(Formerly Crescent Resources Corp.)
(ARBN 161 615 783)

Annual Report

For the year ended June 30, 2013

(Formerly Crescent Resources Corp.)

Management Discussion and Analysis

For the twelve months ended

June 30, 2013

This Management's Discussion and Analysis ("MD&A") prepared as at September 20, 2013, reviews the financial conditions and results of operations of Coventry Resources Inc. ("Coventry", or the "Company") for the fiscal year ended June 30, 2013, and all other material events up to the date of this report. The following discussion should be read in conjunction with the Company's annual audited consolidated financial statements and related notes for the fiscal year ended June 30, 2013.

The financial data included in the discussion provided in this report has been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are in Canadian dollars, unless otherwise noted.

The Company's certifying officers are responsible for ensuring that the annual audited consolidated financial statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the annual audited consolidated financial statements and MD&A fairly present, in all material respects, the financial condition, result of operations and cash flows, of the Company as the date hereof.

DESCRIPTION AND OVERVIEW OF BUSINESS

Coventry Resources Inc. is a Canadian-based resource exploration company in the business of acquiring, exploring, and developing exploration and evaluation assets. The Company has no producing properties and consequently no operating income. The recovery of the amounts comprising exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production. It is the intention of the Company to obtain financing through access to public equity markets, debt and partnerships or joint ventures as sources of financing for its exploration expenditures and to meet ongoing working capital requirements.

Coventry is an active Company listed on both the TSX Venture Exchange ("TSX-V") and the Australian Stock Exchange ("ASX") under the symbol "*CYY*" and is a reporting issuer in British Columbia, Alberta and Ontario. The Company was created on January 8, 2013, by the reverse take-over ("RTO") of Crescent Resources Corp. ("Crescent") by Coventry Resources Limited, an Australian company listed on the ASX. The merger constituted a RTO as the shareholders of Coventry Resources Limited took control of Crescent. Immediately prior to the RTO, Crescent changed its fiscal year-end to June 30 from December 31, to be coterminous with Coventry Resources Limited's fiscal year end. Crescent changed its name to Coventry Resources Inc.

The Company's principal asset and focus is its 100% interest in the Cameron Gold Property, a gold exploration project located approximately 80 kilometres southeast of the City of Kenora and 80 kilometres north-northwest of the City of Fort Frances, in the southern-most part of western Ontario. The Company also owns mineral rights and options to acquire mineral rights in north-western Ontario (the "**Rainy River Project**"); a 51% interest in the Ardeen Gold Project in Ontario (the "**Ardeen Gold Project**"); and a gold exploration project in Alaska (the "**Uncle Sam Project**").

Merger and Basis of Presentation

On September 7, 2012, Coventry Resources Limited entered into a merger implementation agreement (the "Agreement") with Crescent. The parties agreed to an arrangement by which Crescent would acquire all of the outstanding shares of Coventry Resources Limited. Pursuant to the terms of the Agreement, all of the common shares of Coventry Resources Limited were exchanged for common shares of Crescent on a basis of 0.2513 post-consolidation common share of Coventry Resources Limited for one (1) common share of Crescent. Immediately prior to the share exchange, Crescent completed a consolidation of its shares in which 5 old Crescent common shares were exchanged for one (1) new Crescent common share. A total of 60,375,791 common shares of the Company were issued to Coventry Resources Limited shareholders. The transaction was completed on January 8, 2013.

Legally, Crescent is the parent company of Coventry Resources Limited; however, as a result of the share exchange, control of the combined companies passed to the former shareholders of Coventry Resources Limited, which for accounting purposes is deemed to be the acquirer. For financial reporting purposes, the transaction has been accounted for under IFRS 2, Share Based Payments, and therefore the financial statements have been prepared as a continuation of Coventry Resources Limited.

The common shares of Coventry Resources Inc. commenced trading on the TSX-V under the symbol "CYY" at the opening of trading on January 9, 2013, at which time the common shares of Crescent trading under the symbol "CRC" was delisted. Chess Depositary Instruments ("CDI's") of the Company commenced trading on the ASX on January 9, 2013 under the symbol CYY. Consequently, through the period ended January 8, 2013, the consolidated statements of financial position, the consolidated statements of operations and comprehensive loss, and the consolidated statements of cash flows relate only to Coventry Resources Limited, the acquirer. Subsequent to January 8, 2013, the net assets of Coventry Resources Limited are included in the statement of financial position at their carrying values, and the acquisition of Crescent is accounted for by the acquisition method, with the net assets of Crescent recorded at their estimated fair values.

The Company has accounted for the transaction as an asset acquisition under the scope of IFRS 2, Share Based Payments. Consideration consisted entirely of shares and options of the Company which were measured at the fair value of the shares and options that Coventry Resources Limited would have been required to issue to Crescent`s shareholders had the transaction been structured as a legal acquisition of Crescent by Coventry Resources Limited. The fair value of these shares and stock options deemed to have been issued was $2,662,089 and $19,965, respectively. The recognition of a listing expense as part of the acquisition of a public company is determined as the proceeds paid by the Company less the net assets acquired by the Company as a result of the takeover. The Company recognized a listing expense of $1,498,790.

The purchase price allocation is as follows:

	Amount
Cash	$ 918,275
Accounts receivable	55,142
Prepaid expenses	43,727
Property, plant, and equipment	1,423
Uncle Sam Project	1,238,757
Accounts payable	(105,092)
Accrued Liabilities	(35,000)
Subscriptions payable	(751,468)
Obligation to issue shares	(100,000)
Legal fee liability	(82,500)
Net assets	**$ 1,183,264**

In connection with the RTO, the outstanding options of Coventry Resources Limited were exchanged for new options of the Company, adjusted in accordance with their terms such that the number of shares of the Company received upon exercise and the exercise price reflected the 0.2513 exchange ratio described above. In addition, 254,000 options of Crescent Resources Corp. were converted into new options of the Company on a 1-to-1 ratio.

Exploration and Evaluation Assets

Cameron Gold Project, Canada

Coventry's principal asset and focus is a 100% interest in the Cameron Gold Project in the southern-most part of western Ontario. The discovery potential for additional mineralization and resources within the project area is very high. The Company believes that exploration success at the Cameron Gold Project will see the Cameron Lake Camp become part of the emerging Gold Province in the Western Wabigoon Subprovince as typified by the success of Rainy River Resources Ltd. at the Rainy River Deposit 56km to the southwest.

In January 2013, an independent, National Instrument 43-101 compliant Preliminary Economic Assessment ("PEA") for the Cameron Gold Camp ("Cameron", or the "Project") located in northwestern Ontario, Canada was completed.

PEA Highlights:

- Base case pre-tax NPV of US$111 million, 20.1% IRR (at US$1,472/oz gold) at a discount rate of 5%
- Initial 9.5 year mine life producing 604,673 ounces of gold from only the Cameron and Dubenski Gold Deposits
- Average annual production of 61,000 ounces of gold at an average cash cost of US$852/oz; average open-pit diluted grade of 1.96 g/t Au
- Life of mine gold recoveries averaging 91.5%
- 2,750 tonne per day (1 million tonne per annum) conventional crush, grind, and CIL processing route

Project Overview

The Cameron Gold Camp Project is located in northwestern Ontario, approximately 80km southeast of the city of Kenora. It is owned 100% by Coventry (subject to underlying royalties and option agreements). The Project boasts excellent infrastructure, including high-voltage grid power lines within 30 km of the Project. The Cameron Gold Camp Project comprises the Cameron Gold Project, containing the Cameron Gold Deposit and the West Cedartree Gold Project, containing the Dubenski Gold Deposit.

Initial development of the Cameron Gold Camp will be as a combined open-pit and underground operation, including open pit and underground material from the Cameron Gold Deposit, as well as open pit material from the satellite Dubenski Gold Deposit. Ore will be processed through a conventional crush, grind and carbon in leach ("CIL") processing circuit.

A technical report for the Cameron Gold Camp Project entitled "Revised Technical Report on the Cameron Gold Camp Project, Western Ontario, Canada" dated January 2013 (the "**Technical Report**") prepared by Peter Ball, Stephen Mlot, David Morgan and David Gordon, each of whom are a "qualified person" and "independent" as such terms are defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") have been filed with the applicable securities regulatory authorities and is available for review under the Company's profile at www.sedar.com. The following summary should be read in conjunction with and is qualified in its entirety by the information presented in the Technical Report.

The Technical Report is based on the following mineral resource estimates for the Cameron and Dubenski Gold Deposits which constitute the Cameron Gold Camp Project.

Cameron Gold Deposit

Cut-off grade (g/t gold)	Category	Tonnes	Grade (g/t gold)	Ounces of Gold
1.0	Measured	2,472,000	2.68	213,000
	Indicated	4,724,000	2.33	354,000
	Measured and Indicated	7,196,000	2.45	567,000
	Inferred	12,226,000	2.11	829,000

Dubenski Gold Deposit

Cut-off grade (g/t gold)	Category	Tonnes	Grade (g/t gold)	Ounces of Gold
1.0	*Indicated*	*806,000*	*2.28*	*59,000*
	Inferred	*392,000*	*1.44*	*18,200*

Notes:
(1) Mineral resources are not mineral reserves and do not have demonstrated economic viability.
(2) All figures are rounded to reflect the relative accuracy of the estimate.

The Cameron and Dubenski Gold Deposit mineral resource estimates are effective as at January 14, 2013.

A constraining pit model was not used for estimating the open pit mineral resources on the basis that it is a global resource and the cut-off (1.0 g/t Au) could reasonably be expected to be that grade for open pit extraction.

The preliminary economic assessment of the Cameron Gold Camp Project provides a solid base from which to further develop an evolving, district-wide production camp centered around Cameron, and represents a major milestone for the Company. Along with plans for continued exploration at the numerous satellite prospects in the area, the economics, favourable location and infrastructure at Cameron make it a compelling development project moving forward. The economics determined in the Technical Report provide a strong incentive to undertake further geotechnical, metallurgical and engineering studies.

Ongoing review of the Cameron Project subsequent to the recent release of the PEA (Jan 2013) has indicated that additional open pitable resources would have a material positive impact on project's economics.

West Cedartree Gold Project

In addition to the currently defined project at Cameron, the Company has a number of high grade gold prospects and exploration targets within close proximity (10 km) that warrant further exploration.

Dogpaw Gold Deposit

On May 14, 2013, the Company released a NI 43-101 compliant mineral resource estimate to within 150m of surface for the Dogpaw Gold Deposit.

Cut-off grade (g/t gold)	Category	Tonnes	Grade (g/t gold)	Ounces of Gold
1.0	*Indicated*	*202,000*	*3.54*	*23,000*
	Inferred	*54,000*	*1.44*	*4,400*

Notes:
(1) Mineral resources are not mineral reserves and do not have demonstrated economic viability.
(2) All figures are rounded to reflect the relative accuracy of the estimate.

Robertson Prospect

The Robertson Prospect comprises a northeast-southwest trending mineralized zone within gabbro that had been delineated over a strike length of 200m and to a vertical depth of 120m. The Robertson Prospect was identified from reconnaissance rock chip sampling that returned anomalous results and was followed up by three mechanical stripping and channel sampling programs that returned further positive results.

Eighteen diamond drill holes for 1,568.6 metres were completed at the Robertson Prospect to test for extensions of the northeast-southwest trending mineralized zone within gabbro which had been previously delineated over a strike length of 200m and to a vertical depth of 120m
Significant gold intercepts were recorded in 12 of the 18 holes, with a number of broad intercepts, including:

- 13.2 metres @ 2.03 g/t gold from 2.0 metres
- 20.0 metres @ 1.19 g/t gold from 81.0 metres
- 9.2 metres @ 1.66 g/t gold from 69.8 metres
- 9.0 metres @ 1.40 g/t gold from 39.5 metres

These results complement those reported in 2010 and 2011 by previous explorer, Houston Lake Mining Inc. ("Houston Lake"), which completed a total of 15 diamond drill holes for 1,980 metres, recording results including:

- 20.5 metres @ 2.17 g/t gold from 62.0 metres
- 11.9 metres @ 3.10 g/t gold from 149.1 metres
- 16.7 metres @ 2.00 g/t gold from 19.8 metres
- 12.7 metres @ 1.73 g/t gold from 122.3 metres
- 17.3 metres @ 1.22 g/t gold from 2.3 metres
- 4.5 metres @ 2.10 g/t gold from 20.0 metres

The recently completed program has now extended the strike of the main mineralized zone at Robertson to more than 250 metres. The mineralization remains open to the northeast and at depth.

McLennan Prospect
The McLennan Prospect ("McLennan") is located 1.5 km north-northwest of Robertson and is a historic gold occurrence that was discovered probably in 1940's. The mineralization at McLennan comprises silica-pyrite breccia that is sub-parallel to a shear zone within mafic volcanic rocks. There appear to be two mineralized zones, each about 2-5m thick, that may extend over a strike of about 450m.

Seven diamond drill holes for 425.6 metres were completed at the McLennan Prospect to test for southwestern extensions of the silica-pyrite breccia that hosts gold mineralization.

