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CORTONA

RESOURCES LIMITED

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MINING STUDIES TO COMMENCE FOR DARGUES REEF GOLD DEPOSIT, NSW

- ✦ **Scoping study into the development and mining of *Dargues Reef* gold deposit commences**
- ✦ **RC and diamond drilling stepped up at Dargues Reef**
- ✦ **Recent drilling confirms large mineralised system at Exeter Farm**

Australian gold exploration company Cortona Resources has commenced a scoping study into the potential mining of the Dargues Reef gold deposit at its 100% owned Majors Creek project in NSW. The Company has engaged Independent Metallurgical Operations Pty Ltd (IMO) of West Perth to manage the metallurgical aspects of the study whilst mining consultants are being sought to manage the scoping of the mine plan.

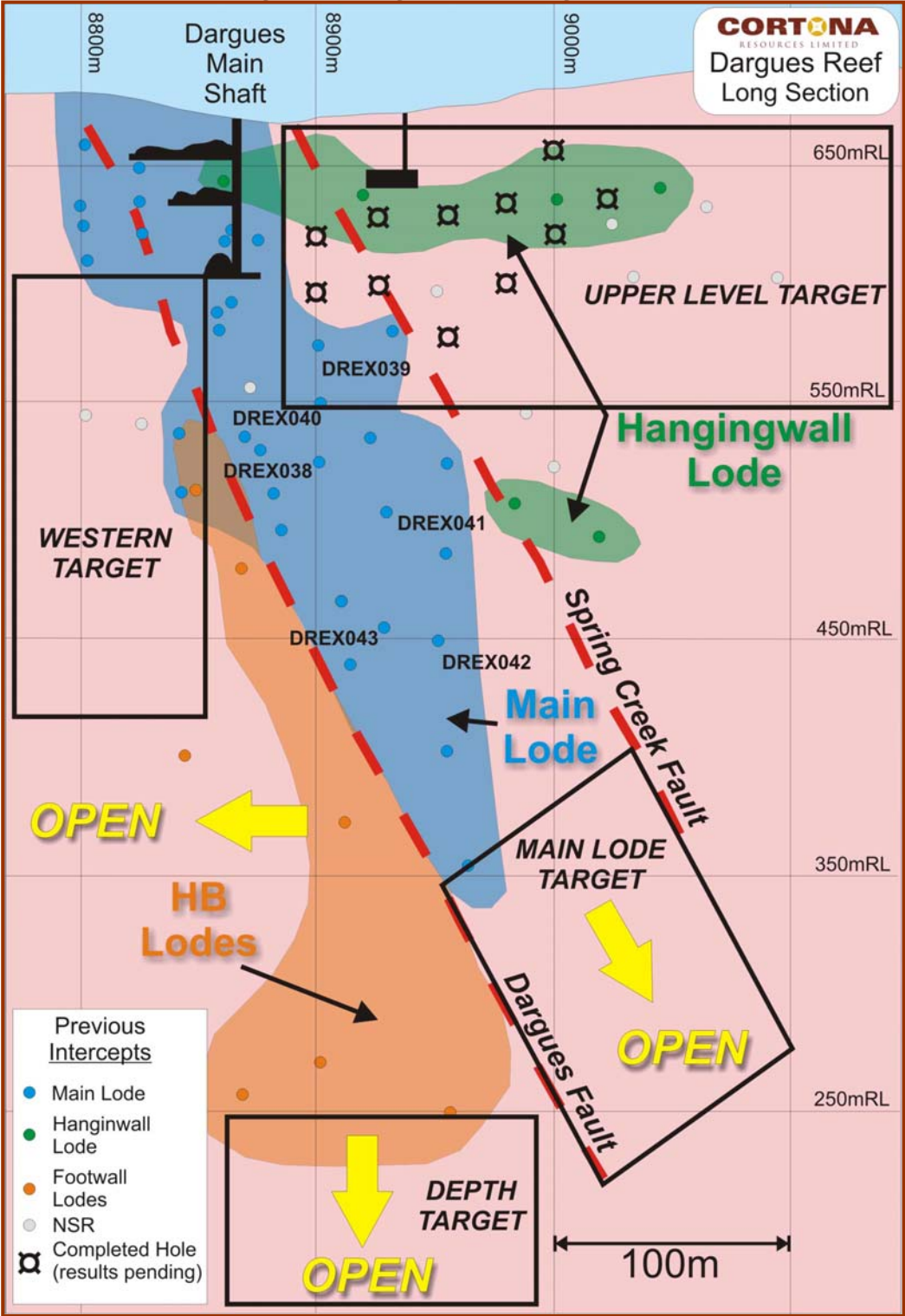
The study will investigate a range of aspects required to be addressed prior to any development. These include;

