

27 January 2009

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ACTIVITIES STATEMENT, DECEMBER QUARTER 2008

Cortona Resources maintained a high level of activity at its flagship Majors Creek project in NSW. Highlights include:

- ✘ **Dargues Reef resource grade almost doubled: 1.44Mt @ 6.2g/t for 286,000 ounces**
- ✘ **Deep diamond holes extend Plums Lode mineralisation a further 150m down dip:**
 - 28.7m @ 5.88 g/t Au from 195.5m**
 - (including 10.5m @ 8.17 g/t Au and 11.2m @ 6.98 g/t Au)**
 - 6.3m @ 7.3g/t Au from 292m**
- ✘ **IP Chargeability anomaly highlights additional target at Dargues**
- ✘ **Scoping studies continue to assess development potential**
- ✘ **Further drilling at Plums planned for February**

DARGUES REEF, MAJORS CREEK (100% CRC)

Australian gold company Cortona Resource Limited (ASX: CRC) completed another busy quarter to the end of December. A revised resource estimate for Dargues Reef was published in October, which almost doubled the gold grade from 3.4g/t to 6.2g/t. The resource was estimated by Runge Limited, and now includes a significant Indicated component for an Indicated and Inferred total of **1.44Mt @ 6.2g/t for 286,000 ounces of gold**.

The Company drilled three deep diamond holes beneath the shallow mineralisation discovered at Plums Lode which lies along structure, 250m east of the Dargues Main Lode (Figure 1). Two of these holes intersected broad, high grade gold mineralisation where predicted, extending the lode a further 150m down dip. Significant intercepts included **10.5m @ 8.17g/t, and 11.2m @ 6.98g/t gold within a broad zone assaying 28.7m @ 5.88g/t** (DREX119), and **6.3m @ 7.3g/t** (DREX121). These results highlight considerable potential to expand the Dargues Reef resource, which remains open at depth and along strike.

Cortona re-evaluated the IP gradient array data in conjunction with last year's drilling information. This has resulted in the delineation of a new target ("**Chianti**"), which is located along structure ~150m east of Plums lode (Figure 2). Mineralised outcrop in the vicinity of this anomaly has returned rock chip values up to 6.9g/t gold. Chianti represents a high priority exploration target with the potential to further add to the Dargues Reef resource.

