbursements, at cost, for couriers and other minor expenses, totalled \$11,722 (2009: \$Nil). \$16,109 was outstanding at year end (2009: \$Nil)

Bullseye Geoservices Pty Ltd, a company of which Mr. Michael Haynes is a director, was paid directors fees of \$100,833 (2009: \$Nil) during the year. This amount is included in Note 20(b) "Remuneration of Key Management Personnel". \$13,333 was outstanding at year end (2009: \$Nil).

Intellex Geoscience, a company of which Mr. Anthony Goddard is a director, was paid consultancy fees of \$164,995 (2009: \$Nil) during the year. This amount is included in Note 20(b) "Remuneration of Key Management Personnel". \$18,333 was outstanding at year end (2009: \$Nil).

Resourceful International Consultancy Pty Ltd, a company of which Mr. Scott Funston is a director, was paid consultancy fees of \$40,000 (2009: \$Nil) during the year. This amount is included in Note 20(b) "Remuneration of Key Management Personnel". \$5,000 was outstanding at year end (2009: \$Nil).

Romfal Corporate, a company of which Mr. Faldi Ismail is a director, was paid directors fees of \$36,000 (2009: \$Nil) during the year. This amount is included in Note 20(b) "Remuneration of Key Management Personnel". \$3,000 was outstanding at year end (2009: \$Nil).

Argento Trust, a company of which Mr. N Day is a director, was paid consulting fees of \$2,200 (2009: \$Nil) during the year. This amount is included in Note 20(b) "Remuneration of Key Management Personnel". \$2,200 was outstanding at year end (2009: \$Nil).

21. Related Party Disclosures

The ultimate parent entity is Coventry Resources Limited. Refer to Note 6 Investment in Subsidiaries for a list of all subsidiaries.

For Director related party transactions please refer to Note 20 “Key Management Personnel Disclosures”. For intercompany transactions please refer to Note 7 “Other Receivables – Non Current”. There were no other related party transactions during the year.

22. Operating Segment

For management purposes, the Group is organised into one main operating segment, which involves mining exploration for gold. All of the Group’s activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. Total revenue (interest revenue) earned by the Group is generated in Australia and all the Group’s non current assets reside in Canada.

23. Financial Risk Management

Exposure to interest rate, liquidity, commodity price risk, foreign currency risk and credit risk arises in the normal course of the Group’s business. The Group does not hold or issue derivative financial instruments.

The Company uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security

(a) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing our future capital needs include our cash position and the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. We expect that, absent a material adverse change in a combination of our sources of liquidity, present levels of liquidity will be adequate to meet our expected capital needs.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables. As at 30 June 2010 and 30 June 2009, all financial liabilities contractually mature within 30 days.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

The Group's exposure to interest rate risk relates primarily to its earnings on cash and term deposits. The Group manages the risk by investing in short term deposits.

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
Cash and cash equivalents	6,039,292	1,533,577	3,820,007	1,533,577

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's Statement of Comprehensive Income to a reasonably possible change in interest rates, with all other variables constant.

Consolidated

Change in Basis Points	Effect on Post Tax Loss Increase/(Decrease)		Effect on Equity including accumulated losses Increase/(Decrease)	
	2010	2009	2010	2009
Judgements of reasonably possible movements:	\$	\$	\$	\$
Increase 100 basis points	60,393	15,336	60,393	15,336
Decrease 100 basis points	(60,393)	(15,336)	(60,393)	(15,336)

Parent

Change in Basis Points	Effect on Post Tax Loss Increase/(Decrease)		Effect on Equity including accumulated losses Increase/(Decrease)	
	2010	2009	2010	2009
Judgements of reasonably possible movements:	\$	\$	\$	\$
Increase 100 basis points	38,200	15,336	38,200	15,336
Decrease 100 basis points	(38,200)	(15,336)	(38,200)	(15,336)

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends. The analysis was performed on the same basis in 2009.

(c) Commodity Price Risk

The Group is exposed to commodity price risk from its activities directed at exploration for commodities. A fall in the price of mineral commodities may result in a decline of market sentiment thus affecting our ability to raise additional capital in the future.

(d) Credit Risk Exposures

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the Statement of Financial Position. The Group holds financial instruments with credit worthy third parties.

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

At 30 June 2010, the Group held cash, term deposits and tenement deposits. Cash and term deposits were held with an institution with a rating from Standard & Poors of AA or above (long term). The Group has no past due or impaired debtors as at 30 June 2010 (2009: Nil).