- Metallurgical studies
- Anticipated process flow sheets and design criteria
- Major equipment selection
- Mining methodology and planning
- Ore mining rate
- Annual production
- Capital cost
- Operating cost
- Environmental management

Managing Director Peter van der Borgh said “The robust nature of the resource at Dargues Reef indicates that this gold deposit has very real development potential and has driven us to commission this study”.

“The immediate aim is to expand and establish the current 310,000oz gold resource. We are presently drilling the potential extensions of the resource within ~100m of surface. With the imminent arrival of a second drill rig a resource upgrade is planned during the third quarter of this year”.

Figure 1: Dargues Reef long section



Exploration Update

Assay results have now been confirmed for the remaining RC holes drilled at the Exeter Farm prospect located ~2km north of the Dargues Reef deposit.

The Company had previously identified a range of targets over a widespread area (~1km²) comprising mineralised gossans, soil anomalies, IP chargeability anomalies, and magnetic anomalies. The recent RC program was the first pass test of the nature of these anomalies. Four of the eight targets have been drilled to varying extents.

The majority of holes intersected Dargues Reef style alteration and low levels of gold mineralisation confirming the presence of a large mineralised system at Exeter Farm. Best results were from *Tory Boy* (previously announced EXEX007) which returned **19m @ 5.6g/t**, and *Archer* (EXEX014) which returned **9m @ 1.92g/t** gold.

Numerous long, low grade gold intercepts were encountered including; 31m @ 0.46g/t (EXEX021), 12m @ 0.26g/t (EXEX016), and 12m @ 0.24g/t gold (EXEX012). The Company is currently collating all data to plan the next phase of work at Exeter Farm.

“There is undoubtedly a large gold mineralising system existing at Exeter Farm showing similar alteration characteristics and mineralised widths to Dargues Reef. The challenge is to identify what controls the higher grades.

“The first-pass test of a range of concepts has shown that broad high grade material is present, and the more we drill, the better we shall understand the system. I’m confident that with a co-existing operation at Dargues further ounces will come” said Peter van der Borgh.

