



**ABN 33 082 901 362**  
**(Formerly Mobilesoft Limited)**

**Financial Report**  
**for the half-year ended 31 December 2009**

## **CORPORATE DIRECTORY**

### **Directors**

Mr Michael Haynes (Chairman)

Mr Anthony Goddard (Technical Director)

Mr Faldi Ismail (Director)

### **Company Secretary**

Mr Scott Funston

### **Registered and Principal Office**

Level 2

675 Murray Street

West Perth WA 6005

Australia

Telephone: (61 8) 9324 1266

Facsimile: (61 8) 9226 2027

### **Share Register**

Computershare Investor Services Pty Ltd

Level 2, Reserve Bank Building

45 St Georges Terrace

Perth WA 6000 Australia

Telephone: 1300 557 010

International: (61 8) 9323 2000

Facsimile: (61 8) 9323 2033

### **Auditors**

Ernst & Young

11 Mounts Bay Road

Perth WA 6000 Australia

### **Stock Exchange Listing**

Coventry Resources Limited shares and options  
are listed on the Australian Securities

Exchange, the home branch being Perth

ASX Code: CVY

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## DIRECTORS' REPORT

The Directors of Coventry Resources Limited (Company) submit the financial report for the half-year ended 31 December 2009.

### Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Michael Haynes	Chairman – appointed 22 October 2009
Mr Anthony Goddard	Technical Director – appointed 22 October 2009
Mr Faldi Ismail	Director
Mr Peter Wall	Director – resigned 22 October 2009
Mr Eric de Mori	Director – resigned 22 October 2009

### Results

The loss after tax for the half year ended 31 December 2009 was \$368,000 (31 December 2008 loss of \$209,000).

### Review of Operations

On 22 October 2009 the Company was readmitted to the Australian Securities Exchange following a change of name (formerly known as Mobilesoft Limited) and business direction of the Company.

Coventry Resources Limited has conducted an aggressive exploration program at the Ardeen Gold Project located within the Shebandowan Greenstone Belt in the Archaean-age Superior Province in eastern Canada as part of an option and joint venture agreement with the project holders, Pele Mountain Resources.

The Ardeen Gold Project was northern Ontario's first gold mine discovered in 1871 and produced about 30,000 Oz of gold mainly during the 1930's from underground workings extending over a strike of 800m and to a depth of 308m from eight levels of development. The project was explored intermittently up until 1996 when the present holders, Pele Gold Corporation (a 100%-owned subsidiary of Pele Mountain Resources Inc) consolidated the fragmented claim ownership in the area and commenced the first modern exploration. This work resulted in a number of highly-anomalous drill intercepts being recorded which have had little further follow-up work completed.

During the period, the company completed a first-stage diamond drilling program totalling 53 holes for more than 5,500m and is currently half way through a winter drill program which will total around 1,500m. The drilling has intersected a number of high-grade gold intervals that have been reported to the ASX. An extensive till and humus sampling program covering the central, structurally-complex portion of the project has also been completed. This work has resulted in the identification of a number of anomalous gold zones that require further follow up work during the northern hemisphere spring.

Following an extensive review of opportunities within the Superior Province, the company reached an agreement to acquire the Cameron Lake Gold Deposit from Nuinsco Resources Limited located about 90 km southeast of Kenora. The deposit which was first discovered in 1960 was primarily defined during the mid-

1980's, when extensive underground development was undertaken, along with considerable surface drilling that have resulted in a series of resource estimates. The company recognised that the deposit has not been evaluated from an open pit mining perspective, especially in the light of the current high price of gold, and hence was significantly undervalued. A new JORC-compliant, indicated and inferred resource estimate of 11.3 Mt @ 2.78 g/t gold using a 1.5 g/t cut for a total of 1,005,833 Ounces was calculated for the deposit which remains open at depth and along strike.

The Cameron Lake Gold Deposit has had little work completed over the past 15 years, with practically no regional exploration conducted since the late 1980's. An aggressive exploration program will be undertaken once settlement of the acquisition is completed in late March 2010.