Significant gold intercepts were recorded in 5 of the 7 holes. CWM-13-003 intersected a plunging high-grade zone, returning:

- 6.3 metres @ 3.70 g/t gold from 25.0 metres

This intercept is comparable to those recorded previously by Houston Lake from four holes that were drilled underneath the main trenches, when results included:

- 9.0 metres @ 4.04 g/t gold from 26.0 metres
- 5.8 metres @ 5.80 g/t gold from 24.0 metres
- 7.7 metres @ 2.24 g/t gold from 53.0 metres

A shallow, high-grade zone, plunging to the southwest over a strike of about 60 metres, has now been delineated. The mineralization remains open in all directions, particularly to the southwest.

Rainy River Project, Canada

The Rainy River Project is located in the western-most part of northern Ontario, immediately to the north of Canada's border with the United States and approximately 60 kilometres to the northwest of the City of Fort Frances, near a recently discovered gold deposit held by Rainy River Resources Ltd.

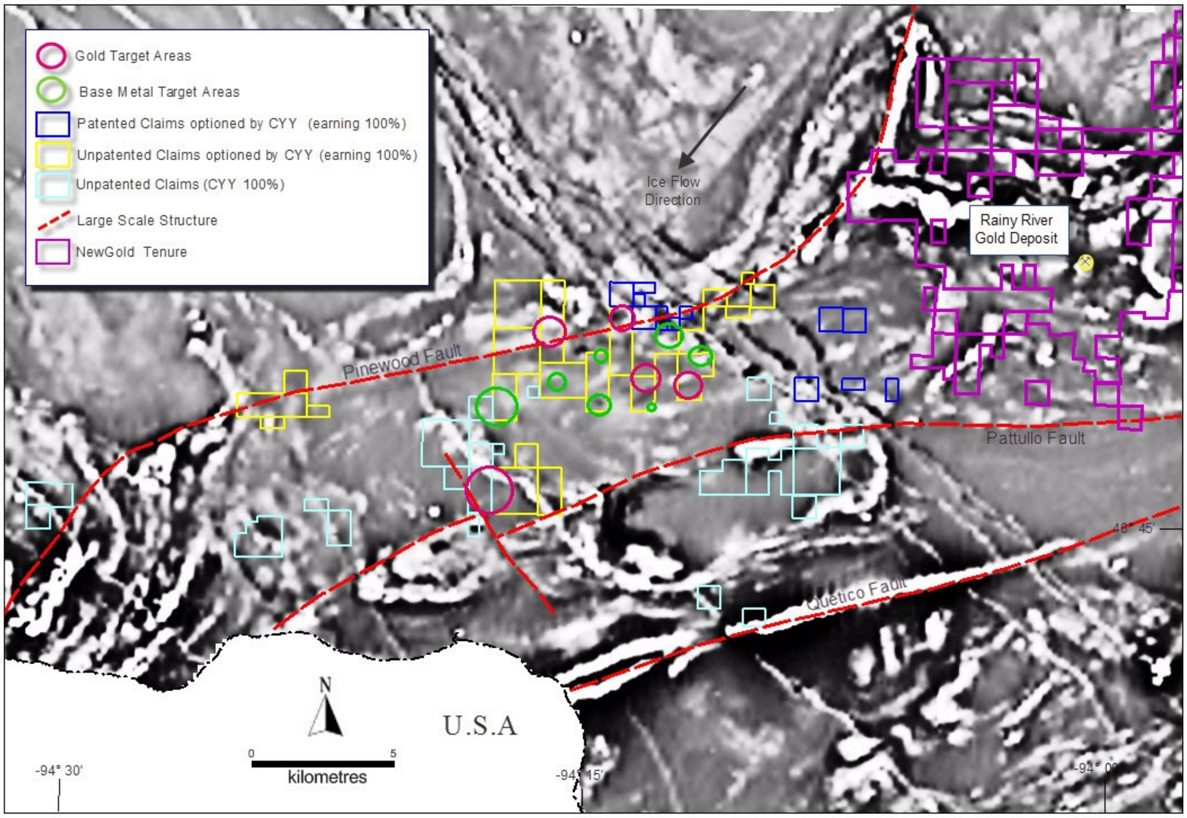
The Rainy River District Properties comprise mineral rights over an area of 57.3 km^2 adjacent to the Rainy River Gold Deposit. The Rainy River Gold Deposit is currently reported to contain Proven and Probable Mineral reserves of 4.0 million ounces of gold and 10.3 million ounces of silver and is one of the most significant gold discoveries in Canada in the past decade. Coventry has accumulated a significant land holding in the Rainy River Greenstone Belt, as part of its exploration strategy of targeting well endowed, underexplored belts with high potential for new discoveries.

Access to the Rainy River Project is by a grid network of paved and unpaved all weather roads located through the region. High-voltage power is also available through the area. The Rainy River Project area comprises sparsely populated undulating land.

Since assembling the Rainy River Project, Coventry has undertaken detailed interpretation of geophysical data, geological mapping, geochemical water sampling and has completed 46 backhoe dug pits and 181 Reverse Circulation ("RC") drillholes (4,349 metres) for geochemical analyses as part of a first stage evaluation.

During the year, the Company completed an additional 46 hole, 1,058 metre, overburden RC drilling program as follow up to four high priority gold anomalies (Conqueror, Royal, Aries and Martin) and three base metal anomalies (Scylla, Charybdis and Bellepheron) generated from its winter 2012 RC program.

This work has defined two significant, discrete, high-priority gold anomalies at Conqueror and Royal, both with high proportions of "modified" and "pristine" gold grains suggesting a distance to the primary source of mineralization to be between 500-1,000 metres. Further drilling is planned to locate the primary sources to the mineralization.



Ardeen Gold Project, Canada

The Ardeen Gold Project is located approximately 110 kilometres west of the City of Thunder Bay, which is situated on the western edge of Lake Superior in northwestern Ontario. The Ardeen Gold Project is located approximately 15 kilometres south of Highway 11 which forms part of the Trans-Canada Highway system. The Ardeen Gold Project comprises 153 unpatented mining claims (4,540 hectares) and four patented mining claims (404.3 hectares). Access to the claims is by a gravel all-season main logging road. This road transects the central portion of the claim block and connects to numerous secondary logging roads which provide access to most parts of the Ardeen Gold Project. High-voltage power is available along the Trans-Canada Highway, approximately 15 kilometres to the north.

At the end of the fiscal year ended June 30, 2013 the management of the Company assessed the merits of the Ardeen Gold Project relative to the various resources available. As the primary objective of the Company is to further develop its other interests, it was determined that minimal resources would be allocated to this project and as such, the Company has determined no significant value could be attributed to the Ardeen Gold Project without a detailed exploration strategy.

Uncle Sam Project, United States

The Uncle Sam Project is located 75 kilometres southeast of the City of Fairbanks. The Uncle Sam Project is an intrusion related gold target hosted in a similar age of intrusive rocks to those which host the Pogo Gold Mine approximately 60 kilometres to the east of the Uncle Sam Project. A comprehensive exploration data package compiled by previous operators of the Uncle Sam Project indicates that there are extensive anomalous areas defined by surface gold geochemistry and numerous significant drill intercepts.

At the end of the fiscal year ended June 30, 2013 the management of the Company assessed the merits of the Uncle Sam Project relative to the various resources available. As the primary objective of the Company is to further develop its other interests, it was determined that minimal resources would be allocated to this project and as such, the Company has determined no significant value could be associated to the Uncle Sam Project without a detailed exploration strategy. The Company is continuing to seek a joint venture partner to develop the potential of its interest in this project.

The Company is not currently conducting any exploration at the Uncle Sam Project in order to focus on the Cameron Gold Project and is actively seeking a joint venture partner to further advance the property.

SELECTED ANNUAL INFORMATION

	2013	2012	2011
Interest income	$ 30,653	$ 107,652	$ 356,539
General and administration expenses	4,923,714	2,749,885	1,856,893
Impairment of exploration expenditure	3,897,618	3,110,071	-
Stock-based compensation	175,497	313,621	247,454
Mineral exploration expenses	4,736,547	7,562,311	7,504,675
Comprehensive loss for the year	8,890,909	5,687,460	990,036
Cash and cash equivalents	2,813,428	3,108,147	8,243,804
Total assets	32,522,767	30,869,073	31,733,909
Total liabilities	664,206	758,969	870,930
Working capital	$ 2,223,113	$ 2,565,398	$ 7,776,415

RESULTS OF OPERATIONS

The Company incurred a loss from continuing operations for the twelve month periods ended June 30, 2013 and 2012 of $8,890,909 and $5,687,460 respectively. The Company incurred varying costs throughout the year as the merger with Crescent resulted in many one-time charges. The merger has allowed the Company to obtain a TSX-V listing which provides better exposure to potential investors with its primary exploration and evaluation assets situated in Canada.

Public company costs relate to the various regulatory and transfer agency costs associated with publicly traded companies. Total costs of $304,714 were incurred during the twelve months ended June 30, 2013 compared to costs of $81,451 for the comparable twelve months ended June 30, 2012. The increased costs were a result of the merger between Coventry Resources Limited and Crescent Resources Corp.; many of these listing application fees are one-time expenditures incurred in listing the Company's shares on the TSX-V and the ASX.

Consulting and director fees are costs associated with the management and director fees of the Company. Total fees of $518,898 and $580,643 were incurred for the twelve month period ended June 30, 2013 and June 30, 2012 respectively. The increased costs in the previous year can be attributed to consulting services relating to assessing business opportunities that were presented to the Company. During the current fiscal year, the Board of Directors reduced the various management consulting costs. Director fees have been reduced with all Executive Directors having their salaries and fees cut by 50%; and all Non-Executive Directors having their fees reduced to $0.

Share-based compensation costs of $175,497 and $313,621 were recognized during the twelve months ended June 30, 2013 and 2012 respectively. The expense recognized during the period represents the vesting of stock options granted to management.

For the twelve months ended June 30, 2013, the company incurred $636,416 in legal fees compared to costs of $565,465 recognized for the twelve months ended June 30, 2012. The overall increase can be attributed to costs associated the merger with Crescent and reviewing other business opportunities that were presented to the Company during the year.

Staff costs of $764,869 were incurred by the Company for twelve month period ended June 30, 2013. These costs are significantly higher compared to the $154,049 incurred during the corresponding twelve month period ended June 30, 2012. As staff costs relate predominately to salaries and benefits, the addition and restructuring of the management of the Company increased these costs during the current year.

Serviced office and outgoing costs relate to office rent and the various operating costs associated with maintaining an office. For the twelve months ended June 30, 213 and 2012, the Company incurred expenses of $143,506 and $215,268. The decreased costs can be attributed to centralizing additional administration functions from Australia to Canada.

The Company incurred a foreign exchange gain/(loss) of $(33,031) and $26,240 during the twelve months ended June 30, 2013 and 2012 respectively. The loss during the current fiscal year is a result of the strengthening of the Australian dollar (relative to the Canadian dollar); as the Company incurs expenditure denominated in Australian dollars, the strengthening of the Australian dollar will result in a foreign exchange loss.

For the six months ended June 30, 2013, the Company recognized listing fee expenses of $1,498,790. The Company has accounted for the RTO with Crescent as an asset acquisition under the scope of IFRS 2, Share Based Payments. The fair value of these shares deemed to have been issued was $2,662,089 and the options $19,965, respectively. The recognition of a listing expense as part of the acquisition of a public company is determined as the proceeds paid by the Company less the net assets acquired by the Company ($1,183,264) as a result of the takeover (see note 2 of the annual audited consolidated financial statements for the year ended June 30, 2013).

Other expenses relate to various administration costs incurred by the Company. For the twelve month periods ended June 30, 2013 and 2012, the Company incurred costs of $719,027 and $696,136 respectively. The increased costs can be attributed to the additional accounting and audit fees associated with the merger with Crescent.

The Company is in the continuing process of assessing its overhead costs in an effort to significantly reduce costs and conserve its cash.

SUMMARY OF QUARTERLY RESULTS

Three Months Ended	Exploration and deferred expenses	General and Administrative	Net income (loss) per share (1)
June 30, 2013	$ 653,717	$ 4,432,855	$ (0.07)
March 31, 2013	3,267,186	2,361,869	$ (0.04)
Six Months Ended(1)			
December 31, 2012	$ 2,054,401	1,995,948	$(0.01)
June 30, 2012	$ 529,121	4,682,191	$(0.03)
December 31, 2011	$ 3,923,119	$ 1,070,113	$(0.01)

(1): Control of the combined companies passed to the former shareholders of Coventry Resources Limited, which for accounting purposes is deemed to be the acquirer. As Coventry Resources Limited was an ASX listed Company, quarterly results were not published.

LIQUIDITY AND CAPITAL RESOURCES

The Company does not have any operations that generate cash flow. Coventry's financial success relies on management's ability to find economically viable mineral deposits. This process can take many years and is largely based on factors that are beyond the control of Coventry.

In order to finance its exploration activities and corporate overhead, historically the Company is dependent on investor sentiment remaining positive towards the gold exploration business generally, and towards Coventry in particular, so that funds can be raised through the sale of the Company's securities. Many factors have an influence on investor sentiment, including a positive climate for mineral exploration, a company's track record and the experience and calibre of a company's management. There is no certainty that equity funding will be available at the times and in the amounts required to fund the Company's activities. Note 1 of the Company's annual audited consolidated financial statements for the fiscal year ended June 30, 2013 further discusses the going concern issue. The financial statements do not include any adjustments that might result from these uncertainties.

