

22 November 2007

## **70% Upgrade for Wombola Dam Gold Resource**

Cortona Resources is delighted to report a revised estimate for the Wombola Dam resource at the Company's North Monger project near Kalgoorlie. Highlights include:

- **557,000t @ 3.0g/t Au for 53,500oz, an increase of 70%**
- **10,300oz upgraded to 'indicated category'**
- **90% of resource within 50m of surface**
- **Cortona to investigate revenue scenarios**

### **Summary**

The revised Wombola Dam resource (Table 1), together with the existing Wombola Pit resource (Table 2), raises the inventory of near-surface gold resources at Cortona Resources' North Monger project to over 80,000oz. The project, situated 45km southeast of Kalgoorlie, is in close proximity to large processing plants such as Kanowna Belle, Kalgoorlie, Jubilee and St Ives, and smaller plants such as Nimbus.

Managing Director Peter van der Borgh said: "The result reported here is a reminder of the terrific value that the North Monger project offers Cortona. We now have over eight hundred thousand tonnes of 2.7-3.0g/t ore within one of the largest gold producing regions in the world. Given the ever-increasing difficulty in finding near-surface ore in the region, and the current strength in the gold price, we expect these resources to be desirable to nearby producers, and anticipate being able to realise a return for the Company in the near future."

Cortona completed infill drilling of the Wombola Dam resource during October. In light of the encouraging results, the Company commissioned Resource Evaluations Pty Ltd (ResEval) to

model a new resource estimate for Wombola Dam. ResEval's "Resource Statement and Parameters" is attached at the end of this release.

Type	Indicated			Inferred			Total		
	Tonnes T	Cut Au g/t	Cut Au Ounces	Tonnes T	Cut Au g/t	Cut Au Ounces	Tonnes T	Cut Au g/t	Cut Au Ounces
Alluvial	-	-	-	21,000	2.5	1,700	<b>21,000</b>	<b>2.5</b>	<b>1,700</b>
Oxide	35,000	2.3	2,500	100,000	2.8	8,900	<b>135,000</b>	<b>2.6</b>	<b>11,400</b>
Transitional	16,000	2.5	1,200	60,000	3.1	5,900	<b>75,000</b>	<b>2.9</b>	<b>7,100</b>
Fresh	75,000	2.7	6,600	251,000	3.3	26,700	<b>326,000</b>	<b>3.2</b>	<b>33,300</b>
<b>Total</b>	<b>126,000</b>	<b>2.6</b>	<b>10,300</b>	<b>432,000</b>	<b>3.1</b>	<b>43,200</b>	<b>557,000</b>	<b>3.0</b>	<b>53,500</b>

Type	Indicated		Inferred		Total		
	Tonnes T	Cut Au g/t	Tonnes T	Cut Au g/t	Tonnes T	Cut Au g/t	Cut Au Ounces
Oxide	130,000	2.6	150,000	2.9	<b>280,000</b>	<b>2.8</b>	<b>25,000</b>
Transitional	2000	1.6	13,000	2.7	<b>15,000</b>	<b>2.5</b>	<b>1,000</b>
Fresh			8,000	2.0	<b>8,000</b>	<b>2.0</b>	<b>800</b>
<b>Total</b>	<b>132,000</b>	<b>2.6</b>	<b>171,000</b>	<b>2.9</b>	<b>304,000</b>	<b>2.7</b>	<b>26,800</b>

## Leapfrog Model

In addition to the resource model, Cortona has applied grade shell visualisation software 'Leapfrog' to the Wombola Dam drilling database to highlight continuity of mineralisation at the prospect scale, thereby aiding visualization and providing future exploration targets.

The results of the 'LeapFrog' model highlight a consistent southwesterly plunge component to most of the mineralised veins (e.g. Figures 1a and 1b), implying that the high-grade shoots may continue beneath and beyond the western-most line of drilling, where mineralised structures were intersected but with diminishing grade.

"The combined drilling and Leapfrog data has added significantly to the Company's understanding of the controls on mineralisation at North Monger. In addition to highlighting further exploration upside at Wombola Dam, these results are helping us improve our 'Kanowna Belle' exploration model that we developed for the project," said Peter van der Borgh.

