

## ASX Release

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

Michael Haynes  
Tony Goddard  
Faldi Ismail  
Scott Funston

**Issued Capital:**  
69.48 million shares

**ASX Symbol:** CVY

## POTENTIAL POSITIVE CASH FLOW OF >US\$156 MILLION FROM STARTER OPEN PIT AT THE CAMERON LAKE GOLD DEPOSIT

### Highlights

- Preliminary results available from a conceptual open pit mining study into the development of the Cameron Lake Gold Deposit.
- Conceptual open pit mine design developed on recently recalculated JORC-compliant resource block model.
- Postulated “starter” open pit would see mining of 5.0Mt at 2.09 g/t gold to recover 310,000 ounces of gold.
- Indicative “starter” open pit operating cost of approximately US\$595/oz gold.
- Indicative undiscounted positive cash flow from “starter” open pit mining operation of >US\$156 million.
- High confidence level, with 64% of resource within the conceptual “starter” open pit currently classified “Indicated”.
- Conceptual “starter” open pit developed to a depth of only 200 metres.
- Underground development already in place to 243 metres below surface with high-grade ore delineated in drilling to >850 metres depth.
- Conceptual underground mine model, below conceptual “starter” open pit, now being developed utilising existing development.
- Significant additional high-grade gold resources are located below the base of the “starter” pit and are expected to be recoverable from underground mining operations. Underground mining studies have commenced.
- Considerable potential to increase the size of the open pit with further exploration, with mineralisation remaining open in both directions along strike and at depth.
- 15-20,000 metre drilling program planned to evaluate exploration upside and to convert resources to reserves.

Coventry Resources Limited (ASX:CVY and “the Company”) is very pleased to advise preliminary results of an in-house, conceptual open pit mining study into the development of the Cameron Lake Gold Deposit in Ontario, Canada. This initial study indicates that an open pit mining operation is potentially economically viable, with low operating costs of approximately US\$595/oz of gold generating positive cash flow in excess of US\$156 million.

These results are the first from what will be an iterative mining study as the Company moves the Cameron Lake Gold Project to production. The Company anticipates that further studies will confirm that considerable additional gold will be recoverable from an underground mining operation (to be run either in conjunction with, or on completion of open pit mining).

Work has now commenced to assess the underground potential of the Cameron Lake Gold Deposit, below the limits of the conceptual “starter” open pit.

There is considerable scope to delineate additional open pittable mineralisation, with the resource at the Cameron Lake Gold Deposit remaining open in both directions over a strike of more than 1,000 metres. There are numerous other prospects within the Company’s 3,000 hectare project that could provide additional ore from satellite open pits.

A 15-20,000 metre drilling program is scheduled to commence in April to evaluate the considerable exploration upside of the project and to convert resources to reserves.

### **Conceptual Open Pit Mining Study Parameters**

The parameters applied in the open pit mining study were:

Process plant throughput:	1,000,000 tonnes per annum
Mining Cost:	US\$2.50 per tonne
Mining Dilution:	5%
Ore Recovery:	95%
Processing Cost:	US\$9.50 per tonne
Administration Cost:	US\$1.50 per tonne
Royalty:	1%
Gold Price:	US\$1,100 per ounce

### **Open Pit Mining Study Outcome**

Open pit mining studies indicate that a relatively low cost and potentially economically viable open pit mining operation can be established at the Cameron Lake Gold Project.

The Whittle optimised “starter” open pit mine design incorporated 5.0 million tonnes of ore at a grade of 2.09 g/t gold, equating to 310,000 ounces of recoverable gold. The optimised pit extends to a depth of almost 200 metres. Operating costs were estimated to be approximately US\$595 per ounce of gold, generating positive cash flow of approximately US\$156 million.

As underground mining studies are yet to be completed (see below), it is premature to advise expected annualised production rates, capital costs and mine life expectancy.

### **Further Mining Studies**

High grade ore at the Cameron Lake Gold Deposit has been delineated in drilling to >850 metres depth. With:

- (i) The optimised “starter” open pit only incorporating mineralisation within 200 metres of surface;
- (ii) Existing underground development in place to 243 metres below surface;
- (iii) A robust high grade resource defined (see Table 1); and
- (iv) Much of the high-grade ore located immediately below the floor of the conceptual “starter” open pit,

the Company is confident production of considerable additional high-grade ore will be economically viable with underground mining. As such a conceptual underground mine model is now being developed. Results will be released as they come to hand.

On completion of underground mining studies the Company will be better informed to provide information on potential annual production rates, capital costs and mine life expectancy.

### **Project Upside**

Little exploration has been undertaken at the Cameron Lake Gold Project since the late 1980s. Mineralisation at the Cameron Lake Gold Deposit itself, where the focus has previously been on the development of an underground mining operation, remains open at surface in both directions over a strike of more than 1,000 metres and at depth. There are eleven other known, underexplored but advanced occurrences/prospects within the Company’s 3,000 hectare project area that are yet to be systematically evaluated.

The Company intends undertaking a 15-20,000 metre drilling program, commencing in April, to:

- (i) Convert resources within the conceptual open pit and underground mine models to reserves;
- (ii) Evaluate the considerable exploration of the project; and
- (iii) Acquire additional metallurgical, geotechnical and hydrological data so that feasibility studies on the project can be completed.