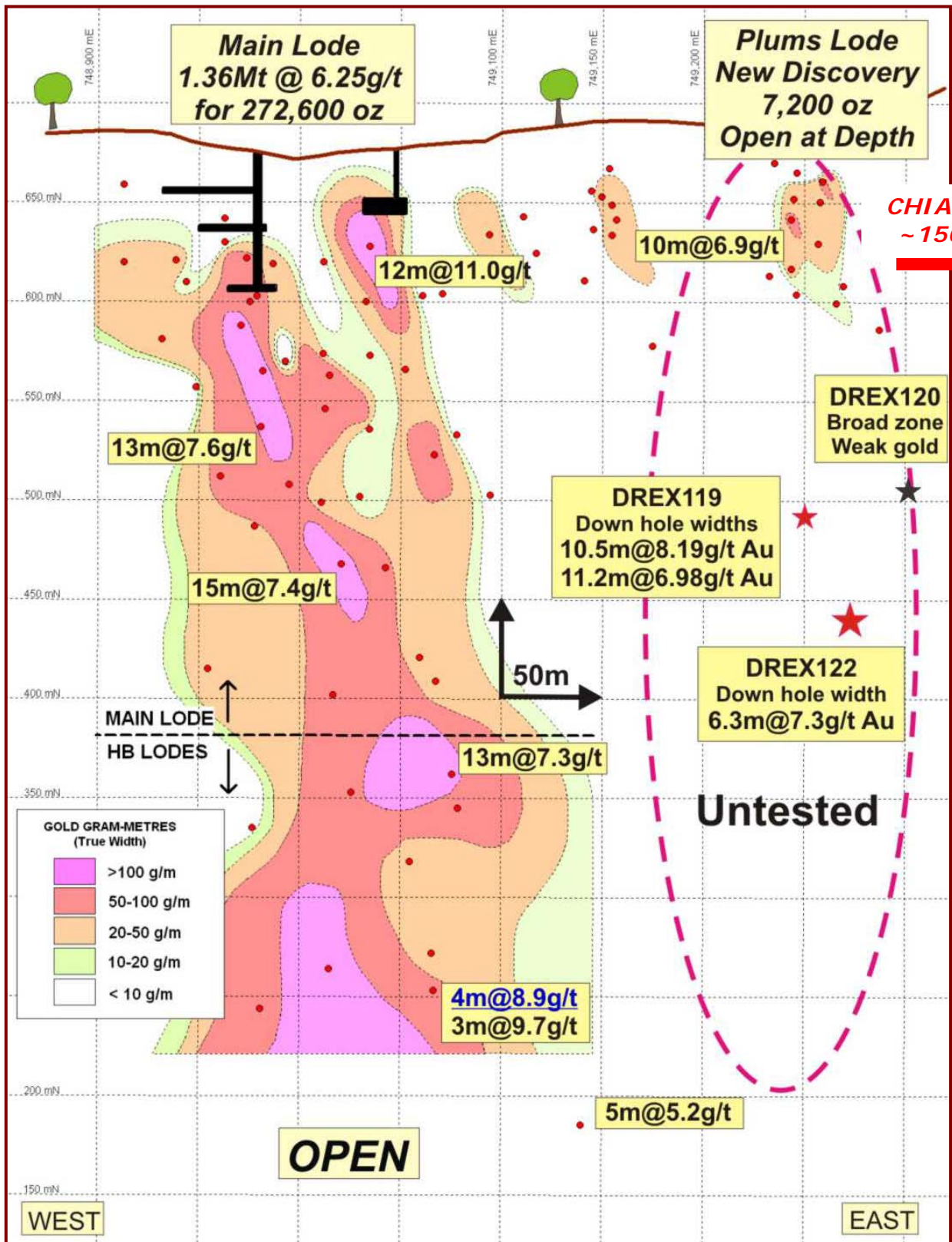


Figure 1: long section view through the Dargues Reef line of lodes showing true width gram-metre contours of the mineralisation.