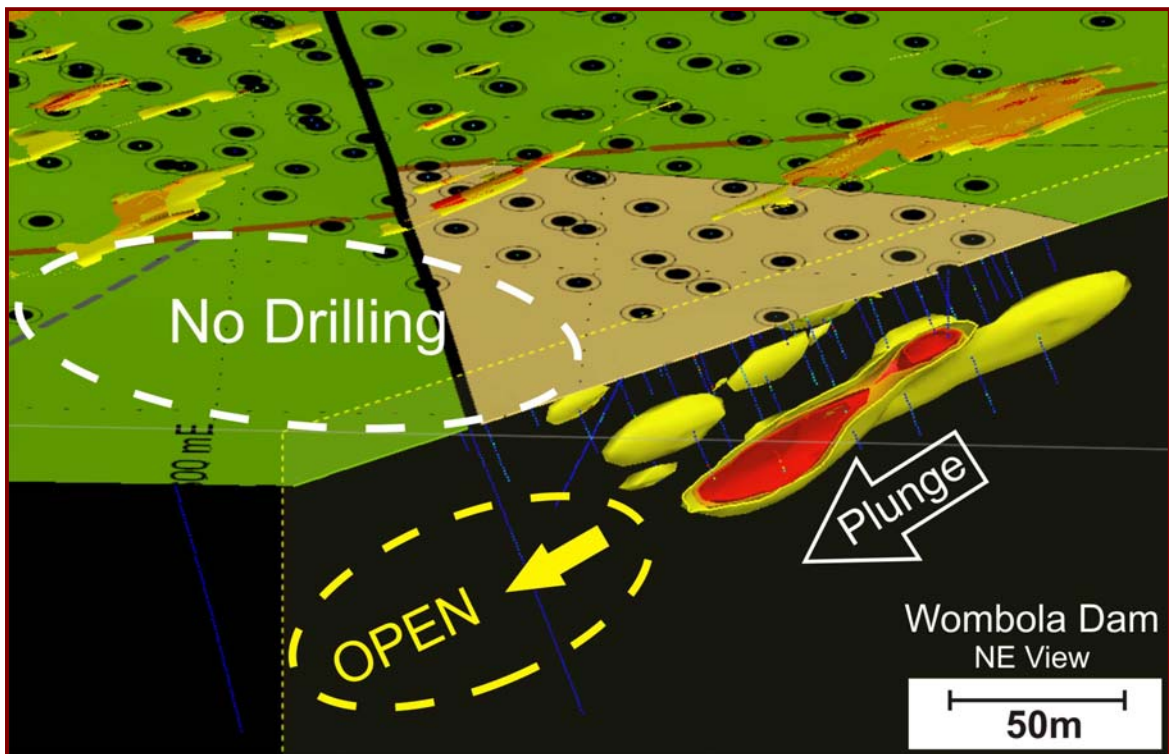
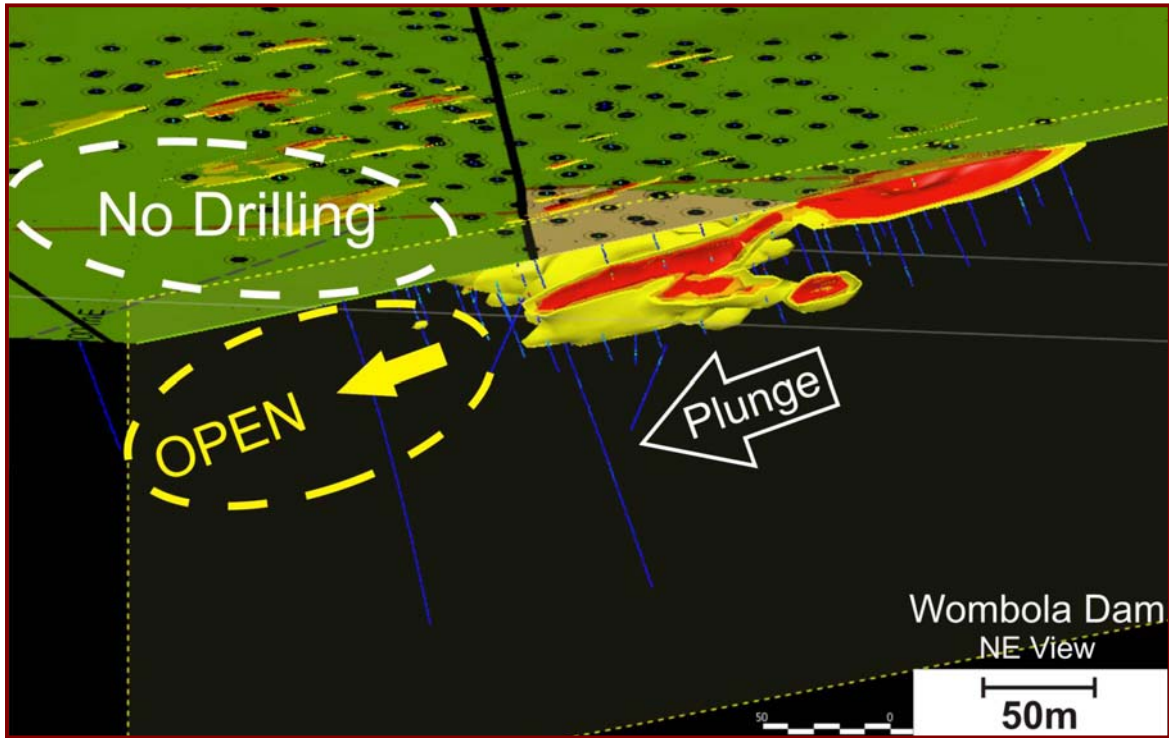


Figure 1a & b. Leapfrog oblique sections showing southwest plunge of two different mineralised lodes. Mineralisation envelopes at 0.4g/t Au (red), 0.5g/t Au (orange) and 0.6g/t Au (yellow) shown highlighting continuity of mineralisation.

