

27th September 2007

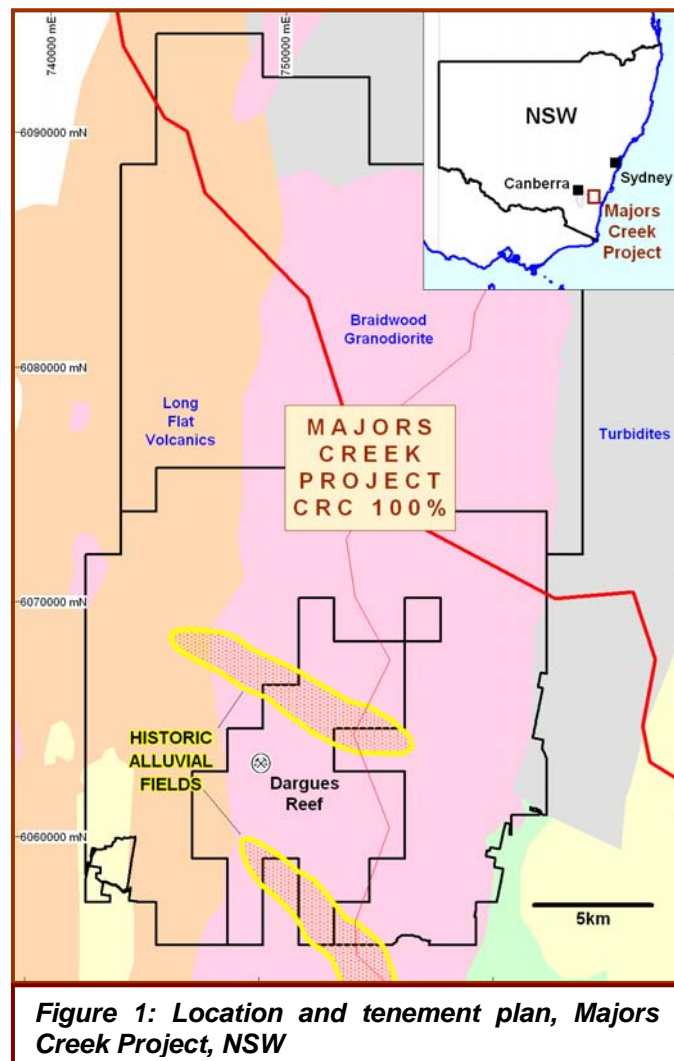
DRILLING UPDATE

- ✪ **\$1.5M budgeted for 6 months drilling at Majors Creek**
- ✪ **Commencement of diamond drilling to infill Dargues Reef resource and test extensions**
- ✪ **RC Drilling to test exciting new targets**

Cortona is pleased to announce that a dual purpose rig (RC and diamond) has commenced drilling at Majors Creek in NSW. The six month, \$1.5M program marks the first drilling within the project area for almost 2 years, and heralds a new beginning for Cortona, which completed the acquisition of this world-class project in July.

The program has been designed to test a range of targets, commencing at Dargues Reef where it is anticipated that elements of the 310,000oz resource can be upgraded to indicated/measured status and lead into a scoping study. The infill resource drilling is also designed to explore the upward continuation of the 'New' lode that was discovered in the final stages of the 2005 drilling program.

RC drilling will then test a range of new regional targets. Managing Director Peter van der Borgh said "Since conducting the last drilling program in 2005 our predecessors



Moly Mines carried out some great work on the project. We have inherited new detailed geophysical and geochemical datasets, and a first-rate exploration model that has generated some very exciting new targets within a few kilometres of Dargues reef.

“For example, the Exeter Farm prospect (Figure 2) was targeted in early 2006 because of its magnetic signature. Since then rock chip and geochemical soil surveys have highlighted several exploration targets within an area of 1km², and a follow-up IP survey has measured strongly chargeable features beneath”.

Elsewhere, information gleaned from known mineralised structures is now being combined with the new aeromagnetic images. Previously unrecognised but highly significant structures are being highlighted and targeted. One of the first to be tested was Copper Ridge, from where significant rock chip results were recently announced.

“Within the environs of Majors Creek we can see several similar structures that have yet to be walked on, and we haven’t even started to look at the other 500km² beyond the Jembaicumbene Fault, where a swathe of interesting structural features is showing up in the new magnetic images”.

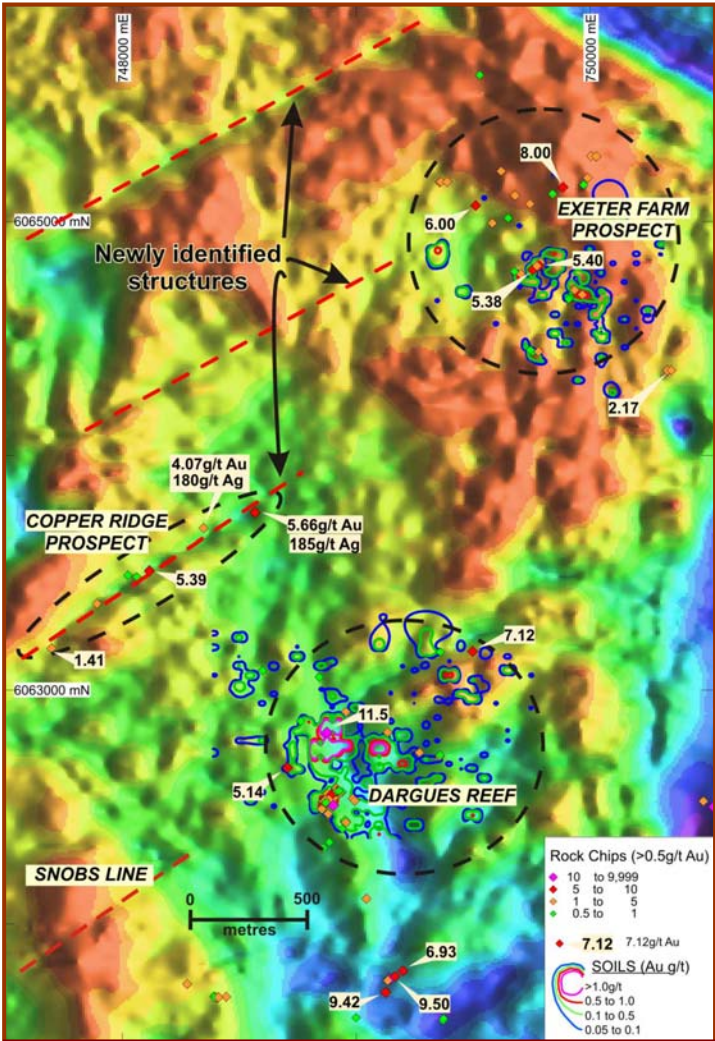


Figure 2: Aeromagnetic image over a small part of the Majors Creek Project highlighting new structures and target opportunities to be drill-tested over the next 6 months.

On the other side of the country, RC drilling at the Wombola Dam resource has concluded, with assay results expected by mid October. Upon receipt of the results, the Company intends to conduct a revised resource estimate.

Yours faithfully

Peter van der Borgh
Managing Director

Competent Person: The contents of this report that relate to geology and historical exploration are based on information compiled by Mr Peter van der Borgh, who is a Professional Geologist and Fellow of the Geological Society of London. He has sufficient experience relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a ‘Competent Person’ as defined in the 2004 Edition of the Australasian Code for Reporting Results, Mineral Resources and Ore Reserves. Peter van der Borgh consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.