(e) Foreign Currency Risk

Currency risk is the risk of fluctuation in the value of overseas investments which are denominated in foreign currencies.

The parent entity is therefore exposed to the movement of the Canadian dollars to Australian dollar through its loan to the subsidiaries of \$13,459,103 (2009: \$Nil). The exposure through the inter-company loan is eliminated on consolidation. The Group does not enter into any financial arrangement to mitigate these exposures to the foreign currencies. The following sensitivity is based on the foreign currency risk exposure in existence at the balance date:

	Effect on Post Tax Loss Increase/(Decrease)		Effect on Equity including accumulated losses Increase/(Decrease)	
	2010	2009	2010	2009
Judgements of reasonably possible movements:	\$	\$	\$	\$
Parent				
AUD/CAD +5%	672,955	-	672,955	-
AUD/ CAD -5%	(672,955)	-	(672,955)	-
Consolidated				
AUD/ CAD +5%	-	-	-	-
AUD/ CAD -5%	-	-	-	-

The sensitivity is based on reasonably possible changes expected over the following financial year using general economic and financial forecasts. The analysis was performed on the same basis in 2009.

24. Share Based Payment Plans

(a) Recognised share based payment expenses

Total expenses arising from share based payment transactions recognised during the year as part of share based payment expense were as follows:

	Consolidated		Parent	
	2010	2009	2010	2009
	\$	\$	\$	\$
<i>Operating expenditure</i>				
Options issued under employee option plan	10,141	-	10,141	-
<i>Exploration expenditure</i>				
Shares and options issued to acquired exploration assets and subsidiary	6,974,500	-	6,974,500	-
<i>Capital raising costs</i>				
Shares and options issued to underwriters	1,782,538	-	1,782,538	-

(b) Employee share based payment plan

The company has established an employee share option plan (ESOP). The objective of the ESOP is to assist in the recruitment, reward, retention and motivation of employees of Coventry Resources and its subsidiaries. Under the ESOP, the Directors may invite individuals acting in a manner similar to employees to participate in the ESOP and receive options. An individual may receive the options or nominate a relative or associate to receive the options. The plan is open to executive officers, nominated consultants and employees of Coventry Resources and its subsidiaries.

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

The fair value at grant date of options granted during the reporting period was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option.

The table below summaries options granted under ESOP:

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
06/05/2010	25/03/2015	\$0.30	-	500,000	-	-	500,000	-
			-	500,000	-	-	500,000	-
Weighted average exercise price			-	\$0.30	-	-	\$0.30	
Weighted remaining contractual life (years)			-				4.74	

There were no options granted during the year ended 30 June 2009. The weighted average fair value of options granted during 2010 was \$0.16 (2009: \$Nil).

(c) Share-based payment - Exploration expenditure

12,000,000 ordinary shares were issued during the financial year as a part of the consideration to acquire the Cameron Gold Project (refer to note 12). The fair value of the shares at the date of receiving the assets amounting to \$3,120,000 which was used to record the transactions as the fair value of the underlying assets could not be measured reliably.

During the year, the group also issued 15,000,000 shares and 5,000,000 options with an exercise price of \$0.20, expiring on 30 April 2013 to acquire Coventry Australia Pty Ltd (note 26). These were valued at \$3,000,000 and \$854,500 respectively.

(d) Share based payment - Capital raising expenses

The table below summaries options granted to suppliers during the financial year:

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
29 August 2009	30 June 2013	\$0.20	-	3,500,000	-	-	3,500,000	3,500,000
6 May 2010	30 January 2013	\$0.30	-	10,000,000	-	-	10,000,000	10,000,000
			-	13,500,000	-	-	13,500,000	13,500,000
Weighted remaining contractual life (years)			-	2.7	-	-	2.7	2.7
Weighted average exercise price			-	\$0.27	-	-	\$0.27	\$0.27

There were no options granted during the year ended 30 June 2009. The weighted average fair value of options granted during 2010 was \$0.133 (2009: \$Nil).

The model inputs, not included in the tables above, for options granted during the year ended 30 June 2010 included:

- (a) options are granted for no consideration and have various vesting conditions and may be subject to escrow provisions;

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

- (b) expected life of options had a range of 2.7 years to 4.9 years;
- (c) share price at grant date ranged from \$0.20 to \$0.22;
- (d) expected volatility ranged 96.1% to 100%;
- (e) expected dividend yield of Nil; and
- (f) a risk free interest rate ranged from 3.98% to 5.52%.