## Conclusions

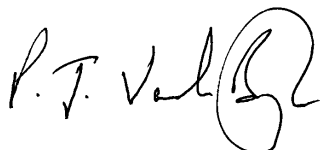
A revised resource estimate at Wombola Dam has resulted in a significant increase to the resource.

- **Contained gold increased 70% to 53,500oz**
- **Tonnage increased 37% to 550,000t**
- **Average grade increased 25% from 2.4g/t to 3.0g/t**
- **10,300 ounces upgraded to Indicated category**

A 'Leapfrog' grade-shell model has highlighted an additional exploration opportunity at Wombola Dam, which will be followed up during the next phase of drilling at North Monger.

Cortona will now investigate scenarios to realise the best outcome for Shareholders.

Yours Faithfully



Peter van der Borgh  
Managing Director

## **ABOUT CORTONA RESOURCES**

***Cortona Resources is a Perth based gold explorer with projects in Western Australia and New South Wales hosting a resource inventory of ~390,000 ounces of gold. The Company has a dynamic exploration team based in offices in Orange (NSW) and Kalgoorlie (WA). Cortona has ~76M fully paid shares on issue, and a fully diluted position of ~107M shares.***

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**Competent Persons:** *Information in this report relating to Mineral Resources has been completed by Mr Aaron Green of Resource Evaluations Pty Ltd., who is a member of the Australasian Institute of Geoscientists. Mr Green has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a 'competent person' under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Green consents to the inclusion of the data in the form and context in which it appears. 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. 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 JORC Code. Mr 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.*

## Resource Statement and Parameters

### Wombola Dam Resource October 2007 Resource 1.0g/t Cutoff

Type	Indicated			Inferred			Total		
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The resource estimate was completed using the following parameters:

- The Wombola Dam resource area extends over a strike length of 455m lateral extent from 6,569,235mN to 6,569,690mN. The vertical extent of the mineralisation is 75m from surface at 400mRL to 325mRL.
- Drill holes used in the resource estimate included 125 surface RC holes for a total of 7,753m of drilling. The majority of holes were drilled by the current owners CRC, with holes drilled on a 25m x 25m grid and angled at 60° to 135 degrees.
- Only RC drilling was used in the resource estimate with samples being collected at 1-2m intervals.
- To assist with data verification, original logs and assay sheets were checked against the database for 11 CRC drillholes. No significant errors were identified.
- Sampling and assaying methods for the historical holes (prior to the CRC drilling) are unknown. CRC sample the holes at 1m intervals with a 4m composite 'spear' sample being assayed via aqua regia digest and AAS finish. Samples returning values greater than 0.25ppm Au are re-assayed at 1m intervals via fire assay (FA50).
- QAQC results for standards, blanks and field duplicates have been reviewed by ResEval and are considered acceptable.
- Drillhole collars have been accurately surveyed in MGA grid using a DGPS or Theodolite. Holes drilled by CRC have been downhole surveyed at 5m intervals using an electronic multishot device.
- Wireframes were constructed using cross sectional interpretations based on a 0.5g/t Au cut-off grade.
- Samples within the wireframes were composited to even 1.0m intervals. A 15g/t high grade cut was applied to gold values based on statistical analysis.
- A Surpac block model was used for the estimate with a block size of 10m NS x 5m EW x 10m vertical with sub-cells of 2.5m x 1.25m x 2.5m. The model was rotated to a bearing of 45°.

- ID2 grade interpolation used an isotropic search with a first pass radius of 40m and a second pass radius of 80m. A third pass of 200m requiring a minimum of 2 samples was used to fill any unestimated blocks. Approximately 96% of blocks were estimated in the first two passes.
- Bulk density values of 2.0t/m<sup>3</sup>, 2.2t/m<sup>3</sup> and 2.85t/m<sup>3</sup> were applied to oxide, transitional and fresh mineralisation respectively, based on logging codes in the drillhole database. Density values were derived from previous work completed at the Wombola Pit deposit 700m to the northeast.
- The Mineral Resource was classified based on continuity of the mineralised zones, the orientation and geometry of surficial workings and the drillhole spacing. Drillhole spacing throughout deposit is approximately on a 25m grid. The Resource is classified as Indicated where the lode was intersected over several sections and in multiple holes on some sections. Individual zones defined by less than 4 holes, with geological complexity and/or poor continuity were classified as Inferred Mineral Resource. Some minor zones defined by only 1 drillhole and located outside the main mineralised area were 'Unclassified'.