



Financial Report
for the half-year ended 31 December 2010

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CORPORATE DIRECTORY

Directors

Mr. Michael Haynes (Executive Chairman)
Mr. Anthony Goddard (Technical Director)
Mr. Rhoderick Grivas (Non Executive Director)
Mr. Faldi Ismail (Non Executive Director)

Company Secretary

Mr. Nicholas Day

Registered Office and Principal Place of Business

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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
are listed on the Australian Securities
Exchange, the home branch being Perth
ASX Code: CVY

DIRECTOR'S REPORT

The Directors of Coventry Resources Limited submit their report for the half-year ended 31 December 2010.

Directors

The names of the company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Mr. Michael Haynes	Executive Chairman
Mr. Anthony Goddard	Technical Director
Mr. Rhoderick Grivas	Non Executive Director
Mr. Faldi Ismail	Non Executive Director

Results of Operations

The Group's net loss after taxation attributable to the members of Coventry Resources Limited for the half-year ended 31 December 2010 was \$741,715 (2009: \$299,871).

Review of Operations

During the past six months Coventry Resources Limited made considerable progress at its +1Moz Cameron Gold Project in Ontario, Canada.

Following the completion of the acquisition of 100% of the Cameron Gold Project in April 2010, the Company commenced an inaugural 20,000 metre diamond drilling program at the Project in June 2010.

Initially the program comprised confirmatory and extensional drilling at the Cameron Gold Deposit, where 100% of the Company's JORC Code compliant indicated and inferred resources of more than 1 million ounces of gold is located. Results from confirmatory drilling have been in line with expectations. Exploratory drilling has delineated several parallel, plunging high grade shoots immediately along strike to the north west of the main part of the Deposit. Further drilling will be undertaken here in the near term.

Subsequent to the acquisition of the initial 3,200 hectare Project, the Company expanded the project area four-fold to approximately 12,800 hectares by way of claim staking and commercial transactions. More than 20 gold occurrences, prospects and deposits are known within the expanded Project area.

Following compilation of a huge amount of historic data from the entire project area, and the acquisition and interpretation of new aeromagnetic, induced polarisation and mapping data, the more regional targets on the Project were prioritised for follow up. The focus of the drilling program was then turned to first-pass evaluation of the highest priority of these regional targets.

To date encouraging results have been returned from drilling at the Beggs, Burke, Ned, Meston, Sullivan and Victor Prospects. It is believed that the Projects' resource base can be increased by delineating further mineralisation at these regional targets.

Drilling continues, and in line with the encouraging results returned and considerable exploration upside, the inaugural drilling program has been expanded to 30,000 metres. There are currently four diamond core rigs drilling at the Project.

In order to fund its very aggressive exploration program, in late 2010 the Company completed a heavily oversubscribed placement to raise \$12 million.

Auditor's 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 2010.

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



Mr. Michael Haynes
Executive Chairman

Perth, Western Australia
16 March 2011

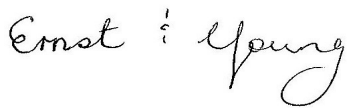
Competent Person Statement

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 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
16 March 2011

Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2010

	Consolidated	
	31/12/2010	31/12/2009
Notes	\$	\$
Continuing operations		
Interest revenue	89,729	55,948
Other revenue - foreign exchange gains	-	3,722
Other revenue - gain on extinguishment of debt	-	36,881
Other revenue	684	-
	90,413	96,551
Expenses		
Listing and share registry expenses	(77,328)	(41,574)
Accounting and audit fees	(61,817)	(74,377)
Legal fees	(17,137)	(84,495)
Consultants and Directors fees	(250,847)	(100,924)
Foreign exchange loss	(46)	-
Employee salaries	(115,320)	(6,761)
Depreciation	(3,247)	-
Administrative expenditure	3 (303,967)	(88,291)
Other expenses	(2,419)	-
Loss from continuing operations before income tax	(741,715)	(299,871)
Income tax expense	-	-
Loss from continuing operations after income tax	(741,715)	(299,871)
Other comprehensive income		
Foreign currency translation	(1,860,973)	(68,196)
Total comprehensive income for the period	(2,602,688)	(368,067)
Loss per share from continuing operations attributable to the ordinary equity holders of the parent		
Basic loss per share (cents per share)	(0.56)	(0.001)
Diluted loss per share (cents per share)	(0.56)	(0.001)