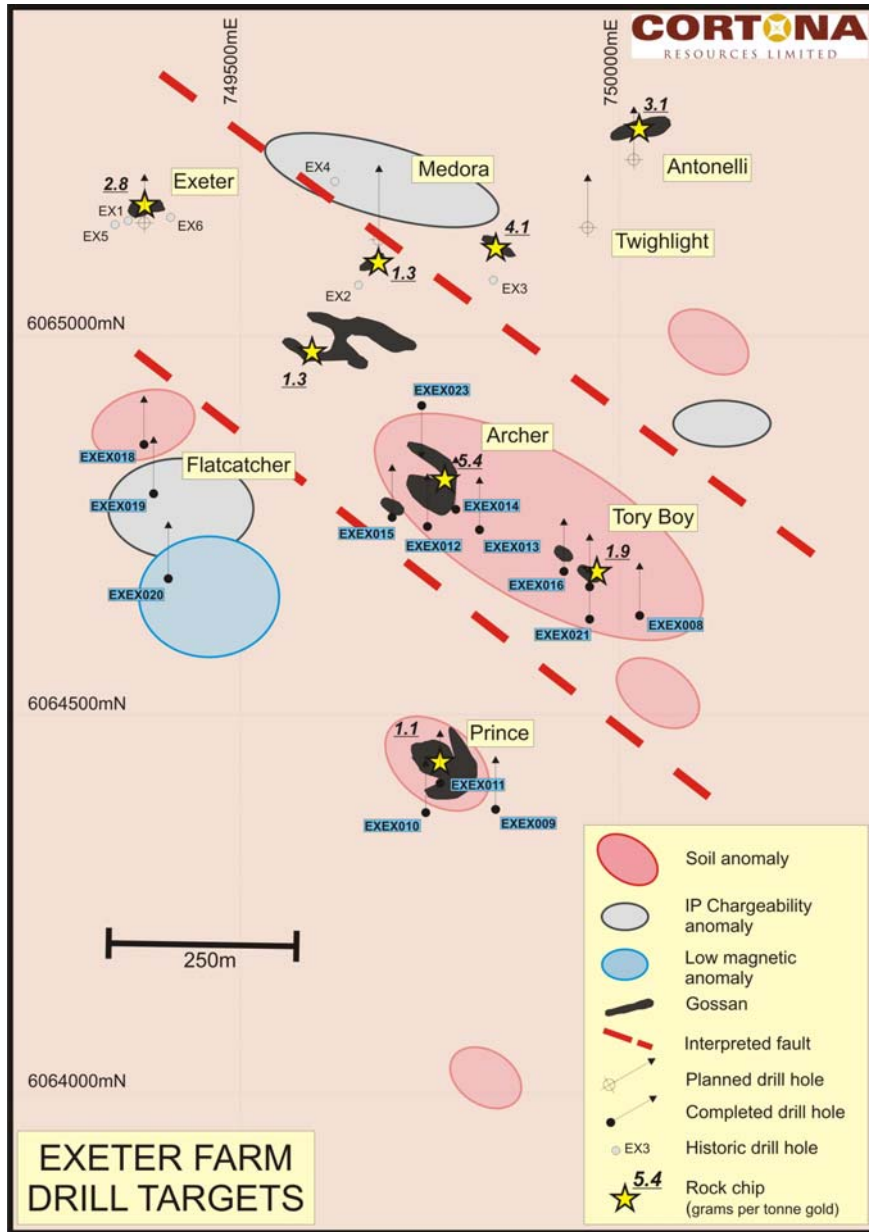
Drilling is continuing at Dargues Reef with a second drill rig due to commence in early April. The Company’s initial drilling at Dargues proved the presence of substantial mineralisation near surface. This has major implications with respect to the potential mining of the orebody. The current drilling is aimed at targeting the immediate extensions of the known resource and is focused on these shallower levels in the ‘Upper Level’ and ‘Western’ target areas (figure 1).

The Company will primarily focus its efforts on the development of the Dargues resource whilst continuing to explore the numerous other prospects in the area including; Exeter Farm, Copper Ridge, Thompsons Lode, Plums Lode and Snobs Line.

Yours Faithfully

Peter van der Borgh
Managing Director

Figure 2: Exeter Farm targets and drill collar plan



Significant intercepts (>1.0 gram metre), Exeter Farm

Hole	From	Interval (m)	Au (g/t)
EXEX007	43	37	3.32
including	47	19	5.6
and	71	2	5.0
EXEX012	17	12	0.24
	70	6	0.21
EXEX014	93	9	1.92
EXEX016	33	9	0.23
	72	6	0.26
	98	6	0.23
	109	12	0.26
EXEX021	63	31	0.46
EXEX023	68	3	0.22
	121	7	0.2

ABOUT CORTONA RESOURCES

Cortona Resources is a Perth based gold explorer with projects in New South Wales and Western Australia 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 ~79M fully paid shares on issue.

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Competent Persons: *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.*

Sampling and Assay Procedures

A bulk sample from each metre was collected from the drill rig into plastic bags, which were laid out in rows on the ground. The chips were geologically logged and the assay interval determined depending on the degree of alteration and/or mineralisation. Sample intervals were either a 2m composite or 1m intervals in mineralisation or strong alteration. The field assistant would collect a representative sample using a PVC spear, by spearing each plastic bag several times. The combined sample weight is approx 3kg. Standard samples of known gold concentration are inserted every 25 samples. These are used to monitor the accuracy of the lab. A blank sample is inserted at the start of each hole to test for contamination from previous samples in the lab. A blank can also be inserted following visually high-grade mineralisation to test for contamination in the lab from the previous high-grade samples.

The samples were despatched to ALS in Orange for analysis. The entire sample is pulverised in a LM5 mill to 85% passing 75 microns. A sub-sample is taken for analysis. Gold is analysed by a 50g fire assay with AAS finish with a detection limit of 0.01ppm. Silver (0.2ppm), Arsenic (2ppm), Bismuth (2ppm), Copper (1ppm), Lead (2ppm), Molybdenum (1ppm), Sulphur (0.01%) and Zinc (2ppm) are analysed by Aqua Regia digest and ICPAES finish.