The acquisition terms are:

- C\$100,000 on execution of a binding Heads of Agreement (completed).
- C\$5,900,000 on execution of a Definitive Sale and Purchase Agreement (to be completed in March 2010).
- Issuing 12 million shares in Coventry Resources Limited on execution of the Definitive Agreement.

Nuinsco will retain a 3.0% NSR royalty, although Coventry will have the right to buy-back 2.0% (net) of this royalty at any time in the next five years by issuing Nuinsco C\$2 million worth of shares in Coventry Resources Limited at the prevailing market price.

### **Subsequent Events**

On the 29<sup>th</sup> January 2010 the Company announced it had executed a mandate with Cygnet Capital Pty Ltd to raise \$10 million by completing a Placement of up to 45.45 million shares at a price of \$0.22 per share. The prospectus was lodged with the ASIC on 2 February 2010, with a supplementary prospectus lodged on 11 February 2010. The offer was extended by the Directors to 31 March 2010 on 3 March 2010.

The Company announced on 3 March 2010 that it had received firm commitments for the minimum in the prospectus of \$5 million.

### **Rounding**

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/0100.

The Company is an entity to which the Class Order applies.

### **Auditor's Independence Declaration**

Section 307C of the Corporations Act 2001 requires our auditors, Ernst & Young, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2009.

This report is signed in accordance with a resolution of the Board of Directors.



Mr Michael Haynes  
Chairman

Perth, Western Australia  
16<sup>th</sup> March 2010

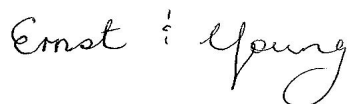
**Competent Person Statement**

*The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Ball who is a Member of the Australian Institute of Mining and Metallurgy. Mr Peter Ball is the Manager of Data Geo. Mr Peter Ball has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Peter Ball consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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

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

In relation to our review of the financial report of Coventry Resources Limited for the half-year ended 31 December 2009, 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  
16 March 2010

**Statement of Comprehensive Income for the half-year ended 31 December 2009**

	Notes	Consolidated	
		31/12/2009	31/12/2008
		\$	\$
		'000	'000
<b>Continuing Operations</b>			
Interest revenue		55	-
<b>Revenue</b>		<b>55</b>	<b>-</b>
Other income – foreign exchange gains		4	-
Other income – gain on extinguishment of debt		37	-
Listing and share registry expenses		(42)	-
Accounting and audit fees		(74)	-
Legal fees		(84)	-
Consultants and Directors fees		(101)	-
Employee salaries		(7)	-
Impairment of goodwill		-	(175)
Administrative expenditure	3	(88)	-
Other expenses		-	(34)
<b>Loss from continuing operations before income tax</b>		<b>(300)</b>	<b>(209)</b>
Income tax expense		-	-
<b>Loss from continuing operations after income tax</b>		<b>(300)</b>	<b>(209)</b>
<b>Other comprehensive income</b>			
Foreign currency translation		(68)	-
<b>Total comprehensive income for the period</b>		<b>(368)</b>	<b>(209)</b>
Basic loss per share (cents per share)		(0.001)	(0.92)*
Diluted loss per share (cents per share)		(0.001)	(0.92)*

\* The prior year EPS has been adjusted for a 1:20 share consolidation as approved by shareholders on 15 September 2009

**Statement of Financial Position as at 31 December 2009**

	Notes	Consolidated	
		31/12/2009	30/06/2009
		\$	\$
		'000	'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		4,935	1,534
Trade and other receivables		189	-
<b>TOTAL CURRENT ASSETS</b>		<b>5,124</b>	<b>1,534</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		4	-
Exploration and evaluation expenditure		5,498	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>5,502</b>	<b>1,534</b>
<b>TOTAL ASSETS</b>		<b>10,626</b>	<b>1,534</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		412	248
Financial liabilities		-	1,177
Provisions		-	37
<b>TOTAL CURRENT LIABILITIES</b>		<b>412</b>	<b>1,462</b>
<b>TOTAL LIABILITIES</b>		<b>412</b>	<b>1,462</b>
<b>NET ASSETS</b>		<b>10,214</b>	<b>72</b>
<b>EQUITY</b>			
Contributed equity	8	24,262	15,204
Reserves		1,387	3
Accumulated losses		(15,435)	(15,135)
<b>TOTAL EQUITY</b>		<b>10,214</b>	<b>72</b>