Coventry has financed its activities through equity financings. Debt financing has not been used to fund property acquisitions and exploration and the Company currently has no current plans to use such financing.

Cash and Financial Conditions

The Company's cash and cash equivalents balance of $2,813,428 as at June 30, 2013 as compared to a cash balance of $3,108,147 as at June 30, 2012. The Company's cash equivalents are fully cashable at any time so there are no restrictions on availability of these funds.

The Company had working capital of $2,223,113 as at June 30, 2013 compared to a working capital of $2,565,398 as at June 30, 2012 respectively. The decrease in working capital can be attributed to the work that has been completed at the Company's exploration and evaluation properties and corporate overhead costs relating to the merger with Crescent.

The Company does not have any unused lines of credit or other arrangements in place to borrow funds and has no off-balance sheet arrangements. Coventry does not use hedges or other financial derivatives.

Investing Activities

The Company recognized net cash out flows of $2,892,470 and $7,466,303 for the period ended June 30, 2013 and 2012 respectively. The decreased out flow during the recent period primarily reflects $918,275 of net cash acquired through the reverse takeover with Crescent Resources Corp. and the timing of payments for its exploration activities.

The Company provided payments of $3,730,059 relating to exploration activities on the Cameron Gold and Rainy River Projects for the twelve months ended June 30, 2013 compared to payments of $7,402,303 for the twelve months ended June 30, 2012. Payments are dependent on the credit terms negotiated with the Company's vendors.

The Company recognized $918,275 in cash during the fiscal year ended June 30, 2013 as a result of the RTO with Crescent Resources Corp.

There were no material differences in the actual use of proceeds from the Company's previous disclosure in this regard.

Financing Activities

On February 22, 2013, the Company completed a public offering (the "Offering") by the issue of 18,749,964 units (the "Units") at a price of C$0.32 per Unit (A$0.305 per Unit) for gross proceeds of $6,000,000. In Canada, each Unit consisted of 0.3 of one common share of the Company (each whole common share a "Common Share"), plus one subscription receipt of the Company ("Subscription Receipt"). In Australia, each Unit consisted of 0.3 of one fully paid CDI, plus one Subscription Receipt of the Company. Each whole Subscription Receipt was automatically converted, without payment of any additional consideration, into 0.7 of one Common Share of the Company and 0.5 of one common share purchase warrant (each whole common share purchase warrant a "Warrant") in Canada, or 0.7 of one CDI of the Company and 0.5 of one Warrant in Australia, on the approval of the Company's shareholders at a meeting held on April 30, 2013 (the "Release Condition"). Each whole Warrant is exercisable into either one Common Share of the Company in Canada, or one CDI of the Company in Australia, for a period of 18 months at an exercise price of C$0.45 per Common Share (A$0.43 per CDI).

Thirty percent of the gross proceeds of the Offering (C$1.8 million, or A$1.7 million) were released to the Company on completion of the Offering.

Seventy percent of the gross proceeds of the Offering (C$4.2 million, or A$4.0 million), being the portion of the gross proceeds of the Units allocated to the Subscription Receipts, had been deposited into escrow, to be released upon satisfaction of the Release Conditions as outlined in the prospectus offering; the Release Conditions included both shareholder and regulatory approval. The Release Conditions were met subsequently met and the remaining proceeds were released to the Company.

The Company incurred professional fees totaling $614,622 and broker commissions totaling $514,290 in relation to the public offering as at the date of this MD&A.

On January 8, 2013, in conjunction with the merger, the Company completed a non-brokered private placement financing consisting of 3,037,200 common shares (including 37,300 common shares issued to agents) at a price of $0.25 per unit for gross proceeds of $751,468.

On January 8, 2013, the Company issued 400,000 common shares valued at $100,000 to a financial advisor pursuant to an agreement for financial services provided to Crescent.

On January 15, 2013, the Company issued 1,935,010 common shares valued at $715,954 to Houston Lake Mining Inc. ("Houston Lake") upon completion of the acquisition of 100% of the West Cedartree Gold Project, located 10km from the Company's Cameron Gold Deposit. In addition, the Company paid Houston Lake $100,000 on the execution of a binding Letter of Intent in June 2012 and $100,000 in November 2012. It completed the acquisition by paying Houston Lake a further $400,000 and issuing the common shares noted above.

SECURITIES OUTSTANDING

As at June 30, 2013 and the date of this MD&A, Coventry had 90,974,487 common shares issued and outstanding.

As at June 30, 2013, Coventry had 3,684,244 options and 9,375,000 share purchase warrants outstanding.

Subsequent to the period ended June 30, 2013, the 125,650 options with an exercise price of $1.24 expired.

At the date of this MD&A, the Company had 3,558,594 options and 9,375,000 share purchase warrants issued and outstanding.

OUTLOOK

It is anticipated that in the continued and foreseeable future, Coventry will rely on the equity markets to meet its financing needs. Should cash flow build through exploration success, the Company will be in a position to finance projects from cash flow.

Although Coventry has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future. The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to achieve successful exploration results or obtain adequate financing.

Management and the Board of Directors continuously review and examine proposals and projects for the Company and conduct their due diligence in respect of the same.

OFF-BALANCE SHEET ARRANGEMENTS

At the date of this report, the Company had no off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

The Company's related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors as follows for the twelve months ended June 30, 2013:

Name	Nature of transactions
524124 BC Ltd.	Consulting as Vice President of Investors relations and holder of notes payable
Argento Trust	Consulting as Corporate Secretary and CFO
Bullseye Geoservices Pty Ltd.	Consulting as a Non-Executive Director
Golden Oak Corporate Services Limited	Consulting as CFO and Corporate Secretary (subsequent to January 8, 2013). The company terminated the agreement on April 29, 2013.
Grainger International Consulting Pty Ltd.	Consulting as Previous CFO (up to January 8, 2013)
Intellex Geoscience	Consulting as a Geologist
MJJ & Associates Consulting Ltd.	Consulting as a Financial Controller
MQB Ventures Pty Ltd.	Rent – shared office and services provided
Spectrum Metallurgical Consultants Pty Ltd.	Consulting as Interim President and Project Manager
Sunridge Gold Corp.	Rent – shared office

The Company's related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors as follows for the twelve-month periods ended June 30, 2012:

Name	Nature of transactions
Argento Trust	Consulting as Corporate Secretary
Bullseye Geoservices Pty Ltd.	Consulting as a Geologist
Grainger International Consulting Pty Ltd.	Consulting as CFO
Intellex Geoscience	Consulting as a Geologist
MJJ & Associates Consulting Ltd.	Consulting as a Financial Controller
MQB Ventures Pty Ltd.	Rent

Key management personnel also include the Company's Canadian Country Manager.

The Company incurred the following remuneration and fees in the normal course of operations in connection with individuals and companies owned by key management and directors.

	Twelve months ended	
	June 30, 2013	June 30, 2012
Consulting and director fees	$ 888,005	$ 556,417
Interest expense on notes payable	3,372	-
Wages and benefits	541,654	257,642
Termination payment	52,500	-
Rent – shared office	78,831	155,263
Share-based compensation	186,428	277,391
Total	$ 1,680,790	$ 1,174,713

As at June 30, 2013, the balance outstanding to related parties is $72,917 (June 30, 2012 - $41,761). The balance outstanding is due upon demand and bears no interest.

In November 2012, Coventry entered into a loan agreement with Don Halliday, a director of Crescent Resources Corp. ("Crescent"), to make available to the Company a non-revolving credit facility with an aggregate principal amount of $400,000. The credit facility was fully drawn on December 21, 2012. The loan is repayable the later of (i) May 22, 2013; and (ii) The date the Company completes a private placement or prospectus offering raising sufficient funds to, in the opinion of the Company and Mr. Halliday each acting reasonably, allow repayment of the principle amount of $400,000 without compromising the financial condition of the Company. As consideration in respect thereof, the Company has agreed to pay Mr. Halliday any amount outstanding after February 22, 2013 an annual interest rate of 2% above the prime rate.

As at June 30, 2013, all amounts outstanding including accrued interest ($3,372) had been paid.

In January 2013, certain director and officers of the Company had outstanding payments owing to them by the Company for consulting fees and services provided. The directors agreed to defer these payments and the outstanding balances were re-classified as a directors loan on an interest-free basis. The loan was to be repaid on the date the Company completed a private placement or prospectus offering raising sufficient funds to, in the opinion of the Company and the directors involved each acting reasonably, allow repayment of the outstanding balance without compromising the financial condition of the Company. In May 2013, the amount outstanding of $175,924 was repaid to the directors.

FOURTH QUARTER

For the three months ended June 30, 2013 ("Q4-2013"), the Company realized a comprehensive loss of $4,580,985. The loss during the quarter included an impairment charge of $3,897,618 that the Company recognized. Overall, the Company has begun to scale back much of its operations in an effort to conserve its cash reserve. The management of the Company is continuing to evaluate all costs to ensure there is sufficient working capital.

The Company is unable to properly compare its current quarterly operational performances as the ASX did not require Coventry to prepare quarterly financial reports.

CRITICAL ACCOUNTING ESTIMATES

As at June 30, 2013, the Company was a venture issuer. Coventry prepares its financial statements in accordance with International Financial Reporting Standard ("IFRS") and requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the useful lives of capital assets, reserves used in calculating depletion, accretion and ceiling tests, the assumptions used in determining the fair value of asset retirement costs and the assumptions used in determining the fair value of non-cash stock-based compensation. Due to the inherent uncertainty involved with making such estimates, actual results reported in future years could differ from these estimates.

Future Canadian Accounting Standards

New standards, interpretations and amendments not yet effective

The following adopted the following amendment in the current reporting period:

- Amendments to IAS 1 – Presentation of financial statements ("IAS 1")

  IAS 1 was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.There was no significant impact to the consolidated financial statements as a result of the adoption of the standard.

A number of new standards, amendments to standards and interpretations are not yet effective as of June 30, 2013, and have not been applied in preparing these consolidated financial statements.

Effective for annual periods beginning on or after January 1, 2013

- Amendments to IAS 27 and IAS 28 *Separate Financial Statements and Investments in Associates and Joint Ventures*
  Addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

- Amendments to IFRS 7 – *Financial Instruments, Disclosures*
  Amended to provide more extensive quantitative disclosures for financial instruments that are offset in the statement of financial position or that are subject to enforceable master netting or similar arrangements.

- New standard IFRS 9 *Financial Instruments*
  Partial replacement of IAS 39 *Financial Instruments: Recognition and Measurement.*

- New standard IFRS 10 *Consolidated Financial Statements*
  Provides a new single consolidation model that identifies control as the basis for consolidation for all types of entities, and replaces IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation – Special Purpose Entities*.

- New standard IFRS 11 *Joint Arrangements*

Improves the accounting for joint arrangements by introducing a principle-based approach that requires a party to a joint arrangement to recognize its rights and obligations arising from the arrangement. Such a principle-based approach will provide users with greater clarity about an entity's involvement in its joint arrangements by increasing the verifiability, comparability and understandability of the reporting of these arrangements. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities-Non-Monetary Contributions by Venturers*.

- New standard IFRS 12 *Disclosure of Interests in Other Entities*
  Combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

- New standard IFRS 13 *Fair Value Measurement*
  Defines fair value and sets out a framework for measuring fair value and disclosures about fair value measurements. It applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRSs or address how to present changes in fair value.

- New standard IFRIC 20 – *Stripping Costs in the Production Phase of a Surface Mine* ("IFRIC 20")
  On October 19, 2011, the IFRS Interpretation Committee published IFRIC 20 that applies to all types of natural resources that are extracted using the surface mining activity process. IFRIC 20 clarifies the requirements for accounting for stripping costs in the production phase of a surface mine. It provides guidance on when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods.

- Amendments to IAS 32 – *Financial Instruments, Presentation*
  In December 2011, IAS 32 Financial Instruments, Presentation has been amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right to offset must be available on the current date and cannot be contingent on a future event. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards could have on future financial statements.

Financial Instruments and Related Risks

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: Financial assets at fair value through profit or loss ("FVTPL"); held-to-maturity investments; loans and receivables; available-for-sale; or other liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	June 30, 2013	June 30, 2012	July 1, 2011
Cash	FVTPL	$ 2,891,950	$ 3,108,147	$ 8,234,804
Other receivables	Loans and Receivables	73,891	216,220	403,541
Trade and other payables	Other liabilities	(664,206)	(758,969)	(870,930)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for cash, restricted cash, other receivables, and trade and other payables. Subscriptions payable and loans from directors approximate their fair value due to their short-term nature.

Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash, receivables, and balances receivable from the government. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts, guaranteed investment certificates and in government treasury bills which are available on demand by the Company for its programs.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next sixty days.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk: The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and short-term investments and on the Company's obligations are not considered significant.

Based on the interest rate exposures and assuming that all other variables remain constant, a 1% increase or decrease in the interest rate would result in a decrease or increase in the reported a net loss of approximately $12,067 in the period.