Consolidated Statement of Financial Position as at 31 December 2010

	Notes	Consolidated	
		31/12/2010	30/06/2010
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		12,694,456	6,039,292
Trade and other receivables		386,990	171,311
Total current assets		13,081,446	6,210,603
Non-current assets			
Property, plant and equipment		346,846	73,967
Exploration and evaluation expenditure		18,348,435	16,793,462
Total non-current assets		18,695,281	16,867,429
TOTAL ASSETS		31,776,727	23,078,032
LIABILITIES			
Current liabilities			
Trade and other payables		605,909	655,061
Provisions		153,433	-
Total current liabilities		759,342	655,061
TOTAL LIABILITIES		759,342	655,061
NET ASSETS		31,017,385	22,422,971
EQUITY			
Contributed equity	8	46,429,510	35,665,011
Reserves		1,588,934	3,017,304
Accumulated losses		(17,001,059)	(16,259,344)
TOTAL EQUITY		31,017,385	22,422,971

Consolidated Statement of Changes in Equity for the half year ended 31 December 2010

	Issued Capital	Accumulated Losses	Share Based Payment Reserves	Option Premium Reserve	Foreign Currency Translation Reserves	Total
Consolidated	\$	\$	\$	\$	\$	\$
At 1 July 2009	15,204,000	(15,135,382)	-	3,000	-	71,618
Loss for the period	-	(299,871)	-	-	-	(299,871)
Other comprehensive (loss)/profit	-	-	-	-	(68,196)	(68,196)
Total comprehensive (loss)/profit for the year	-	(299,871)	-	-	(68,196)	(368,067)
Transactions with owners in their capacity as owners						
Shares issued	10,000,000	-	-	-	-	10,000,000
Exercise of options	60,000	-	-	-	-	60,000
Costs of issue	(1,002,290)	-	-	-	-	(1,002,290)
Share based payment	-	-	1,452,650	-	-	1,452,650
Balance at 31 December 2009	24,261,710	(15,435,253)	1,452,650	3,000	(68,196)	10,213,911
At 1 July 2010	35,665,011	(16,259,344)	2,647,179	3,000	367,125	22,422,971
Loss for the period	-	(741,715)	-	-	-	(741,715)
Other comprehensive (loss)/profit	-	-	-	-	(1,860,973)	(1,860,973)
Total comprehensive (loss)/profit for the year	-	(741,715)	-	-	(1,860,973)	(2,602,688)
Transactions with owners in their capacity as owners						
Shares issued	12,000,000	-	-	-	-	12,000,000
Exercise of options	83,696	-	-	-	-	83,696
Issue of shares for the purchase of Roy Property	5,500	-	-	-	-	5,500
Costs of issue	(1,324,697)	-	-	-	-	(1,324,697)
Share based payment	-	-	432,603	-	-	432,603
Balance at 31 December 2010	46,429,510	(17,001,059)	3,079,782	3,000	(1,493,848)	31,017,385

Consolidated Statement of Cash Flows for the half-year ended 31 December 2010

	Notes	Consolidated	
		31/12/2010	31/12/2009
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(385,903)	(745,292)
Interest received		81,220	28,544
Net cash flows used in operating activities		<u>(304,683)</u>	<u>(716,748)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(303,102)	(3,977)
Cash acquired on acquisition of Coventry Australia Pty Ltd		-	27,000
Payments for expenditure on exploration		(3,880,759)	(1,581,962)
Net cash flows used in investing activities		<u>(4,183,861)</u>	<u>(1,558,939)</u>
Cash flows from financing activities			
Proceeds from issue of shares		12,083,696	6,078,000
Share issue costs		(939,942)	(404,140)
Net cash flows from financing activities		<u>11,143,754</u>	<u>5,673,860</u>
Net increase in cash and cash equivalents		6,655,210	3,398,173
Cash and cash equivalents at beginning of period		6,039,292	1,533,577
Foreign Exchanges Variances on Cash		(46)	3,722
Cash and cash equivalents at end of period		<u>12,694,456</u>	<u>4,935,472</u>

Notes to the Financial Statements for the half-year ended 31 December 2010

1. Corporate Information

The condensed financial report of Coventry Resources Limited ("Coventry" or "the Company") for the half-year ended 31 December 2010 was authorised for issue in accordance with a resolution of the directors on 16 March 2011.

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

During the half year ended 31 December 2010, the principal activity was mineral exploration. The Group currently holds two gold projects in Canada.