## Statement of Changes in Equity for the half-year ended 31 December 2009

	Consolidated					Total \$ '000
	Issued Capital \$ '000	Accumulated Losses \$ '000	Share- Based Payments Reserve \$ '000	Option Premium Reserve \$ '000	Foreign Currency Translation Reserve \$ '000	
<b>Balance at 1 July 2008</b>	<b>14,629</b>	<b>(14,454)</b>	-	<b>3</b>	-	<b>178</b>
<b>Total comprehensive income for the half-year</b>						
Loss for the half-year	-	(209)	-	-	-	(209)
<b>Total comprehensive income for the half-year</b>	-	(209)	-	-	-	(209)
<b>Balance at 31 December 2008</b>	<b>14,629</b>	<b>(14,663)</b>	-	<b>3</b>	-	<b>(31)</b>
<b>Balance at 1 July 2009</b>	<b>15,204</b>	<b>(15,135)</b>	-	<b>3</b>	*	<b>72</b>
<b>Total comprehensive income for the half-year</b>						
Loss for the half-year	-	(300)	-	-	-	(300)
<i>Other comprehensive income</i>						
Foreign currency translation difference	-	-	-	-	(68)	(68)
<b>Total comprehensive income for the half-year</b>	-	<b>(300)</b>	-	-	<b>(68)</b>	<b>(368)</b>
<b>Transactions with owners in their capacity as owners</b>						
Shares issued	10,000	-	-	-	-	10,000
Exercise of options	60	-	-	-	-	60
Costs of issue	(1,002)	-	-	-	-	(1,002)
Share based payment	-	-	1,452	-	-	1,452
<b>Balance at 31 December 2009</b>	<b>24,262</b>	<b>(15,435)</b>	<b>1,452</b>	<b>3</b>	<b>(68)</b>	<b>10,214</b>

**Statement of Cash Flows** *for the half-year ended 31 December 2009*

	<b>Consolidated</b>	
	31/12/2009	31/12/2008
Note	\$ '000	\$ '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(746)	(11)
Interest received	29	-
	<hr/>	<hr/>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(717)</b>	<b>(11)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(4)	-
Cash acquired on acquisition of Coventry Australia Pty Ltd	9      27	-
Payments for expenditure on exploration	(1,582)	-
	<hr/>	<hr/>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,559)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	-	(30)
Proceeds from issue of shares	6,078	-
Share issue costs	(404)	-
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>5,674</b>	<b>(30)</b>
Net increase (decrease) in cash and cash equivalents	3,398	(41)
Cash and cash equivalents at beginning of period	1,534	41
Net foreign exchange variances on cash	3	-
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>4,935</b>	<b>-</b>

## Notes to the Financial Statements for the half-year ended 31 December 2009

### 1. CORPORATE INFORMATION

The general purpose condensed financial report of Coventry Resources Limited (the Company) for the half-year ended 31 December 2009 was authorised for issue in accordance with a resolution of the directors on 16<sup>th</sup> March 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. BASIS OF PREPERATION AND ACCOUNTING POLICIES

#### Basis of Preparation

This general purpose condensed financial report for the half-year ended 31 December 2009 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2009 and considered together with any public announcements made by Coventry Resources Limited during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### New and amending Accounting Standards and Interpretations

From 1 July 2009 The Group has adopted all Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009, including:

AASB 8 and AASB 2007-3	<i>Operating Segments and consequential amendments to other Australian Accounting Standards</i> AASB8 is a disclosure standard requiring disclosure of information about the Consolidated Entity's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Consolidated Entity.
AASB 101 (Revised) AASB 2007-8 and AASB 2007-10	<i>Presentation of Financial Statements (revised 2007) and other consequential amendments to other Australian Accounting Standards</i> The revised standard introduces a number of terminology changes, and introduces the statement of comprehensive income. The revised standard has resulted in a number of changes in presentation and disclosure.