(b) Foreign Currency Risk: The Company has identified its functional currency as the Canadian dollar. Transactions are transacted in Canadian dollars, US dollars, and to a lesser extent, Australian dollars. The Company maintains US dollar bank accounts in Canada to support the cash needs of its US foreign operation. Management believes the foreign exchange risk related to currency conversions are minimal and therefore, does not hedge its foreign exchange risk.

Based upon the net foreign currency exposures and assuming that all other variables remain constant, a 1% increase or decrease in the Canadian dollar against both the US dollar and Australian dollar would result in a decrease or increase in the reported loss of approximately $1,200 in the year.

(c) Commodity Price Risk: While the value of the Company's mineral resource properties are related to the price of gold and the outlook for this mineral, the Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect to its operational activities.

Historically, the price of gold has fluctuated significantly and is affected by numerous factors outside of the Company's control, including but not limited to industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold.

RISKS

In addition to the risks noted above in the "Financial instruments and Related Risks" section, should be given special consideration when evaluating trends, risks and uncertainties relating to the Company's business.

The Company is subject to risks and challenges similar to other companies in a comparable stage of development. Mineral exploration is subject to a high degree of risk, which a combination of experience, knowledge, and careful evaluation may fail to overcome. Exploration activities seldom result in the discovery of a commercially viable mineral resource. Exploration activities require significant cash expenditures. Crescent will therefore require additional financing to carry on its business and such financing may not be available when it is needed.

Information concerning risks specific to the Company and its industry, which are required to be included in this MD&A are incorporated by reference to the Company's Short Form Prospectus, dated February 15, 2013, in the section entitled "Risk Factors".

ADDITIONAL DISCLOSURE REQUIREMENTS

The Company's management is responsible for establishing and maintaining disclosure controls and procedures for the Company. The disclosure controls and procedures have been designed, under the supervision of the Board of Directors and its Officers, so as to provide reasonable assurance that material information relating to the Company is made known to the Board of Directors and its Officers by others within the Company. The Officers of the Company have evaluated the effectiveness of these disclosure controls and procedures for the year ending June 30, 2013 and have concluded that they are being maintained as designed.

The Officers have also concluded that there has been no change in the Company's internal control over financial reporting during the most recent interim period that has materially affected, or is reasonably likely to affect, the internal control over financial reporting.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans to continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

This MD&A may contain information about adjacent properties on which we have no right to explore or mine. We advise U.S. investors that the SEC's mining guidelines strictly prohibit information of this type in documents filed with the SEC. U.S. investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on our properties.

ADDITIONAL SOURCE OF INFORMATION

Additional information relating to Coventry Resources Inc. can be found on the SEDAR website at www.sedar.com or the Company's website at www.coventryres.com.

(Formerly Crescent Resources Corp.)
(ABN 161 615 783)

Consolidated Financial Statements

For the year ended June 30, 2013

(All amounts are stated in Canadian dollars, except as otherwise stated)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Coventry Resources Inc.

We have audited the accompanying consolidated financial statements of Coventry Resources Inc., which comprise the consolidated statements of financial position as at June 30, 2013, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects the financial position of Coventry Resources Inc. as at June 30, 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Restated comparative information

The consolidated financial statements of the Company for the year ended June 30, 2012 and opening statement of financial position as at July 1, 2011 (prior to the restatement of the comparative information described in Note 3 (b) to the consolidated financial statements) were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on September 29, 2012.

As part of our audit of the consolidated financial statements of Coventry Resources Inc. for the year ended June 30, 2013, we also audited the adjustments described in Note 3 (b) that were applied to restate the consolidated financial statements for the year ended June 30, 2012 and opening statement of financial position as at July 1, 2011. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements of Coventry Resources Inc. for the year ended June 30, 2012 and opening statement of financial position as at July 1, 2011 other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the consolidated financial statements for the year ended June 30, 2012 and opening statement of financial position as at July 1, 2011 taken as a whole.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company incurred a net loss of $8,790,679 during the year ended June 30, 2013 and, as of that date, the Company had an accumulated deficit of $30,487,442. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Toronto, Canada

September 26, 2013.

Ernst & Young LLP

Chartered Accountants

Licensed Public Accountants

COVENTRY RESOURCES INC. *(FORMERLY CRESCENT RESOURCES CORP.)*

Consolidated Statements of Financial Position

(See Note 1 – Nature of Operations and Going Concern)

(All amounts are stated in Canadian dollars, except as otherwise stated)

	Notes	**June 30 2013**	June 30, 2012 *restated* Note 3(b)	July 1, 2011 *restated* Note 3(b)
ASSETS				
Current assets				
Cash and cash equivalents	6	$ 2,813,428	$ 3,108,147	$ 8,243,804
Other receivables and prepayments	7	73,891	216,220	403,541
Total current assets		**$ 2,887,319**	**$ 3,324,367**	**$ 8,647,345**
Non-current assets				
Property, plant and equipment	9	382,380	369,324	363,422
Exploration and evaluation assets	8	29,253,068	27,175,382	22,723,142
Total non-current assets		**$29,635,448**	**$ 27,544,706**	**$ 23,086,564**
TOTAL ASSETS		**$32,522,767**	**$ 30,869,073**	**$ 31,733,909**
LIABILITIES				
Current liabilities				
Trade and other payables	10	$ 656,900	$ 758,969	$ 870,930
Warrant Liability	12 b)	7,306	-	-
Total current liabilities		**664,206**	**758,969**	**870,930**
TOTAL LIABILITIES		**$ 664,206**	**$ 758,969**	**$ 870,930**
EQUITY				
Share capital	12 b)	$56,789,379	$ 47,614,773	$ 42,993,809
Other components of equity	12	5,556,624	4,192,094	3,813,629
Deficit		(30,487,442)	(21,696,763)	(15,944,459)
TOTAL EQUITY		**$31,858,561**	**$ 30,110,104**	**$ 30,862,979**
TOTAL LIABILITIES AND EQUITY		**$32,522,767**	**$ 30,869,073**	**$ 31,733,909**
Commitments	18			
Contingent liability	19			

Approved on behalf of the Board

"Steven Chadwick"
Director

"Nicholas Day"
Director

The accompanying notes form an integral part of these consolidated financial statements

COVENTRY RESOURCES INC. *(FORMERLY CRESCENT RESOURCES CORP.)*
Consolidated Statements of Loss and Comprehensive Loss
(All amounts are stated in Canadian dollars, except as otherwise stated)

	Notes	**June 30, 2013**	June 30, 2012
			restated Note 3(b)
Interest income		$ 30,653	$ 107,652
General and Administration			
Public company costs		304,714	81,451
Consulting and directors fees		518,898	580,643
Share-based compensation	12 f)	175,497	313,621
Legal fees		636,416	565,465
Staff costs		764,869	154,049
Service office and outgoings		143,506	215,268
Interest		3,389	-
Impairment of exploration expenditure	8	3,897,618	3,110,071
Travel expenses		171,698	169,492
Foreign exchange (gain)/loss		33,031	(26,240)
Gain on warrant liability	12 b)	(46,121)	-
Listing fee expense	2	1,498,790	-
Other expenses	13	719,027	696,136
		8,821,332	5,859,956
Net loss attributed to shareholders for the year		**$ 8,790,679**	**$ 5,752,304**
Other comprehensive income (loss)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Foreign currency translation		(100,230)	64,844
Other comprehensive income (loss) attributed to shareholders for the year		(100,230)	64,844
Total comprehensive loss for the year		**$ 8,890,909**	**$ 5,687,460**
			restated Note 3(b)
Net loss per share:			
Basic and diluted	12 g)	$ (0.13)	$ (0.12)
Weighted Average Number of Shares:			
Basic and diluted		69,024,798	45,840,158

The accompanying notes form an integral part of these consolidated financial statements

Consolidated Statements of Cash Flows

(All amounts are stated in Canadian dollars, except as otherwise stated)

	Notes	**June 30, 2013**	June 30, 2012
			restated
			Note 3(b)
Cash provided from (used for)			
Operating activities			
Loss for the year		$ (8,790,679)	$ (5,752,304)
Adjustment for non-cash items:			
Listing fee expense		1,498,790	-
Impairment of exploration expenditures		3,897,618	3,110,071
Depreciation		65,132	58,130
Share-based compensation		175,497	313,621
Unrealized gain on warrant liability		(46,121)	-
Loss on disposal of assets		3,814	-
Changes in non-cash working capital:			
Decrease on receivables		240,501	45,200
Decrease in trade and other payables		(563,168)	(18,187)
Net cash flows used in operating activities		$ (3,518,616)	$ (2,243,469)
Cash flows from investing activities			
Purchase of property, plant and equipment		$ (80,686)	(63,968)
Cash acquired on acquisition		918,275	-
Payments for expenditure on exploration		(3,730,059)	(7,402,303)
Net cash flows used in investing activities		$ (2,892,470)	$ (7,466,271)
Cash flows from financing activities			
Proceeds from issue of units		$ 6,025,464	5,085,919
Share issue costs		(1,117,328)	(532,567)
Proceeds from issue of warrants		1,311,794	-
Net cash flows from financing activities		$ 6,219,930	$ 4,553,352
Net decrease in cash and cash equivalents		$ (191,156)	(5,156,388)
Cash and cash equivalents at beginning of the year		3,108,147	8,243,804
Foreign exchanges variances on cash		(103,563)	20,731
Cash and cash equivalents at end of the year		**$ 2,813,428**	**$ 3,108,147**

The accompanying notes form an integral part of these consolidated financial statements

COVENTRY RESOURCES INC. *(FORMERLY CRESCENT RESOURCES CORP.)*

Consolidated Statements of Changes in Equity

(All amounts are stated in Canadian dollars, except as otherwise stated)

	Notes	Number of Shares	Issued Capital	Deficit	Foreign Currency Translation	Warrants	Share Based Payments	Option Premiums	Total
At 1 July 2012		54,432,546	$47,614,773	$(21,696,763)	$ 879,455	$ -	$ 3,309,944	$ 2,695	$30,110,104
Loss for the year		-	-	(8,790,679)	-	-	-	-	(8,790,679)
Other comprehensive loss		-	-	-	(100,230)	-	-	-	(100,230)
Total comprehensive (loss)/income for the year		-	$ -	$ (8,790,679)	$ (100,230)	$ -	$ -	$ -	$ (8,890,909)
Transactions with owners in their capacity as owners									
Shares issued prior to the merger	12 b)	5,930,680	1,321,883	-	-	-	-	-	1,321,883
Share issue costs	12 b)	-	(9,601)	-	-	-	-	-	(9,601)
Shares issued for mineral interests prior to the merger	12 b)	12,565	6,552	-	-	-	-	-	6,552
Shares issued for acquisition of assets	12 b)	6,338,307	2,662,089	-	-	-	19,965	-	2,682,054
Shares issued at time of RTO	12 b)	3,037,200	751,468	-	-	-	-	-	751,468
Shares issued for services	12 b)	400,000	100,000	-	-	-	-	-	100,000
Shares issued for acquisition of mineral interests	12 b)	1,935,010	715,954	-	-	-	-	-	715,954
Shares issued at $0.32	12 b)	5,624,984	1,795,589	-	-	-	-	-	1,795,589
Transaction costs on share issue	12 b)	-	(804,893)	-	-	-	-	-	(804,893)
Shares issued at $0.32	12 b)	13,124,980	2,907,992	-	-	-	-	-	2,907,992
Transaction costs on share issue	12 b)	-	(302,834)	-	-	-	-	-	(302,834)
Issue of Warrants (5,275,000)	12 b)	-	-	-	-	1,258,367	-	-	1,258,367
Shares issued for mineral interests	12 b)	138,215	30,407	-	-	-	-	-	30,407
Share-based compensation	12 f)	-	-	-	-	-	186,428	-	186,428
Balance at 30 June 2013		**90,974,487**	**$56,789,379**	**$(30,487,442)**	**$ 779,225**	**$ 1,258,367**	**$ 3,516,337**	**$ 2,695**	**$31,858,561**

	Notes	Number of Shares	Issued Capital	Deficit	Foreign Currency Translation	Warrants	Share Based Payments	Option Premiums	Total
			restated	*restated*	*restated*	*restated*	*restated*	*restated*	*restated*
			Note 3(b)	*Note 3(b)*	*Note 3(b)*	*Note 3(b)*	*Note 3(b)*	*Note 3(b)*	*Note 3(b)*
At 1 July 2011		43,852,397	$42,993,809	$(15,944,459)	$ 814,611	$ -	$ 2,996,323	$ 2,695	$30,862,979
Loss for the year		-	-	(5,752,304)	-	-	-	-	(5,752,303)
Other comprehensive income		-	-	-	64,844	-	-	-	64,844
Total comprehensive (loss)/income for the year		-	$ -	$ (5,752,304)	$ 64,844	$ -	$ -	$ -	$ (5,687,459)
Transactions with owners in their capacity as owners									
Shares issued to acquire mineral claims	12 b)	109,316	67,612	-	-	-	-	-	67,612
Share Placement @ $0.48 AUD	12 b)	10,470,833	5,085,920	-	-	-	-	-	5,085,920
Transaction costs on share issue	12 b)	-	(532,568)	-	-	-	-	-	(532,568)
Share based payment	12 f)	-	-	-	-	-	313,621	-	313,621
Balance at 30 June 2012		**54,432,546**	**$47,614,773**	**$(21,696,763)**	**$ 879,455**	**$ -**	**$ 3,309,944**	**$ 2,695**	**$30,110,104**

1. Nature of Operations and Going Concern

Coventry Resources Inc. (the "Company") is a public company, incorporated in Canada under the laws of the Province of Ontario and continued under the laws of British Columbia. The Company was created on January 8, 2013, by the reverse take-over ("RTO") of Coventry Resources Limited, an Australian company listed on the Australian Stock Exchange ("ASX") by Crescent Resources Corp. ("Crescent"), a Canadian company listed on the Toronto Venture Stock Exchange ("TSX-V"). Immediately prior to the RTO, Crescent changed its fiscal year-end from December 31 to June 30, to be coterminous with Coventry Resources Limited's fiscal year-end. Crescent changed its name to Coventry Resources Inc. Refer to Note 2 for further details.