2. Basis of Preparation and Accounting Policies

Basis of Preparation

This general purpose financial report for the half-year ended 31 December 2010 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 2010 and considered together with any public announcements made by Coventry Resources Limited during the half-year ended 31 December 2010 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 Accounting Standards and Interpretations

From 1 July 2010 The Group has adopted all Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2010; including:

AASB 2009-5	<p>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB's 5, 8, 101, 107, 117, 118, 136 & 139]</p> <p>The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes have no or minimal effect on accounting.</p>
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<p>AASB 2010-3</p>	<p>Amendments to Australian Accounting Standards arising from the Annual Improvements Project.</p> <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>
<p>AASB 2009-8</p>	<p>Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2]</p> <p>This Standard makes amendments to Australian Accounting Standard AASB 2 Share-based Payment and supersedes Interpretation 8 Scope of AASB 2 and Interpretation 11 AASB 2 – Group and Treasury Share Transactions.</p> <p>The amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction.</p> <p>The amendments clarify the scope of AASB 2 by requiring an entity that receives goods or services in a share-based payment arrangement to account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.</p>
<p>AASB 2009-10</p>	<p>Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]</p> <p>The amendment provides relief to entities that issue rights in a currency other than their functional currency, from treating the rights as derivatives with fair value changes recorded in profit or loss. Such rights will now be classified as equity instruments when certain conditions are met.</p>

Interpretation 19	<p>Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments</p> <p>This interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are “consideration paid” in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability.</p> <p>The interpretation states that equity instruments issued in a debt for equity swap should be measured at the fair value of the equity instruments issued, if this can be determined reliably. If the fair value of the equity instruments issued is not reliably determinable, the equity instruments should be measured by reference to the fair value of the financial liability extinguished as of the date of extinguishment.</p>
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Adoption of the new 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 Expenditure

	Consolidated	
	31/12/2010	31/12/2009
	\$	\$
Advertising and promotions	12,466	-
Subscriptions	-	-
Bank fees	2,952	-
Computer expenses	7,070	-
Conferences and seminars	570	-
General office expenses	24,295	16,296
Insurance	23,726	10,454
Printing and Stationery	14,354	2,716
Postage	5,021	-
Rent and outgoings	67,499	30,000
Telephone	15,056	-
Travel and accommodation	125,405	20,377
Other	5,553	8,448
Total Administrative Expenditure	303,967	88,291

4. Dividends

No dividends have been paid or provided for during the half-year (2009: \$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. Commitments and Contingencies

The only changes to the commitments and contingencies disclosed in the most recent annual financial report are specified below:

Capital Commitments

At 31 December 2010 the Group had commitments of \$108,236 and 200,000 shares relating to the acquisition of the Nucanolan Property and commitments of \$83,637 and 195,000 shares relating to the acquisition of the Roy Property.

The Group has the right to earn an 80% interest in The Nucanolan Property by spending CAD\$1.0 million on exploration over the next three years.

7. Events after the Reporting Date

On 23 February 2011, the Group issued 3 million consultant incentive options, 1 million at an exercise price of \$0.28, 1 million at an exercise price of \$0.35 and 1 million at an exercise price of \$0.40. All options have an expiry date of 23 February 2013 and they are valued at \$157,114.

8. Contributed Equity

	Consolidated	
	31/12/2010	30/06/2010
	\$	\$
(a) Issued and paid up capital		
Ordinary shares fully paid	46,429,510	35,665,011

	31/12/2010		30/06/2010	
	Number of shares	\$	Number of shares	\$
(b) Movements in ordinary shares on issue				
Balance at beginning of period	127,133,511	35,665,011	183,570,967	15,204,000
Capital raising at \$0.005	-	-	400,000,000	2,000,000
Consolidation of capital at 1:20	-	-	(554,392,003)	-
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	418,478	83,696	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
Issue of shares for the purchase of Roy Property	20,000	5,500	-	-
Capital raising at \$0.26	46,153,846	12,000,000	-	-
Transaction costs on share issue	-	(1,324,697)	-	(2,758,989)
	173,725,835	46,429,510	127,133,511	35,665,011

During the half year ended 31 December 2010, the Company issued 3,230,770 options to underwriters for services provided for the \$12 million share placement with an exercise price of \$0.26.

DIRECTORS' DECLARATION

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

In the opinion of the directors:

1. The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including;
 - (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standards AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*;
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.

On behalf of the Board



Mike Haynes
Executive Chairman
Perth

16 March 2011

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 2010, 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), the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting*, 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.

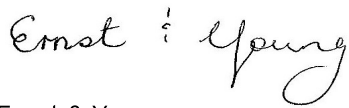
Independence

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:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- b) 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 2011