25. Dividends

No dividend was paid or declared by the Company in the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2010.

The balance of the franking account is Nil as at 30 June 2010 (2009: Nil).

26. Change In Composition Of The Entity

On 3 August 2009, the parent entity announced it had reached agreement to acquire 100% of Coventry Australia Pty Ltd, a highly prospective gold exploration company. The vendors agreed to sell and transfer all of the capital in consideration for the Company issuing 15,000,000 shares and 5,000,000 post-consolidation unlisted options, with an exercise price of \$0.20, expiring on 30 April 2013.

The proposed acquisition was approved by Shareholders at the General Meeting on 15 September 2009. The acquisition was finalised on 22 October 2009, on readmission to the Australian Securities Exchange. The Directors believe the acquisition of Coventry Australia Pty Ltd will result in a number of resource opportunities becoming available to the Company which will add value to the Shares and provide a new direction for the Company consistent with its existing operations. The acquisition does not constitute a business combination and the cost of acquisition has been allocated to individual identifiable assets and liabilities on the basis of their relevant fair values.

The net assets acquired are as follows:

	\$
Identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	27,000
Trade and other receivables	20,500
Deferred exploration and evaluation expenditure	4,039,000
Trade and other payables	<u>(232,000)</u>
	<u>3,854,500</u>
Acquisition date fair value of consideration transferred	
Shares issued, at fair value	3,000,000
Options issued at fair value	<u>854,500</u>
Total consideration transferred	<u>3,854,500</u>
The cash inflow on acquisition is as follows:	
Net cash acquired with subsidiary	<u>27,000</u>
Net cash inflow	<u>27,000</u>

Coventry Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Coventry Resources Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Company and the Group are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2010 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a); and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2010.

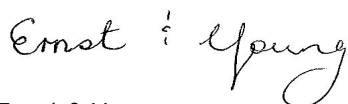
On behalf of the Board



Michael Haynes
Executive Chairman
30 September 2010

Auditor's Independence Declaration to the Directors of Coventry Resources Limited

In relation to our audit of the financial report of Coventry Resources Limited and its controlled entities for year ended 30 June 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'F Drummond'.

F Drummond
Partner
Perth
30 September 2010

Independent auditor's report to the members of Coventry Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Coventry Resources Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(a), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Auditor's Opinion

In our opinion:

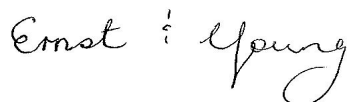
1. the financial report of Coventry Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of Coventry Resources Limited and the consolidated entity at 30 June 2010 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 9 of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Coventry Resources Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



F Drummond
Partner
Perth
30 September 2010

Coventry Resources Limited

ASX Additional Information

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report. The additional information was applicable as at 14 September 2010.

DISTRIBUTION OF SECURITY HOLDERS

Analysis of numbers of listed equity security holders by size of holding:

Category			Number of Shareholders
1	-	1,000	690
1,001	-	5,000	118
5,001	-	10,000	72
10,001	-	100,000	441
100,001	and over		179
			1500

There are 0 shareholders holding less than a marketable parcel of ordinary shares.

STATEMENT OF RESTRICTED SECURITIES

8,766,625 Ordinary Shares restricted until 30/10/11.

4,000,000 Ordinary Shares restricted until 19/10/2010.

1,811,950 Options over Ordinary Shares -exercise price 20cents - expiring 30 April 2013 - restricted until 22 October 2010.

6,688,042 Options over Ordinary Shares -exercise price 20cents - expiring 30 April 2013 - restricted until 22 October 2011.

SUBSTANTIAL SHAREHOLDERS

There are two substantial shareholders as defined under the Corporations Act 2001.

Name	Number of Equity Securities	Voting Power
Nuinsco Resources Limited	12,000,000	9.44
Macquarie Bank Limited <Metals & Energy Cap Div A/C>	11,363,636	8.94

VOTING RIGHTS

The voting rights attached to each class of equity security are as follows:

ORDINARY SHARES

Each ordinary share is entitled to one vote when a poll is called otherwise each member present at a meeting or by proxy has one vote on a show of hands.

OPTIONS

These securities have no voting rights.