The Company's shares are listed on the TSX Venture Exchange ("TSX-V"). The Company's registered office is Suite 504 – 602 West Hastings Street, Vancouver, B.C. V6B 1P2.

As at June 30, 2013, the Company was engaged in the identification, acquisition, exploration and, if warranted, development of exploration and evaluation assets in Canada and the United States. The consolidated financial statements of the Company as at and for the year ended June 30, 2013 comprise the Company and its subsidiaries. The Company is considered to be in the exploration stage as it has not placed any of its exploration and evaluation assets into production.

These consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets that are presented at fair value and prepared on the "going concern" basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business for the foreseeable future.

The Company reported net losses of $8,790,909 and $5,752,304 for the years ended June 30, 2013 and 2012 respectively and has yet to achieve profitable operations thereby resulting in a deficit of $30,487,442.

The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing for the substantial capital expenditures required to achieve planned principal operations and ultimately, to achieve and maintain profitable operations. The ability of the Company to achieve these matters cannot be predicted at this time and accordingly, these matters may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not reflect adjustments that would be necessary if the "going concern" assumption was not appropriate, in which case adjustments that could be material to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications would be necessary.

2. Reverse Take-Over Transaction Accounting

On September 7, 2012, Coventry Resources Limited entered into a merger implementation agreement (the "Agreement") with Crescent. The parties agreed to an arrangement by which Crescent would acquire all of the outstanding shares of Coventry Resources Limited. Pursuant to the terms of the Agreement, all of the common shares of Coventry Resources Limited were exchanged for common shares of Crescent on a basis of 0.2513 post-consolidation common share of Coventry Resources Limited for one (1) common share of Crescent. Immediately prior to the share exchange, Crescent completed a consolidation of its shares in which 5 old Crescent common shares were exchanged for one (1) new Crescent common share. 60,375,791 common shares of the Company were issued to Coventry Resources Limited shareholders. The transaction was completed on January 8, 2013.

Legally, Crescent is the parent company of Coventry Resources Limited; however, as a result of the share exchange, control of the combined companies passed to the former shareholders of Coventry Resources Limited, which for accounting purposes is deemed to be the acquirer. For financial reporting purposes, the transaction has been accounted for under IFRS 2, Share-Based Payments, and therefore the consolidated financial statements have been prepared as a continuation of Coventry Resources Limited.

The common shares of the Company commenced trading on the TSX-V under the symbol "CYY" at the opening of trading on January 9, 2013, at which time the common shares of Crescent trading under the symbol "CRC" were delisted. Chess Depositary Instruments ("CDI's") of the Company commenced trading on the ASX on January 9, 2013 under the symbol CYY. Consequently, through the period ended January 8, 2013, the consolidated statements of financial position, the consolidated statements of operations and comprehensive loss, and the consolidated statements of cash flows relate only to Coventry Resources Limited, the acquirer. Subsequent to January 8, 2013, the net assets of Coventry Resources Limited are included in the consolidated statement of financial position at their carrying values, and the acquisition of Crescent is accounted for by the acquisition method, with the net assets of Crescent recorded at their estimated fair values.

Concurrent with the transaction, Crescent changed its name to Coventry Resources Inc.

The Company has accounted for the transaction as an asset acquisition under the scope of IFRS 2, Share-Based Payments. Consideration consisted entirely of shares and options of the Company which were measured at the fair value of the shares and options that Coventry Resources Limited would have been required to issue to Crescent`s shareholders had the transaction been structured as a legal acquisition of Crescent by Coventry Resources Limited. The fair value of these shares and options deemed to have been issued was $2,662,089 and $19,965, respectively. The recognition of a listing expense as part of the acquisition of a public company is determined as the proceeds paid by the Company less the net assets acquired by the Company as a result of the RTO. The Company recognized a listing expense of $1,498,790.

2. Reverse Take-Over Transaction Accounting *(continued)*

The purchase price allocation is as follows:

	Amount
Cash	$ 918,275
Accounts receivable	55,142
Prepaid expenses	43,727
Property, plant and equipment	1,423
Uncle Sam Project	1,238,757
Accounts payable	(105,092)
Accrued liabilities	(35,000)
Subscriptions payable	(751,468)
Obligation to issue shares	(100,000)
Legal fee liability	(82,500)
Net assets	**$ 1,183,264**

In connection with the RTO, the outstanding options of Coventry Resources Limited were exchanged for new options of the Company, adjusted in accordance with their terms such that the number of shares of the Company received upon exercise and the exercise price reflected the 0.2513 exchange ratio described above. In addition, 254,000 options of Crescent Resources Corp. were converted into new options of the Company on a 1-to-1 ratio.

All current and comparative share and per share amounts have been retroactively adjusted to reflect this share exchange.

3. Basis of Preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as at September 24, 2013 the date the Board of Directors approved these financial statements for issue.

These financial statements have been prepared on a historical cost basis, with the exception of warrant liabilities which has been measured at fair market value.

b) Functional and presentation currency

The presentation currency of the Company is the Canadian dollar.

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency") and has been determined for each entity within the Company. The functional currency of Coventry Resources Inc., the parent company, is the Canadian dollar and the functional currency of the Company's subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *The Effects of Changes in Foreign Exchange Rates* ("IAS 21").

3. Basis of Preparation *(continued)*

b) Functional and presentation currency *(continued)*

Management performed an analysis applying the primary and secondary indicators in the standard and prior to January 8, 2013 Coventry Resources Limited and two of its subsidiaries had a functional currency of the Australian dollar while the remaining Canadian subsidiaries had a functional currency of the Canadian dollar. On January 8, 2013, as a result of the changed economic circumstances, particularly the RTO between Crescent and Coventry Resources Limited, it has been concluded the Canadian dollar is the functional currency for the Company and each of its subsidiaries. The change in the functional currency has been applied prospectively from the date of the change.

As a result of the change in the functional currency, the Company's non-monetary assets and liabilities were re-measured at the spot Canadian to Australian and Euro dollar exchange rate of AUD$1.037:CAD$1 and EURO$1.289:CAD$1.

In addition, the Company has changed its presentation currency from the Australian dollar to the Canadian dollar. As a result of the change, the Company performed a retrospective restatement beginning June 30, 2010; accordingly, the comparative periods presented have been adjusted to reflect the change in the Company's presentation currency.

c) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

<u>Estimated useful life of equipment</u>

The estimated useful life of equipment which is included in these consolidated statements of financial position will impact the amount and timing of the related depreciation included in profit or loss.

<u>Share-based compensation</u>

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

3. Basis of Preparation *(continued)*

c) Use of estimates and judgments *(continued)*

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the consolidated statements of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the consolidated statements of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Recoverability of exploration and evaluation costs

The Company's accounting policy for exploration and evaluation expenditures results in certain items of expenditure being capitalized, or where costs are known to be recoverable by future exploitation of the property, or from the sale of gold or other minerals that may be derived from the property.

This policy requires management to make certain estimates and assumptions as to future events and circumstances such as whether a market exists for gold, or other minerals that may be derived from the property, and whether mineral resources or mineral reserves can be estimated based on current or projected future prices that may exceed the current or projected future costs of extracting the underlying resources. Any such estimates and assumptions may change as new information becomes available.

Determination of functional currency

In accordance with IAS 21, management determined that the functional currency of the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21. Significant changes to those underlying factors could cause a change to the functional currency.

Determination of the nature of an acquisition

IFRS requires that a determination is made as to whether an acquisition is a business combination by applying the definitions contained in IFRS 3, which requires that the assets acquired and liabilities assumed constitute a business. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or other economic benefits directly to investors or other owners, members, or participants.

4. Significant Accounting Policies

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Name of subsidiary	Place of incorporation	Proportion of ownership interest
Coventry Resources Limited	Australia	100%
Coventry Australia Pty Limited	Australia	100%
Coventry Holdings Cooperatief U.A.	Netherlands	100%
2235411 Ontario Inc.	Canada	100%
Cameron Gold Operations Inc.	Canada	100%
Coventry Rainy River Inc.	Canada	100%
Coventry Resources Ontario Inc.	Canada	100%
Crescent Resources USA Inc.	State of Wyoming, USA with a Certificate of Authority to operate in the State of Alaska	100%

Foreign currency translation

The Company's reporting currency and the functional currency of all of its operations is the Canadian dollar, as this is the principal currency of the economic environment in which they operate.

Transactions in currencies other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of the date of the initial transaction. Exchange differences are recognized in profit and loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the foreign entities are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognized as a separate component of equity and as a foreign currency translation adjustment in other comprehensive income (loss) in the consolidated statements of loss and comprehensive loss.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position include cash on hand and deposits held at call with banks, with original maturity dates of less than three months at the time of acquisition.

4. Significant Accounting Policies *(continued)*

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the items and restoring the site on which it is located.

Depreciation is provided at rates calculated to amortize the costs of equipment less its estimated residual value, using the declining balance method as follows commencing from the year the assets are put into service.

Class of Fixed Asset	Depreciation Rate
Computer equipment	33%
Office furniture and fixtures	20%
Motor vehicles	30%
All other categories	10%

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of property, plant and equipment is composed of major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Exploration and evaluation assets

Exploration and evaluation expenditure incurred by or on behalf of the Company 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.

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.

4. Significant Accounting Policies *(continued)*

Exploration and evaluation assets (continued)

Identifiable exploration assets acquired are recognized as assets at their cost of acquisition, as determined by the requirements of IFRS 6 Exploration for and Evaluation of Mineral Resources ("IFRS 6"). 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 IFRS 6 is met. 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 Company's rights of tenure to that area of interest are current.

Development expenditures incurred subsequent to a development decision, and to increase or extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property are charged to profit or loss during the period such determination is made.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amounts may exceed the recoverable amounts.

Restoration, rehabilitation and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the decommissioning of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a decommissioning liability is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with decommissioning as a liability when the liability is incurred and increases the carrying value of the related assets for that amount.

Subsequently, these capitalized decommissioning liabilities are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time and changes in the estimated future cash flows underlying any initial estimates.

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss. The Company had no decommissioning liabilities for the periods presented.

Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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.

If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

4. Significant Accounting Policies *(continued)*

Impairment (continued)

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

Trade and other payables

Liabilities for trade creditors and other amounts are measured at amortized cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Financial instruments – classification and fair value

(i) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as FVTPL unless they are designed as effective hedges.

Financial assets at FVTPL are initially recognized, and subsequently carried, at fair value with changes recognized in profit or loss. Attributable transaction costs are recognized in profit or loss when incurred. Assets in this category include cash and cash equivalents.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months or those that are expected to be settled after 12 months from the end of the reporting period, which are classified as non-current assets. Assets in this category include other receivables.

Loans and receivables are initially recognized at fair value plus any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest rate method is used to determine the amortized cost of loans and receivables and to allocate interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

4. Significant Accounting Policies *(continued)*

Financial instruments – classification and fair value (continued)

(iii) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of a trade or other receivable is reduced through the use of an allowance account. When a trade or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(iv) De-recognition of financial assets

Financial assets are de-recognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all of the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial liabilities and equity – classification and fair value

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise. Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest rate method, with interest expense recognized on an effective yield basis.

The Company has classified trade and other payables as other financial liabilities and the warrant liabilities as financial liability at FVTPL.

4. Significant Accounting Policies *(continued)*

Share capital

Common shares are classified as share capital. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity.

Loss per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted earnings (loss) per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

In the Company's case, diluted loss per share is the same as basic loss per share, as the effect of outstanding share options and share purchase warrants on loss per share would be anti-dilutive.

Share-based compensation

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. In situations where equity instruments are issued to individuals who are not considered to be employees and the fair value of the services received cannot be reliably measured, will be measured at the fair value of the share-based compensation. Otherwise, the share-based compensation is measured at the fair value of the services received. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Accumulated other comprehensive loss

Accumulated other comprehensive income (loss) consists of the net income and other comprehensive income ("OCI"). The Company consolidated financial statements include a consolidated statement of loss and comprehensive loss, which includes the components of comprehensive income.

For the Company, OCI is comprised of foreign currency translation differences for foreign operations, of which is presented within the equity section of the consolidated statements of financial position.