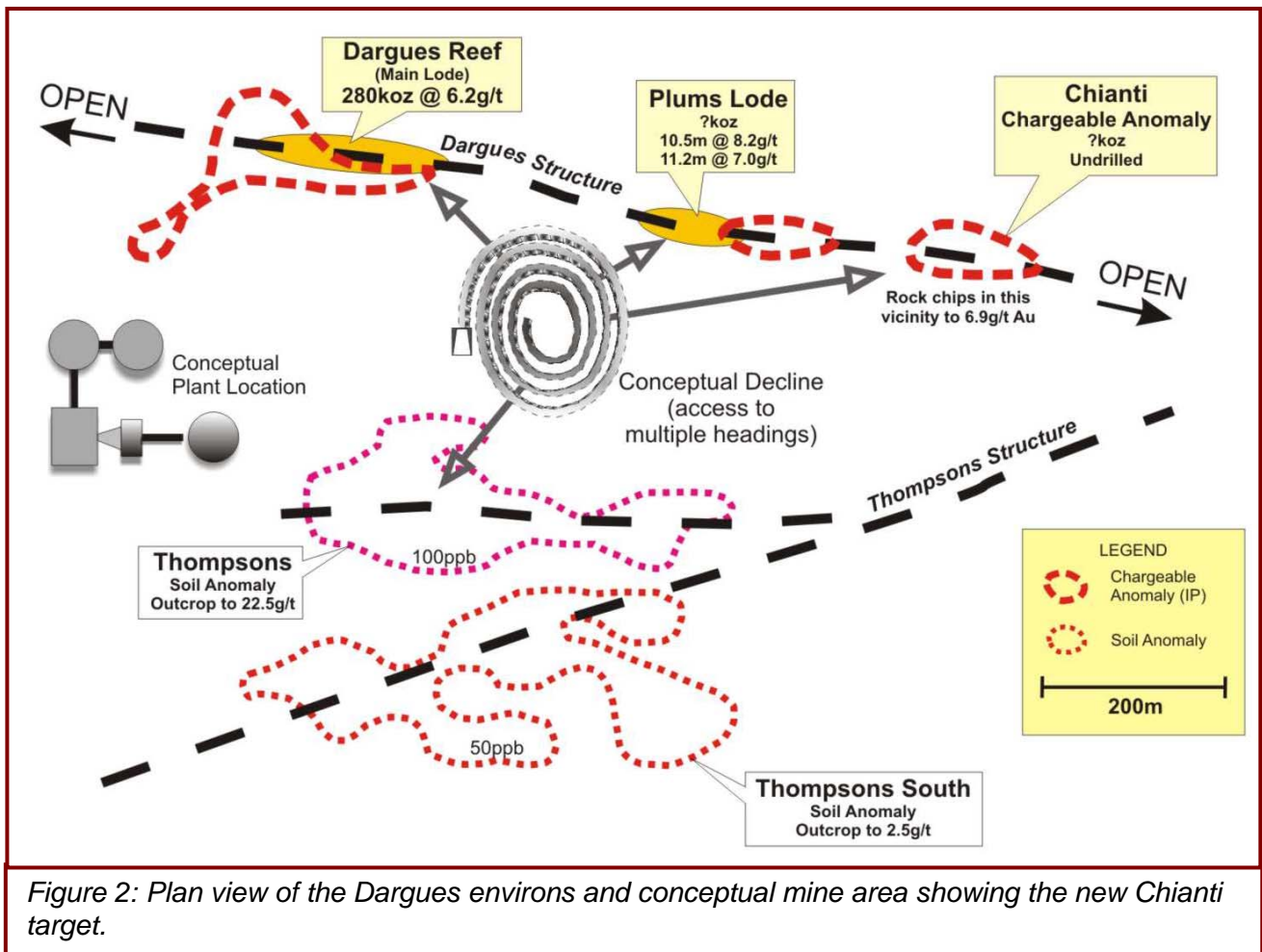


Figure 2: Plan view of the Dargues environs and conceptual mine area showing the new Chianti target.

MAJORS CREEK REGIONAL EXPLORATION

Copper Ridge RC Drilling

Cortona concluded its 2008 drilling program with a wide spaced, set depth (60m) exploration program along the Copper Ridge anomaly. Twelve holes were completed. Broad zones of low level gold, silver and base metal mineralisation were encountered in most holes, with peak values up to 1m @ 2.95g/t gold, 24.2g/t silver, and 1,040ppm copper. Mineralisation is associated with quartz carbonate veining and moderate to strong phyllic alteration. The program is interpreted to be a successful test for the presence of primary mineralisation at Copper Ridge, and provides significant encouragement for follow up test work.

Regional Soils Program

Cortona has completed the first phase of a regional soil sampling program. Several anomalies have been identified and are currently being assessed. Results are expected to be announced shortly.

EUGOWRA (EL6880, 100% CRC)

The technical team has been reviewing the new aeromagnetic data, and is preparing a reconnaissance field trip in the first quarter of the calendar year.

NORTH MONGER (90% CRC)

In July 2008, Cortona entered into an off take agreement with Barrick Kanowna Limited, a wholly owned subsidiary of the world's largest gold producer, **Barrick Gold Corp**, to mine the Company's Wombola gold resources at North Monger, 45km south east of Kalgoorlie in Western Australia.

During the quarter Barrick completed RC and diamond drilling, metallurgy, a resource review, and flora and fauna studies. Cortona has agreed to extend the due diligence period by two months to March 31st 2009 to enable Barrick to complete a full feasibility study on the resources. The period within which mining is required to commence remains unchanged at January 31st 2010. A decision to mine by March 31st 2009 will trigger a A\$250,000 down payment to Cortona.

Under the agreement Cortona stands to earn a free-carried income stream with significant exposure to the price of gold. Details are available on the Company's website.

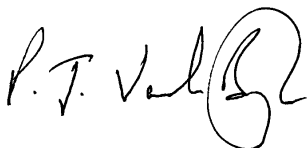
LOOKING AHEAD

Cortona is planning and costing a range of activities that will continue to advance the project and enable the Company to take Dargues Reef into production at the earliest opportunity. Of primary importance is a drilling program at Plums Lode in order to build on last years successes by increasing the Dargues resource. Tenders for the drilling contract are being sought, and it is anticipated that a rig will be on site by the end of February.