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

The Company has not elected to early adopt any new Standards or Interpretations.

**3. ADMINISTRATIVE EXPENSES**

**Consolidated**

	31/12/2009	31/12/2008
	\$	\$
	'000	'000
General office expenses	16	-
Insurance	10	-
Printing and Stationery	3	-
Rent and outgoings	30	-
Travel and accommodation	21	-
Other	8	-
	<b>88</b>	<b>-</b>

**4. DIVIDENDS**

No dividends have been paid or provided for during the half-year (2008: \$Nil).

**5. SEGMENT REPORTING**

For management purposes, the Company is organised into one main operating segment, which involves mining exploration for gold and other minerals. All of the Company'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 Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

## 6. CONTINGENT ASSETS AND LIABILITIES

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

## 7. SUBSEQUENT EVENTS

### Subsequent Events

On the 29<sup>th</sup> January 2010 the Company announced it had executed a mandate with Cygnet Capital Pty Ltd to raise \$10 million by completing a Placement of up to 45.45 million shares at a price of \$0.22 per share. The prospectus was lodged with the ASIC on 2 February 2010, with a supplementary prospectus lodged on 11 February 2010. The offer was extended by the Directors to 31 March 2010 on 3 March 2010.

The Company announced on 3 March 2010 that it had received firm commitments for the minimum in the prospectus of \$5 million.

	Consolidated	
	31/12/2009	30/06/2009
	\$	\$
	'000	'000

## 8. CONTRIBUTED EQUITY

### (a) Issued and paid up capital

Ordinary shares fully paid	<b>24,262</b>	<b>15,204</b>
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	31/12/2009		30/06/2009	
	Number of	\$	Number of	\$
	shares	'000	shares	'000
	'000		'000	
<b>(b) Movements in ordinary shares on issue</b>				
Balance at beginning of period	183,570	15,204	329,130	14,629
Consolidation 1:16 basis	-	-	(308,560)	-
Placement	400,000	2,000		
Consolidation 1:20 basis	(554,392)	-	-	-
Placement	25,000	5,000	163,000	575
Exercise of options	300	60	-	-
Investment in subsidiary	15,000	3,000	-	-
Transaction costs on share issue	-	(1,002)	-	-
	69,478	24,262	183,570	15,204

## 9. 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. The Coventry Australia Pty Ltd 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:

	\$ '000
<b>Identifiable assets acquired and liabilities assumed:</b>	
Cash and cash equivalents	27
Trade and other receivables	21
Deferred exploration and evaluation expenditure	4,039
Trade and other payables	(232)
	<u>3,855</u>
 <i>Acquisition date fair value of consideration transferred</i>	
Shares issued, at fair value	3,000
Options issued at fair value	85
Total consideration transferred	<u>3,855</u>
 <i>The cash inflow on acquisition is as follows:</i>	
Net cash acquired with subsidiary	<u>27</u>
Net cash inflow	<u>27</u>

## DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including;
  - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board



Mr Michael Haynes  
Managing Director

Perth, Western Australia  
16<sup>th</sup> March 2010.

To the members of Coventry Resources Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Coventry Resources Limited which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with 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 half-year 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.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Coventry Resources Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

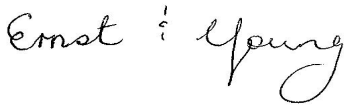
### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Coventry Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Ernst & Young

A handwritten signature in cursive script, appearing to be 'F Drummond'.

F Drummond  
Partner  
Perth  
16 March 2010