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the

4. Significant Accounting Policies *(continued)*

Income taxes (continued)

extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

New standards, interpretations and amendments not yet effective

The Company adopted the following amendment in the current reporting period:

- Amendments to IAS 1 – Presentation of financial statements (“IAS 1”)

  IAS 1 was amended by the IASB in June 2011 in order to align the presentation of items in OCI with US generally accepted accounting principles. Items in OCI will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and OCI remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. There was no significant impact to the consolidated financial statements as a result of the adoption of the standard.

A number of new standards, amendments to standards and interpretations are not yet effective as of June 30, 2013, and have not been applied in preparing these consolidated financial statements.

Effective for annual periods beginning on or after January 1, 2013

- Amendments to IAS 27 and IAS 28 *Separate Financial Statements and Investments in Associates and Joint Ventures*
  Addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

- Amendments to IFRS 7 – *Financial Instruments: Disclosures*
  Amended to provide more extensive quantitative disclosures for financial instruments that are offset in the statement of financial position or that are subject to enforceable master netting or similar arrangements.

- New standard IFRS 9 *Financial Instruments*
  Partial replacement of IAS 39 *Financial Instruments: Recognition and Measurement.*

- New standard IFRS 10 *Consolidated Financial Statements*

4. Significant Accounting Policies *(continued)*

New standards, interpretations and amendments not yet effective (continued)

Provides a new single consolidation model that identifies control as the basis for consolidation for all types of entities, and replaces IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation – Special Purpose Entities*.

- New standard IFRS 11 *Joint Arrangements*
  Improves the accounting for joint arrangements by introducing a principle-based approach that requires a party to a joint arrangement to recognize its rights and obligations arising from the arrangement. Such a principle-based approach will provide users with greater clarity about an entity's involvement in its joint arrangements by increasing the verifiability, comparability and understandability of the reporting of these arrangements. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities-Non-Monetary Contributions by Venturers*.

- New standard IFRS 12 *Disclosure of Interests in Other Entities*
  Combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

- New standard IFRS 13 *Fair Value Measurement*
  Defines fair value and sets out a framework for measuring fair value and disclosures about fair value measurements. It applies when other IFRS require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRS or address how to present changes in fair value.

- New standard IFRIC 20 – *Stripping Costs in the Production Phase of a Surface Mine* ("IFRIC 20")
  On October 19, 2011, the IFRS Interpretation Committee published IFRIC 20 that applies to all types of natural resources that are extracted using the surface mining activity process. IFRIC 20 clarifies the requirements for accounting for stripping costs in the production phase of a surface mine. It provides guidance on when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods.

- Amendments to IAS 32 – *Financial Instruments: Presentation*
  In December 2011, IAS 32 Financial Instruments: Presentation has been amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right to offset must be available on the current date and cannot be contingent on a future event. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards could have on future financial statements.

5. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: FVTPL; held-to-maturity investments; loans and receivables; available-for-sale; or other liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	Hierarchy	June 30, 2013	June 30, 2012	July 1, 2011
Cash and cash equivalents	FVTPL	Level 1	$ 2,813,428	$ 3,108,147	$ 8,243,804
Other receivables	Loans and receivables	N/A	73,891	216,220	403,541
Trade and other payables	Other liabilities	N/A	(656,900)	(758,969)	(870,930)
Warrant Liability	FVTPL	Level 2	(7,306)	-	-

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for cash and cash equivalents, other receivables and trade and other payables, approximate their fair value due to their short-term nature.

The Company's risk exposures and the impact on the Company's financial instruments are summarized as follows:

Credit risk
Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash, receivables and balances receivable from the government. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts and guaranteed investment certificates and in government treasury bills which are available on demand by the Company for its programs.

Liquidity risk
Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next 60 days.

5. Financial Instruments and Risk Management *(continued)*

Categories of Financial Assets and Financial Liabilities *(continued)*

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices. These fluctuations may be significant.

(a) Interest rate risk: The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and cash equivalents and on the Company's obligations are not considered significant.

Based on the interest rate exposures and assuming that all other variables remain constant, a 1% increase or decrease in the interest rate would result in a decrease or increase in the reported net loss of approximately $28,134 in the year.

(b) Foreign currency risk: The Company has identified its functional currency as the Canadian dollar. Transactions are transacted in Canadian dollars, Australian dollars and US dollars. The Company maintains Australian dollar bank accounts in Australia and Euro dollar bank accounts in the Netherlands to support the cash needs of its foreign operations. Management believes the foreign exchange risk related to currency conversions are minimal and therefore, does not hedge its foreign exchange risk.

Based on the net foreign currency exposures and assuming that all other variables remain constant, a 1% increase or decrease in the Canadian dollar against both the Australian and Euro dollar would result in a decrease or increase in the reported a net loss of approximately $11,433 in the year.

(c) Commodity price risk: While the value of the Company's mineral resource properties are related to the price of gold and the outlook for this mineral, the Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect to its operational activities. Historically, the price of gold has fluctuated significantly and is affected by numerous factors outside of the Company's control, including but not limited to industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold.

6. Cash and Cash Equivalents

	As at June 30, 2013	As at June 30, 2012	As at July 1, 2011
Cash	**$ 2,813,428**	**$** 3,108,147	$ 4,105,404
Term deposits	**-**	-	4,138,400
Total	**$ 2,813,428**	**$** 3,108,147	$ 8,243,804

7. Other Receivables and Prepayments

	As at June 30, 2013	As at June 30, 2012	As at July 1, 2011
Amounts due from the Government of Canada pursuant to HST input tax credits	**$ 41,111**	$ 129,116	$ 254,391
Amounts due from the Government of Australia pursuant to GST input tax credits	**6,135**	41,368	33,350
Accrued interest receivable	-	-	43,497
Other receivables	-	-	12,113
Prepayments	**26,645**	45,736	60,190
Total	**$ 73,891**	$ 216,220	$ 403,541

8. Exploration and Evaluation Assets

Cameron Gold Property, Canada

The Company acquired a 100% interest in the Cameron Gold Project from Nuinsco Resources Limited in April 2010. The Project is located in northwestern Ontario.

The Cameron Gold Camp Project comprises the Cameron Gold Project, containing the Cameron Gold Deposit and the West Cedartree Gold Project, containing the Dubenski and Dogpaw Deposits.

Although there are no work commitments attributed to the options held by the Company, there are underlying Net Smelter Return royalties and royalties held by the various third parties.

Rainy River Property, Canada

The Rainy River Project is located in the western-most part of northern Ontario and was acquired in 2011.

The Project comprises significant landholding blocks, with properties comprising of patented claims optioned from landholders, unpatented claims optioned from third parties and unpatented claims staked by Coventry. For all of these leased areas (patents) Coventry has the right to acquire 100% of the mineral rights by the way of staged cash and stock payments over a period of four to seven years. These option agreements provide Coventry the right to purchase the surface rights, in the event that an economically viable deposit is discovered.

Although there are no work commitments attributed to the options held by the Company, there are underlying Net Smelter Return royalties held by various landholders and third parties.

Ardeen Property, Canada

The Ardeen Project is located of Thunder Bay in North-Western Ontario. The Company has earned a 51% interest in this Project in Ontario, Canada in accordance with the acquisition agreement by spending $1.5 million on the property.

Coventry considers the Ardeen Property to be a non-core asset as the Company's primary focus is to develop the Cameron Gold Project. There are no expenditures planned to further explore and develop the Property and as such, management has identified this as indicator of impairment with respect to this property.

8. Exploration and Evaluation Assets (continued)

Uncle Sam Property, United States

The Uncle Sam Gold Property is located in Alaska.

On December 15, 2010, Millrock Resources Inc. and Millrock Alaska LLC ("Millrock") entered into an option agreement with Crescent, whereby Crescent was granted (and subsequently exercised) an option to purchase an undivided 100% interest in and to Millrock's right, title and interest in the Uncle Sam property.

On January 8, 2013, the Company acquired 100% title and interest in the Uncle Sam property as part of the RTO with Crescent Resource Corp. (see Note 2).

Coventry considers the Uncle Sam Property to be a non-core asset as the Company's primary focus is to develop the Cameron Gold Project. There are no expenditures planned to further explore and develop the Property and as such, management has identified this as indicator of impairment with respect to this property.

There are underlying Net Smelter Return royalty held by third parties.

Exploration and evaluation assets are as follows:

	As at June 30, 2013	As at June 30, 2012	As at July 1, 2011
At cost	**$ 36,260,757**	$ 30,285,453	$ 22,723,142
Accumulated impairment	**(7,007,689)**	(3,110,071)	-
Total	**$ 29,253,068**	$ 27,175,382	$ 22,723,142

The continuity of exploration and evaluation assets is as follows:

	Cameron Gold Operations	Rainy River Project	Ardeen Project	Uncle Sam Project	Total
At July 1, 2012	$22,456,211	$ 2,062,522	$ 2,656,649	$ -	$27,175,382
Exploration expenditure during the period	4,112,321	622,014	1,621	591	4,736,547
Exploration asset acquired from the RTO	-	-	-	1,238,757	1,238,757
Total cost before Impairment	$26,568,532	$ 2,684,536	$ 2,658,270	$ 1,239,348	$33,150,686
Impairment	-	-	(2,658,270)	(1,239,348)	(3,897,618)
At June 30, 2013	$26,568,532	$ 2,684,536	$ -	$ -	$29,253,068
At July 1, 2011	$16,460,536	$ 497,850	$ 5,764,756	$ -	$22,723,142
Exploration expenditure during the period	5,995,675	1,564,672	1,964	-	7,562,311
Total cost before Impairment	$22,456,211	$ 2,062,522	$ 5,766,720	$ -	$30,285,453
Impairment	-	-	(3,110,071)	-	(3,110,071)
At June 30, 2012	$22,456,211	$ 2,062,522	$ 2,656,649	$ -	$27,175,382

Exploration and expenditure impaired during the current and prior year represent a write down to the recoverable amount which has been determined using fair value less cost to sell of similar projects with similar characteristics to the respective Projects.

9. Property, Plant and Equipment

The carrying amounts of property, plant and equipment is as follows:

	Plant and equipment	Camp	Motor Vehicles	Office Furniture and Fixtures	Computer equipment	Total
Cost						
At June 30, 2011	$ 75,824	$ 234,409	$ 96,912	$ 11,343	$ 2,968	$ 421,456
Assets acquired	14,880	32,632	16,502	-	18	64,032
At June 30, 2012	90,704	267,041	113,414	11,343	2,986	485,488
Assets acquired	24,914	5,500	52,751	11,450	1,820	96,435
Assets disposed	-	-	-	(6,118)	-	(6,118)
Assets acquired from RTO - Note 2	-	-	-	1,423	-	1,423
At March 31, 2013	$ 115,618	$ 272,541	$ 166,165	$ 18,098	$ 4,806	$ 577,228
Accumulated depreciation						
At June 30, 2011	$ (5,605)	$ (21,482)	$ (27,857)	$ (1,702)	$ (1,388)	-$ 58,034
Depreciation	(7,182)	(23,184)	(24,842)	(1,928)	(994)	(58,130)
At June 30, 2012	(12,787)	(44,666)	(52,699)	(3,630)	(2,382)	(116,164)
Depreciation	(19,285)	(22,604)	(30,084)	(8,074)	(941)	(80,988)
Assets disposed	-	-	-	2,304	-	2,304
At March 31, 2013	$ (32,072)	$ (67,270)	$ (82,783)	$ (9,400)	$ (3,323)	$ (194,848)
Carrying amounts						
At July 1, 2011	70,219	212,927	69,055	9,641	1,580	363,422
At June 30, 2012	77,917	222,375	60,715	7,713	604	369,324
At June 30, 2013	$ 83,546	$ 205,271	$ 83,382	$ 8,698	$ 1,483	$ 382,380

10. Trade and Other Payables

	As at June 30, 2013	As at June 30, 2012	As at July 1, 2011
Trade and other payables	**$ 308,198**	$ 603,244	$ 607,960
Payable to related parties (Note 14)	**72,917**	41,761	94,988
Accrued liabilities	**275,785**	113,964	62,314
Agreement payable	**-**	-	105,668
Total	**$ 656,900**	$ 758,969	$ 870,930

11. Loans from Directors

In November 2012, the Company entered into a loan agreement with Don Halliday, a director of Crescent and subsequent to January 8, 2013 a director of the Company, to make available to the Company a non-revolving credit facility with an aggregate principal amount of $400,000. The credit facility was fully drawn on December 21, 2012. The loan is repayable the later of (i) May 22, 2013; and (ii) the date the Company completes a private placement or prospectus offering raising sufficient funds to, in the opinion of the Company and Mr. Halliday each acting reasonably, allow repayment of the principal amount of $400,000 without compromising the financial condition of the Company.

11. Loans from Directors *(continued)*

As consideration in respect thereof, the Company has agreed to pay Mr. Halliday any amount outstanding after February 22, 2013 at an annual interest rate of 2% above the prime rate. In April 2013, the amount outstanding of $400,000 plus accrued interest of $3,372 was repaid to Mr. Halliday.

In January 2013, certain directors and officers of the Company had outstanding payments owing to them by the Company for consulting fees and services provided. The directors agreed to defer these payments and the outstanding balances were re-classified as a directors loan on an interest-free basis. The loan is repayable the date the Company completes a private placement or prospectus offering raising sufficient funds to, in the opinion of the Company and the directors involved each acting reasonably, allow repayment of the outstanding balance without compromising the financial condition of the Company. In May 2013, the amount outstanding of $175,924 was repaid to the directors.