Scoping studies continue to assess a potential mining operation at Dargues. A diamond hole has been drilled to provide drill core for the next phase of metallurgical test work, and baseline studies into hydrology, flora and fauna, and meteorology are either ongoing or being implemented. Rehabilitation of last years drilling activities is well underway, and will result in the removal of more than 5,000 bags of spoils and the restoration of drill sites.

Regional exploration will continue with the ongoing soil sampling program, mapping, rock chipping and interpretation of geophysical datasets. Exploration success could significantly add to the longer term production scenario at very little immediate cost.

Yours Faithfully



Peter van der Borgh
Managing Director

About Cortona Resources Limited (ASX: CRC)

Cortona is an emerging Australian gold company focused on the exploration and development of the Dargues Reef Gold deposit, part of its 100%-owned Majors Creek Project, located 60km east of Canberra in New South Wales.

Majors Creek was the largest historical alluvial goldfield in NSW, with historical production of 1.25 million ounces. The Dargues Reef underground mine was operated between 1870-91 and 1914-16 to a maximum depth of 70 metres.

Cortona is an energetic explorer, with aggressive exploration programs underway targeting an increase in the updated Indicated and Inferred Resource at Dargues Reef of 1.44Mt @ 6.2g/t for 286,000oz to underpin a long-term gold mining business.

The Company manages a portfolio of gold and nickel projects in New South Wales and Western Australia, including the North Monger Project, with indicated/inferred resources that are the subject of a Mining Agreement with Barrick Gold Corp, which have the potential to generate a free-carried income stream during 2009.

For further information please contact:

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Competent Persons: *Information in this report relating to Mineral Resources has been completed by Mr Aaron Green of Runge Ltd., who is a member of the Australasian Institute of Mining and Metallurgy. 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.*

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CORTONA RESOURCES LIMITED

ABN

98 117 848 790

Quarter ended ("current quarter")

31 December 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(681)	(1,581)
(b) development	-	-
(c) production	-	-
(d) administration	(300)	(617)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	53
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Refund of tenement bonds	-	20
Net Operating Cash Flows	(981)	(2,125)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) tenements	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(8)
1.9 Proceeds from sale of:		
(a) tenements	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Payment of subsidiary net of cash acquired	-	-
1.11 Loans repaid by other entities	-	-
1.12 Payment for purchase of land at Caloola – Majors Creek	-	-
Net investing cash flows	-	(8)
1.13 Total operating and investing cash flows (carried forward)	(981)	(2,133)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(981)	(2,133)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from exercise of options	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - costs of share issues	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(981)	(2,133)
1.20	Cash at beginning of quarter/year to date	3,401	4,553
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,420	2,420

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	91
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 Includes salaries and superannuation contributions for all directors

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	0
Total	300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	7	488
5.2 Deposits at call	2,413	2,913
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,420	3,401

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	EL6161	100%	0%
6.2	Interests in mining tenements acquired or increased	P26/3625	0%	100%
		P26/3626	0%	100%
		P26/3627	0%	100%
		P26/3457	0%	100%
		P26/3458	0%	100%
		P26/3459	0%	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

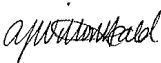
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	90,771,057	90,771,057		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	75,000	-	25 cents	21 May 2009
	50,000	-	25 cents	27 March 2009
	50,000	-	25 cents	27 March 2010
	2,500,000	-	50 cents	30 June 2010
	8,000,000	-	35 cents	5 July 2009
	8,000,000	-	50 cents	5 July 2012
	1,000,000	-	45 cents	30 June 2010
	75,000	-	41 cents	18 June 2010
	75,000	-	41 cents	18 June 2011
	100,000	-	50 cents	18 June 2009
	100,000	-	50 cents	30 June 2011
	50,000	-	52 cents	30 November 2010
	100,000	-	60 cents	30 November 2011
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired / cancelled during quarter	100,000 1,000,000 100,000	- - -	30 cents 40 cents 50 cents	20 October 2008 31 December 2008 30 June 2010
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
Company Secretary

Date: 27 January 2009

Print name: Amanda Wilton-Heald

Notes

- 1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.