Coventry Resources Limited

TOP 20 SHAREHOLDERS (includes unquoted shares shown below)

Name of Holder	Number of Shares Held	Percentage of Capital
NUINSCO RESOURCES LIMITED	12,000,000	9.44
MACQUARIE BANK LIMITED <METALS & ENERGY CAP DIV A/C>	11,363,636	8.94
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	5,681,818	4.47
DECK CHAIR HOLDINGS PTY LTD	4,250,000	3.34
MS KAREN JENNIFER PITTARD	4,208,696	3.31
MAHSOR HOLDINGS PTY LTD <ROSHAM FAMILY SUPER A/C>	3,884,993	3.06
BULLSEYE GEOSERVICES PTY LTD <HAYNES FAMILY A/C>	3,776,085	2.97
SELL POWER PTY LTD <SELLPOWER SUPER FUND A/C>	1,421,000	1.12
MR JONATHAN CHARLES MITCHELL	1,360,000	1.07
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,312,500	1.03
REDHILL PARTNERS PTE LTD	1,304,837	1.03
DAANCH PTY LTD <SPENCER HOLDINGS A/C>	1,250,000	0.98
TIMOTHY JAMES FLAVEL	1,222,827	0.96
P R PERRY NOMINEES PTY LTD <FAMILY A/C>	1,110,000	0.87
MR JEFFREY LEE SCHRULL	1,080,000	0.85
FULLERTON PRIVATE CAPITAL PTY LIMITED	1,046,363	0.82
MR KINGSLEY BARTHOLOMEW	1,038,636	0.82
MR STEPHEN CHARLES FLETCHER	950,000	0.75
CITICORP NOMINEES PTY LIMITED	932,598	0.73
AUSTOCK INVESTMENTS PTY LTD	900,000	0.71
	60,093,989	47.27

Coventry Resources Limited

UNQUOTED EQUITY SECURITIES

Class	Number of securities	Number of holders	Holders with more than 20%									
			Name	Number of shares								
Ordinary Shares restricted for 24 months from 30/10/09.	8,766,625	5	<table border="1"> <tr> <th>Name</th> <th>Number of shares</th> </tr> <tr> <td>Ms Karen Jennifer Pittard</td> <td>3,733,694</td> </tr> <tr> <td>Tim Flavel</td> <td>1,222,826</td> </tr> <tr> <td>Bullseye Geoservices Pty Ltd</td> <td>3,528,584</td> </tr> </table>	Name	Number of shares	Ms Karen Jennifer Pittard	3,733,694	Tim Flavel	1,222,826	Bullseye Geoservices Pty Ltd	3,528,584	
Name	Number of shares											
Ms Karen Jennifer Pittard	3,733,694											
Tim Flavel	1,222,826											
Bullseye Geoservices Pty Ltd	3,528,584											
Options exercisable at \$0.20 on or before 30/04/13.	11,500,003	23										
Options exercisable at \$0.20 on or before 30/04/13 (Escrow until 22 October 2010)	1,811,950	31										
Options exercisable at \$0.20 on or before 30/04/13(Escrow until 22 October 2011).	6,688,042	6	<table border="1"> <tr> <th>Name</th> <th>Number of shares</th> </tr> <tr> <td>Ms Karen Jennifer Pittard</td> <td>1,369,565</td> </tr> <tr> <td>Cygnat Capital Pty Ltd</td> <td>3,500,000</td> </tr> </table>	Name	Number of shares	Ms Karen Jennifer Pittard	1,369,565	Cygnat Capital Pty Ltd	3,500,000			
Name	Number of shares											
Ms Karen Jennifer Pittard	1,369,565											
Cygnat Capital Pty Ltd	3,500,000											
Options exercisable at \$0.30 on or before 30/01/13.	10,000,000	13	<table border="1"> <tr> <th>Name</th> <th>Number of shares</th> </tr> <tr> <td>Deck Chair Holdings Pty Ltd</td> <td>2,027,893</td> </tr> <tr> <td>Mahsor Holdings Pty Ltd</td> <td>2,027,893</td> </tr> </table>	Name	Number of shares	Deck Chair Holdings Pty Ltd	2,027,893	Mahsor Holdings Pty Ltd	2,027,893			
Name	Number of shares											
Deck Chair Holdings Pty Ltd	2,027,893											
Mahsor Holdings Pty Ltd	2,027,893											
Options exercisable at \$0.30 on or before 25/03/13.	500,000	1	Nick Walker									
Options exercisable at \$0.30 on or before 30/07/13.	500,000	1	Rhod Grivas									