12. Share Capital and Reserves

a) *Authorized share capital*

An unlimited number of common shares without par value.

b) *Issued share capital*

At June 30, 2013 the issued share capital is comprised of 90,974,487 common shares.

Issued in the year ended June 30, 2013:

On September 19, 2012, the Company completed a financing consisting of 5,930,680 shares at a price of $0.22 (AUD $0.22) per common share for gross proceeds of $1,321,883 (AUD $1,300,000) to institutional investors. Share issue costs were $9,601.

On October 5, 2012, the Company issued 12,565 common shares valued at $6,552 to secure mineral claims in Ontario, Canada.

On January 8, 2013, Coventry Resources Limited and Crescent completed an RTO (Refer to Note 2). As part of the RTO, the Company issued 6,338,307 common shares valued at $2,662,089 upon completion of the transaction.

On January 8, 2013, in conjunction with the RTO, the Company completed a non-brokered private placement financing consisting of 3,037,200 common shares (including 37,300 common shares issued to agents) at a price of $0.25 per unit for gross proceeds of $751,468.

On January 8, 2013, the Company issued 400,000 common shares valued at $100,000 to a financial advisor pursuant to an agreement for financial services provided to Crescent.

On January 15, 2013, the Company issued 1,935,010 common shares valued at $715,954 to Houston Lake Mining Inc. (“Houston Lake”) upon completion of the acquisition of 100% of the West Cedartree Gold Project, located 10km from the Company’s Cameron Gold Deposit. In addition, the Company paid Houston Lake $100,000 on the execution of a binding Letter of Intent in June 2012 and $100,000 in November 2012. It completed the acquisition by paying Houston Lake a further $400,000 and issuing the common shares noted above.

12. Share Capital and Reserves *(continued)*

b) Issued share capital (continued)

On February 22, 2013 (“Closing Date”), the Company closed a financing consisting of 18,749,964 units at a price of $0.32 per unit (AUD $0.305 per unit) for gross proceeds of $5,961,948. In Canada, each unit consists of 0.3 of one common share (or 0.3 of one fully paid CHESS Depositary Instrument ("CDI") in Australia) of the Company (each whole common share a "Common Share"), plus one subscription receipt of the Company ("Subscription Receipt"). Each whole Subscription Receipt will automatically be converted, without payment of any additional consideration, into 0.7 of one Common Share of the Company and 0.5 of one common share purchase warrant, or 0.7 of one CDI of the Company and 0.5 of one Warrant in Australia, subject to the approval of the Company's shareholders at a meeting held in April 18, 2013 (“Escrow Release Condition”). Each whole Warrant is exercisable into either one Common Share of the Company in Canada, or one CDI of the Company in Australia, for a period of 18 months at an exercise price of C$0.45 per Common Share (AUD $0.43 per CDI).

Thirty percent of the gross proceeds of $1,795,589 were received on February 22, 2013 for the issuance of 5,624,984 common shares. Seventy percent of the gross proceeds of the offering, being the portion of the gross proceeds of the units that is allocated to the Subscription Receipts, was deposited into escrow on the Closing Date, to be released upon satisfaction of the Escrow Release Condition.

On March 25, 2013, the Company issued 138,215 common shares valued at $30,407 to secure mineral claims in Ontario, Canada.

On April 23, 2013, the Escrow Release Condition was satisfied. As a result, the Company issued 13,124,980 common shares for gross proceeds of $2,907,992 and 9,375,000 Warrants for gross proceeds of $1,311,788 which expire October 19, 2014 and the funds in escrow plus accrued interest were released to the Company. Total share issue costs recognized related to the financing at were $1,107,727. 5,275,000 of the Warrants have an exercise price of C$0.45 consistent with Coventry Resources Inc.’s functional currency and 4,100,000 Warrants have an exercise price of AUD $0.43. The Warrants with a Canadian exercise price were allocated a fair value of $1,258,367 after the share price at the date of grant was allocated to the common shares issued. These Warrants were classified as equity instruments.

The Warrants with an Australian exercise price were treated as a derivative liability under IFRS, as the warrants have a strike price other than the functional currency of the issuer and they are mark-to-market at the end of each reporting period. At the grant date, the fair value of $53,427 was measured using the Black-Scholes Option Pricing Model with an expected volatility of 72.2%, expected life of 1.5 years at a risk-free rate of 1.0%. As at June 30, 2013, the Company recorded a mark-to-market gain of $46,121 on the revaluation of warrants. As at June 30, 2013, the outstanding liability portion of the warrants have a fair value of $7,306 which is determined using the Black-Scholes Option Pricing Model with an expected volatility of 78.0%, expected life of 1.3 years at a risk-free rate of 1.3%. The expected volatility is based on the historical share prices of similar gold exploration companies.

Issued in the year ended June 30, 2012:

During the year ended June 30, 2012, 109,316 ordinary shares were issued for purchases made related to exploration and evaluation assets. The fair value of the shares at the date of receiving the assets amounting to $67,612 (AUD $64,300) was used to record the transactions as the fair value of the underlying assets could not be measured reliably.

12. Share Capital and Reserves *(continued)*

b) *Issued share capital (continued)*

On April 10, 2012 and May 16, 2012, the Company completed a financing consisting of two tranches, respectively. The company issued a total of 10,470,833 shares at a price of $0.48 (AUD $0.48) per common share for gross proceeds of $5,085,920 (AUD $5,000,000) to institutional investors. Share issue costs were $532,568.

c) *Share purchase warrants*

The continuity of share purchase warrants for the year ended June 30, 2013 is as follows:

Expiry date	Exercise price	Balance, June 30, 2012	Issued	Exercised	Expired	Balance, June 30, 2013	Weighted Average Remaining Contratual Life
March 30,2013	$2.50	-	1,062,872	-	(1,062,872)	-	-
October 19, 2014	$0.45	-	5,275,000	-	-	5,275,000	1.3 years
October 19, 2014	$AUD 0.43	-	4,100,000	-	-	4,100,000	1.3 years
		-	10,437,872	-	(1,062,872)	9,375,000	1.3 years

d) *Stock options*

The Company has a shareholder approved "rolling" stock option plan (the "Plan") in compliance with the TSX-V's policies. Under the Plan, the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the market price of the Company's stock at the date of grant. Vesting of options is at the discretion of the Board of Directors at the time the options are granted.

As a result, in accordance with the terms of the Merger Implementation Deed between Coventry and Crescent dated September 7, 2012, the outstanding options of Coventry (each "Coventry Option") were exchanged for options of the Company, each of which will entitle the holder to purchase that number of common shares of the Company (the "Company Shares") in lieu of common shares of Coventry on the basis of 0.2513 Company Shares for each Coventry share the option holder was entitled to purchase under the Coventry Option Agreement, with a corresponding adjustment to the option exercise price per share (the currency of such exercise price was adjusted from Australian dollars to Canadian dollars).

All other terms of the options remain the same, except 1) if any of the options were unvested options prior to the completion of the RTO, they immediately vested as at the completion date of the RTO; and 2) in the event that the option holders' employment or service engagement with the Company is terminated prior to the expiry date of the option, other than for cause, then the option will continue for a period of 12 months from the date of termination of employment or cessation of services.

The following chart summarizes the continuity of stock options from the beginning of the prior year to January 8, 2013 of Coventry Resources Limited. Immediately prior to the RTO, the unvested stock options vested and all outstanding stock options of Coventry Resources Limited were converted into new stock options of the Company.

12. Share Capital and Reserves *(continued)*

d) *Stock options (continued)*

Grant date	Expiry date	Exercise price	Balance, June 30, 2012	Issued	Exercised/ Forfeited	Exchanged in Connection with RTO (Note 2)	Balance, January 8, 2013	Exercisable, January 8, 2013
May 6, 2010	March 25, 2015	$1.24	125,650 [1]	-	-	(125,650)	-	-
July 30, 2010	July 30, 2013	$1.24	125,650 [2]	-	-	(125,650)	-	-
February 23, 2011	February 23, 2013	$1.16	251,300 [3]	-	-	(251,300)	-	-
August 8, 2011	August 8, 2014	$0.83	188,475 [4]	-	-	(188,475)	-	-
August 24, 2011	August 24, 2014	$0.83	125,650 [4]	-	(25,131)	(100,519)	-	-
December 1, 2011	December 1, 2016	$1.07	1,507,800 [5]	-	-	(1,507,800)	-	-
August 17, 2012	August 17, 2017	$0.50	-	1,130,850 [6]	-	(1,130,850)	-	-
August 17, 2012	March 8, 2017	$0.50	-	125,650 [7]	-	(125,650)	-	-
August 17, 2012	June 17, 2015	$0.50	-	125,650 [8]	-	(125,650)	-	-
			2,324,525	1,382,150	(25,131)	(3,681,544)	-	-
Weighted average exercise price			$1.07				$ -	$ -
Weighted remaining contractual life (years)			3.43				-	-

[1] 50% of options vest after 12 months continuous employment and remaining 50% of options vest after 24 months continuous employment with the Company.
[2] 50% of options vest 12 months from the date of issue and remaining 50% of options vest 24 months from the date of issue.
[3] 100% of options vest immediately.
[4] 50% vest immediately and the remaining 50% of options vest 12 months from the date of issue.
[5] 50% vest immediately and the remaining 50% of options vest after a further 12 months of continuous service with the Company.
[6] 33.3% of options vest after 12 months of continuous service, 33.3% of options vest after 24 months of continuous service, and remaining 33.3% options vest after 36 months of
[7] 50% of options vest on 08/03/13 and the remaining options vest on 08/03/14. As a result of the merger, the remaining unvested options vested immediately prior to the transaction.
[8] 50% of options vest after six months of continuous service and the remaining 50% of options to vest after 12 months of continuous service with the Company. As a result of the merger, the remaining unvested options vested immediately prior to the transaction.

The continuity of stock options for the period from the date of the RTO to June 30, 2013 is as follows:

Grant date	Expiry date	Exercise price	Balance, January 8, 2013	Exchanged in Connection with RTO (Note 2)	Exercised	Cancelled/ Expired	Balance, June 30, 2013	Exercisable, June 30, 2013
January 8, 2013	September 10, 2014	$5.00	-	19,750	-	-	19,750	19,750
January 8, 2013	October 16, 2014	$5.00	-	5,000	-	-	5,000	5,000
January 8, 2013	January 7, 2015	$4.00	-	29,250	-	-	29,250	29,250
January 8, 2013	January 31, 2016	$1.85	-	200,000	-	-	200,000	200,000
January 8, 2013	March 25, 2015	$1.24	-	125,650	-	-	125,650	125,650
January 8, 2013	July 30, 2013	$1.24	-	125,650	-	-	125,650	125,650
January 8, 2013	February 23, 2013	$1.16	-	251,300	-	(251,300)	-	-
January 8, 2013	August 8, 2014	$0.83	-	188,475	-	-	188,475	188,475
January 8, 2013	August 24, 2014	$0.83	-	100,519	-	-	100,519	100,519
January 8, 2013	December 1, 2016	$1.07	-	1,507,800	-	-	1,507,800	1,507,800
January 8, 2013	August 17, 2017	$0.50	-	1,130,850	-	-	1,130,850	1,130,850
January 8, 2013	March 8, 2017	$0.50	-	125,650	-	-	125,650	125,650
January 8, 2013	June 17, 2015	$0.50	-	125,650	-	-	125,650	125,650
			-	3,935,544	-	(251,300)	3,684,244	3,684,244
Weighted average exercise price			$ -				$0.94	$0.94
Weighted remaining contractual life (years)			-				3.17	3.17

12. Share Capital and Reserves *(continued)*

d) Stock options *(continued)*

The continuity of stock options for the year ended June 30, 2012 is as follows:

Grant date	Expiry date	Exercise price	Balance, June 30, 2011	Issued	Exercised	Cancelled/ Expired	Balance, June 30, 2012	Exercisable, June 30, 2012
May 6, 2010	March 25, 2015	$1.24	125,650 [1]	-	-	-	125,650	125,650
July 30, 2010	July 30, 2013	$1.24	125,650 [2]	-	-	-	125,650	62,825
February 23, 2011	February 23, 2013	$1.16	251,300 [3]	-	-	-	251,300	251,300
February 23, 2011	February 23, 2013	$1.45	251,300 [4]	-	-	(251,300)	-	-
February 23, 2011	February 23, 2013	$1.66	251,300 [5]	-	-	(251,300)	-	-
August 8, 2011	August 8, 2014	$0.83	-	188,475 [6]	-	-	188,475	94,238
August 24, 2011	August 24, 2014	$0.83	-	138,215 [6]	-	(12,565)	125,650	62,825
December 1, 2011	December 1, 2016	$1.08	-	1,507,800 [7]	-	-	1,507,800	753,900
			1,005,200	1,834,490	-	(515,165)	2,324,525	1,350,738
Weighted average exercise price			$1.37				$1.08	$1.08
Weighted remaining contractual life (years)			1.97				3.43	3.43

[1] 50% of options vest after 12 months continuous employment and remaining 50% of options vest after 24 months continuous employment with the Company.
[2] 50% of options vest 12 months from the date of issue and remaining 50% of options vest 24 months from the date of issue.
[3] 100% of options vest immediately.
[4] 100% of options to vest if the Company trades at greater than $0.35 per share for 10 consecutive days at any time during 2011.
[5] 100% of options to vest if the Company trades at greater than $0.40 per share for 10 consecutive days at any time during 2011.
[6] 50% vest immediately and the remaining 50% of options vest 12 months from the date of issue.
[7] 50% vest immediately and the remaining 50% of options vest after a further 12 months of continuous service with the Company.

e) Quasi Stock Options

The conversion of quasi stock options was executed in the same manner as a result of the RTO between Coventry Resources Limited and Crescent. Refer to Note 12 d).