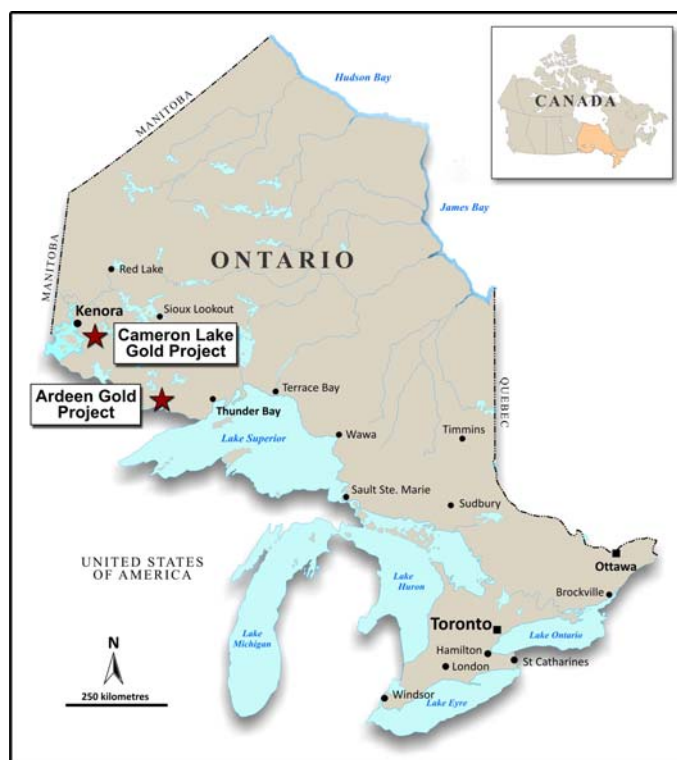
## Company Background

Coventry Resources Limited commenced trading on the ASX in October 2009 following the change of name and business direction of Mobilesoft Limited. The Company is focused on the development of high grade gold deposits in Ontario, Canada.

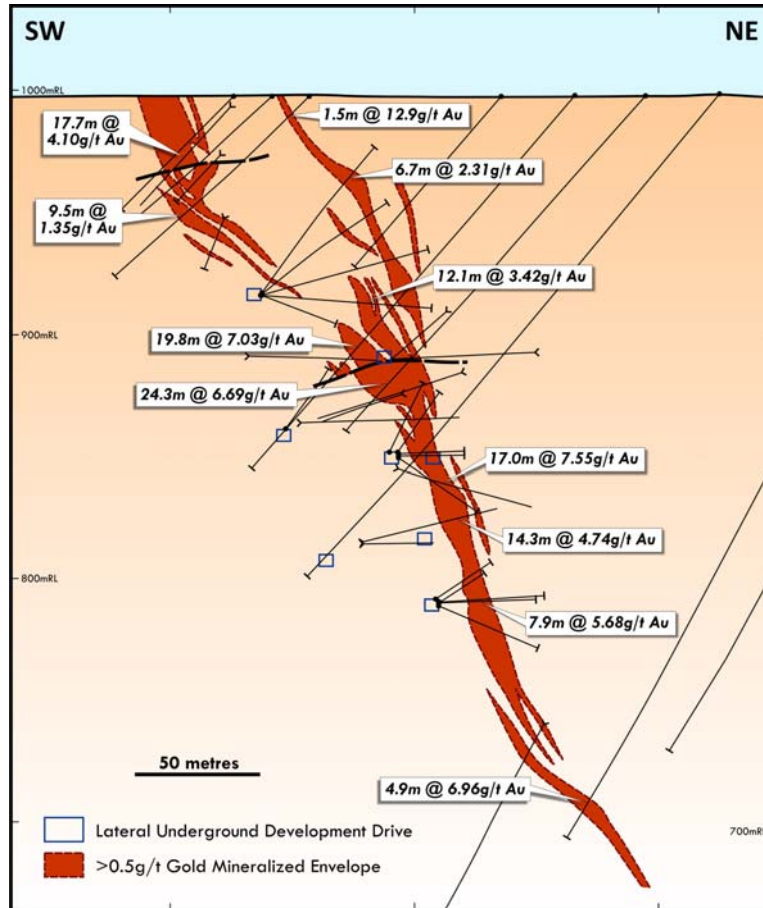
The Company recently announced the acquisition of a 100% interest in the advanced high-grade Cameron Lake Gold Project, located in Ontario, Canada. The resource base at the Cameron Lake Gold Project now comprises **11.3 million tonnes at 2.77 g/t gold for 1,005,833 ounces of gold** (1.5 g/t gold cut-off). The Company's medium term target is to delineate 1.5-2.0 million ounces of gold at the Cameron Lake Gold Project as it moves this project through feasibility studies and towards production during 2010.

The Company also has the right to acquire up to a 100% interest in the high-grade Ardeen Gold Project in Ontario, Canada, where approximately 30,000 ounces of gold were recovered during mining in the 1930s. Considerable shallow high-grade gold mineralisation has been intersected in the almost 20,000 metres of diamond drilling now completed at the project. Mineralisation at most prospects remains open in all directions. The Company recently commenced its second phase drilling program at the Ardeen Gold Project.

### **Mike Haynes Executive Chairman**



**Figure 1.** Location of Coventry Resources Limited's Cameron Lake and Ardeen Gold Projects, Ontario, Canada.



**Figure 2.** Cross section through the Cameron Lake Gold Deposit at 50120mE (local grid) showing schematic mineralised envelope and drill intercepts.

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

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

**Competent Persons Statement**

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Ball who is a Member of the 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.*