The following chart summarizes the continuity of quasi stock options from the beginning of the prior period to January 8, 2013 of Coventry Resources Limited. Immediately prior to the RTO, there were no unvested stock options and all outstanding quasi stock options of Coventry Resources Limited were converted into new quasi stock options of the Company.

Expiry date	Exercise price	Balance, June 30, 2012	Issued	Exercised	Cancelled/ Expired	Balance, January 8, 2013	Exercisable, January 8, 2013
January 30, 2013	$1.24	2,512,993	-	-	(2,512,993)	-	-
December 18, 2012	$1.08	811,893	-	-	(811,893)	-	-
April 30, 2013	$0.83	4,839,517	-	-	(4,839,517)	-	-
		8,164,403	-	-	(8,164,403)	-	-
Weighted average exercise price		$0.96				$0.96	$0.96
Weighted remaining contractual life (years)		0.75				0.22	0.22

The continuity of stock options for the period from the date of the RTO to June 30, 2013 is as follows:

Expiry date	Exercise price	Balance, January 8, 2013	Issued	Exercised	Expired	Balance, June 30, 2013	Exercisable, June 30, 2013
January 30, 2013	$1.24	-	2,512,993	-	(2,512,993)	-	-
April 30, 2013	$0.83	-	4,839,517	-	(4,839,517)	-	-
		-	7,352,510	-	(7,352,510)	-	-
Weighted average exercise price		$ -				$0.00	$0.00
Weighted remaining contractual life (years)		-				0.00	0.00

12. Share Capital and Reserves *(continued)*

e) *Quasi Stock Options (continued)*

The continuity of quasi stock options for the year ended June 30, 2012 is as follows:

Expiry date	Exercise price	Balance, June 30, 2011	Issued	Exercised	Cancelled/ Expired	Balance, June 30, 2012	Exercisable, June 30, 2012
January 30, 2013	$1.24	2,512,993	-	-	-	2,512,993	2,512,993
December 18, 2012	$1.08	811,893	-	-	-	811,893	811,893
April 30, 2013	$0.83	4,839,517	-	-	-	4,839,517	4,839,517
		8,164,404	-	-	-	8,164,403	8,164,403
Weighted average exercise price		$0.96				$0.96	$0.96
Weighted remaining contractual life (years)		1.75				0.75	0.75

f) *Share-based compensation*

<u>*Recorded in the year ended June 30, 2013:*</u>

On August 17, 2012, the Company issued 1,256,500 options over common shares to the Company's new Managing Director and its Exploration Manager. In addition, 125,650 options were issued to a new senior consultant engaged to manage the Preliminary Economic Assessment of the Cameron Gold Project.

On September 6, 2012, 25,131 options were forfeited over ordinary shares due to the departure of an employee.

During the year ended June 30, 2013, a total of 1,382,150 stock options were granted with a total grant-date fair value of $116,140. Share-based compensation for the vesting portion of the stock options was fully recognized in profit or loss as a result of the RTO due to the immediate vesting of all stock options. The fair value at grant date of options granted in the previous and current reporting period was determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, 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 options.

The model inputs for the options granted during the year ended June 30, 2013 included:

a) options were issued with an exercise price of $0.12[1];
b) expected life of options had a range of 2.8 to 5.0 years;
c) share price at grant date was $0.05;
d) expected volatility of 79.5%, based on the history of the Company's share price for the expected life of the options;
e) expected dividend yield of nil; and
f) a risk-free interest rate range of 2.87% to 2.99%.

(1) Option exercise price denoted was prior to the application of exchange ratio.

During the year ended June 30, 2013, the Company recorded share-based compensation expense of $175,497 for the continued vesting of stock options granted. Included in stock-based compensation expense is an adjustment for stock options which vested immediately prior to the RTO of $60,968 related to the 1,382,150 stock options issued on August 17, 2012 which were not yet fully vested.

12. Share Capital and Reserves *(continued)*

f) Share-based compensation (continued)

Recorded in the year ended June 30, 2012:

On August 8, 2011 and August 24, 2011, the Company issued 188,475 and 138,215 options, respectively over common shares to the Company's directors and employees.

On December 1, 2011, the Company issued 1,507,800 options to the Company's directors.

During the year ended June 30, 2012, the Company granted a total of 1,834,490 stock options with a total grant-date fair value of $355,875. The fair value at grant date of options granted in the previous and current reporting period was determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, 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 options.

The model inputs for the options granted during the year ended June 30, 2012 included:

a) options were issued with an exercise price of $0.21[(2)]; and $0.27[(2)];
b) expected life of options had a range of 3.0 to 5.01 years;
c) share price at grant date was $0.15, $0.18 and $0.16;
d) expected volatility of 70%, based on the history of the Company's share price for the expected life of the options;
e) expected dividend yield of nil; and
f) a risk-free interest rate range of 3.85%, 3.68% and 3.48%.

(2) Option exercise price denoted was prior to the application of exchange ratio.

During the year ended June 30, 2012, the Company recorded share-based compensation expense of $313,621 for the continued vesting of stock options granted.

g) Loss per share

The effect of dilutive securities has not been shown as the effect of all such securities is anti-dilutive.

13. Other Expenses

	June 30, 2013	June 30, 2012
Accounting and audit fees	**$ 381,793**	$ 384,118
Bank fees	**6,628**	8,929
Computer expenses	**9,207**	26,519
Insurance	**50,718**	38,797
Printing and stationery	**74,623**	4,054
Postage	**4,400**	4,228
Subscriptions	**1,240**	10,252
Telephone	**24,807**	27,836
Depreciation	**65,132**	58,130
Other	**100,479**	133,273
Total	**$ 719,027**	$ 696,136

14. Related Parties

The Company's related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors as follows for year ended June 30, 2013:

Name	Nature of transactions
524124 BC Ltd.	Consulting as Vice President of Investors relations and holder of notes payable
Argento Trust	Consulting as Corporate Secretary and CFO
Bullseye Geoservices Pty Ltd	Consulting as a Non-Executive Director
Golden Oak Corporate Services Limited	Consulting as CFO and Corporate Secretary (subsequent to January 8, 2013 to April 29, 2013)
Grainger International Consulting Pty Ltd	Consulting as Previous CFO (up to January 8, 2013)
Intellex Geoscience	Consulting as a Geologist
MJJ & Associates Consulting Ltd.	Consulting as a Financial Controller
MQB Ventures Pty Ltd	Rent – shared office and services provided
Spectrum Metallurgical Consultants Pty Ltd	Consulting as a Project Manager and Interim CEO
Sunridge Gold Corp	Rent – shared office

The Company's related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors as follows for the year ended June 30, 2012:

Name	Nature of transactions
Argento Trust	Consulting as Corporate Secretary
Bullseye Geoservices Pty Ltd	Consulting as a Geologist
Grainger International Consulting Pty Ltd	Consulting as CFO
Intellex Geoscience	Consulting as a Geologist
MJJ & Associates Consulting Ltd.	Consulting as a Financial Controller
MQB Ventures Pty Ltd	Rent

Key management personnel also include the Company's Canadian Country Manager.

14. Related Parties *(continued)*

The Company incurred the following remuneration and fees in the normal course of operations in connection with individuals and companies owned by key management and directors.

	June 30, 2013	June 30, 2012
Consulting and director fees	$ 888,005	$ 556,417
Interest expense on notes payable	3,372	-
Wages and benefits	541,654	257,642
Termination payment	52,500	-
Rent – shared office	78,831	155,263
Share-based compensation	186,428	277,391
Total	$ 1,680,790	$ 1,174,713

As at June 30, 2013, a balance outstanding to related parties is $72,917 (June 30, 2012 - $41,761). The amount is due on demand and bears no interest.

15. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	June 30, 2013	June 30, 2012
Loss before income taxes	$ (8,790,679)	$ (5,752,304)
Tax at the company rate of 26.5%	$ (2,329,530)	$ (1,524,361)
Share-based compensation	46,507	83,110
Listing fee expense	397,179	-
Impairment	1,032,869	824,169
Other Australian, US and European non deductible costs	488,068	510,747
Income tax benefit not brought to account	364,907	106,335
Deferred income tax expense (recovery)	$ -	$ -

The significant components of the Company's unrecognized deferred tax assets are as follows:

	June 30, 2013	June 30, 2012
Deferred tax assets		
Exploration and evaluation assets	$ 1,514,960	$ 7,993,220
Share issue costs	250,923	37,026
Non-capital losses	813,947	328,833
Net deferred tax assets	$ 2,579,830	$ 8,359,078

The significant components of the Company's unrecognized deductable temporary differences and tax losses are as follows:

	2013	Expiry Date Range
Temporary differences		
Exploration and evaluation assets	5,716,831	*No expiry date*
Share issue costs	946,879	*2034-37*
Non-capital losses available for future periods in Canada	3,071,498	*2014-2032*

16. Segmented Information

The Company's operations are segmented on a regional basis and 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 defined as the Chief Executive Officer.

The Company operates in a single segment, being mineral exploration and development. With the exception of its some of its minor exploration and evaluation assets which are held in the United States, all of the Company's other significant assets are held in Canada (see Note 8).

The following is the geographical locations of the Company's assets:

	June 30, 2013	June 30, 2012	July 1, 2011
Canada	**$ 31,306,805**	$ 28,522,685	$ 23,779,348
Australia	**1,198,766**	2,314,970	7,953,412
Other	**17,196**	1,419	1,149
Total	**$ 32,522,767**	$ 30,869,073	$ 31,733,909

17. Management of Capital

The Company manages common shares and reserves less accumulated losses as capital (see Note 12). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an on demand, interest bearing Canadian or Australian chartered bank account. Cash consists of cash on hand and balances with banks and investments. The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents and the fair value approximates carrying value.

There have been no changes to the Company's approach to capital management during the year ended June 30,, 2013. The Company is not subject to externally imposed capital requirements.

18. Commitments

Rental and services agreement

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

The Company's previous service agreement for office space in Toronto, Canada for a period of 30 months ended on May 31, 2013.

The Company entered into a new service agreement for office space in Toronto, Canada for a period of 40 months ending September 30, 2017. The lease is subject to annual operating costs adjustments. These amounts have been included in the schedule below but are subject to adjustment.

The expenditure commitments are as follows:

		June 30, 2013		June 30, 2012
Within one year	**$**	**79,702**	$	66,037
After one year but not longer than 5 years		**259,032**		-
Greater than 5 years		**-**		-
Total	$	338,734	$	66,037

Expenditure commitments

Commitments related to land claims and mining taxes to keep claims/patents at reporting date but not recognized as liabilities are as follows:

		June 30, 2013		June 30, 2012
Within one year	**$**	**320,360**	$	519,333
After one year but not longer than 5 years		**409,271**		633,333
Greater than 5 years		**-**		-
Total	**$**	**729,631**	$	1,152,666

All exploration expenditure commitments under the land claims and leases have been met for the 12 months subsequent to June 30, 2013.

19. Contingent Liability

Crescent entered into an option agreement with Coronel Oviedo Mining Company SA dated April 16, 2007, whereby it had an option to earn up to a 70% interest in the Oviedo project. A Paraguayan company, Semin SA ("Semin"), was retained to manage the exploration program on the Oviedo project. On June 15, 2007, Semin entered into a drill contract (the "Oviedo Drill Contract") with a drilling company, Copami, with respect to exploration drilling to be conducted by Copami on the Oviedo project. Crescent guaranteed the obligations of Semin under the Oviedo Drill Contract. Copami's performance under the Oviedo Drill Contract was considered not acceptable and, after Semin provided notice to Copami that Copami was not properly performing its obligations under the Oviedo Drill Contract, Semin terminated the Oviedo Drill Contract. Crescent had heard nothing on this matter since late 2008; however, in May 2011, it was requested to attend a mediation meeting in Paraguay to discuss Copami's claim for payment under the Oviedo Drill Contract. The mediation meeting did not

19. Contingent Liability (continued)

proceed and Crescent heard nothing further on this matter until October 4, 2012, when it was informed that Copami has initiated arbitration proceedings at the Paraguay Center for Arbitration and Mediation, in which both Crescent and Semin have been named as defendant parties in a breach of contract claim for US$1,505,782. As a result of the RTO, the Company is responsible for the litigation. The Company considers the claim to be completely without merit and is vigorously defending its position and the outcome of the arbitration is not determinable.

20. Subsequent Events

Subsequent to the period ended June 30, 2013, 125,650 unlisted options with an exercise price of $1.24 had expired.