

ASX Announcement

30th April 2010



ACTIVITIES STATEMENT, MARCH QUARTER 2010

- Dargues Reef feasibility drilling completed on time and within budget, significant upgrade anticipated mid-2010
- Numerous high grade intercepts reported, many samples in prep, results pending
- Bonanza intercept of 5.7m @ 97.1g/t gold
- Exploration drilling continues, target +500,000oz @ 6.0g/t
- Dargues qualified as a NSW Major Project; DFS and planning application proceeding on schedule
 - Mine infrastructure layout design completed
 - Process design flow sheet finalized
- Additional freehold land acquired
- Successful \$10.3M Capital raising completed in January
- Dargues Reef on track for production in 2011

SUMMARY

Cortona is pleased to report a number of significant outcomes during the March quarter of 2010, commencing with a successful \$10.3M Capital raising that completed in mid January.

The Dargues Reef JORC resource (286,000oz @ 6.2g/t) has stood up to scrutiny from intensive drilling, confirming the robust nature of the deposit and its viability as a mining proposition. The positive assay results received to date indicate that the Company should achieve its target of upgrading 2 years production to Measured Resources and the bulk of the remainder to Indicated Resources. It is also likely that this first phase of the drilling program will add ounces to the resource.

Cortona remains focused on commencing production at Dargues in 2011. Many aspects of the DFS are either completed, or well underway. A Preliminary Environmental Report was submitted in mid



COMPANY DETAILS

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ASX CODE: CRC, CRCO

Corporate Information
(1st April 2010)

Shareholders	~1,800
Shares on Issue	170M
Options (CRCO)	34M
Options (Unlisted)	12M

PROJECTS

Majors Creek (NSW)
Eugowra (NSW)
North Monger (WA)

JORC Resources 366,300oz

CRC is a trade name of
CORTONA
RESOURCES LIMITED



March, and a Planning Focus Meeting followed shortly afterwards. Recommended modifications to the mine infrastructure layout have been adopted and a final design layout is ready for submission. Ongoing metallurgical test work has confirmed that ~50% of the gold can be recovered via a gravity circuit and a further ~48% by froth flotation. The resultant pyrite concentrate is readily treated by CIL. A process flow sheet has been finalized to optimize gravity recovery, concentrate grade and volume, and water recycling.

Cortona acquired a further 120 hectares of freehold land adjoining its existing property. The land will provide benefits to Cortona on a range of fronts including water rights, infrastructure, access and exploration.

Exploration drilling continues at Dargues Reef in conjunction with a regional exploration effort. Cortona is targeting a resource of +500,000 ounces at Dargues, and new opportunities across the ~700km² Majors Creek project.

DARGUES REEF FEASIBILITY STUDIES

Resource to Reserve Drilling

Round the clock drilling at Dargues Reef commenced in mid January and continued throughout the period, with up to five drilling rigs on site.

Thirty reverse circulation (RC) holes for an advance of 3,029m in-filled and extended the top 200m of the resource. Most holes intersected widths and grades of mineralisation as predicted by the resource model. The Company now believes that it will achieve its target to upgrade two years production into measured resources for conversion into Proven Reserves. Significant RC results included:

5m @ 15.6g/t from 82m
11m @ 6.4g/t from 108m
17m @ 6.3g/t from 47m

Fourteen diamond drill holes for an advance of 4,392m in-filled and extended the orebody between ~200m and ~450m depth. The drilling has confirmed continuity of the Main Lode to depth, and continuity of several parallel lodes that are developing as the orebody gets deeper. The results suggest that much of this lower portion can now be converted into indicated resources for conversion into Probable Reserves. Significant diamond core results include:

5.7m @ 97.1g/t from 454m (including 3.8m @ 143.6g/t)
12.4m @ 16.4g/t from 312m
13.2m @ 10.9g/t from 477m

The bonanza grades and the improved continuity of the series of parallel lodes are expected to add ounces to the resource. A table of significant 2010 drilling intercepts received thus far is shown below.



Work is now underway on a revised resource estimate for the drilling to date. This new model will be utilised by Cortona's consulting mining engineers, Mining Plus Pty Ltd, to produce a life of mine production schedule and financial model.

Table 1: Significant 2010 drilling intercepts from Dargues Reef.

Hole ID	GDAE	GDAN	Dip	Azi	From (m)	Interval (m)	Gold (g/t)
DREX223	749000	6062816	.55	358	235	13.0	8.60
and					259	2.5	3.77
and					266	1.0	10.80
DREX225W1	749034	6062783	-60	359	322	6.7	3.08
and					409.2	1.5	22.30
and					424.5	18.5	4.88
and					459.6	8.4	4.46
and					477	13.2	10.88
DREX226	748999	6062815	-64.5	357	307.8	5.45	14.35
and					316.3	1.45	7.31
and					370.3	2.8	39.08
and					395.25	0.6	36.50
and					454	5.7	97.10
DREX182	749015	6062958	-58	019	47	17	6.27
including					59	4	15.14
DREX190	748946	6062913	-52	012	85	4	3.96
and					126	2	2.74
and					132	5	3.38
DREX193	748973	6062876	-62	003	158	22	5.74
including					168	10	8.70
DREX185	749037	6062949	-60	015	74	4	1.93
and					82	5	15.56
DREX186	749035	6062948	-72	008	102	4	2.18
and					108	5	2.52
DREX187	749083	6062945	-62	339	74	3	3.53
DREX188	749086	6062947	-56	001	9	2	1.49
DREX189	749038	6062946	-52	011	82	5	7.54
DREX222W1	749070	6062736	-59	356	472.5	11.5	4.26
and					521	4	4.98
DREX221	749001	6062817	-59	003	280	7	4.73
and					311.8	12.4	16.35
Including					312.5	3.5	43.90
DREX224	748976	6062794	-57	358	287	3.5	12.70
and					292.5	1	7.95
DREX170	748897	6062965	-58	020	64	30	3.72
including					74	12	6.31
DREX176	748934	6062944	-54	008	75	13	4.81
including					80	6	7.62
and					96	2	4.83
DREX177	748935	6062944	-62	007	98	2	3.51
and					125	5	4.88
DREX178	748940	6062944	-50	030	48	9	5.66
DREX179	748977	6062914	-60	008	108	11	6.54



Process Design and Site Infrastructure Layout

The metallurgy is being managed by Independent Metallurgical Organisation (IMO). The metallurgical test work was expanded to investigate comminution; variability; optimization of gravity recovery, power and water usage; and volume reduction of the concentrate. Results of the test work continue to be very positive, and many of these aspects of the ore can be optimized without impact on the overall gold recovery which remains at ~98%.

A process flow sheet has now been designed that recovers approximately 50% of the gold by gravity, and a further ~48% by froth flotation. The resultant concentrate volume is approximately 10% of the ore at a grade of approximately 30g/t gold.

The site infrastructure layout design for the mine portal, process infrastructure, tailings storage facility, buildings and roads has been completed and is ready for submission. Mine infrastructure footprint is contained entirely within Cortona's freehold farmland.

Water

Modelling of historic local rainfall data indicates that most of the mine water requirement will be met by a network of surface dams by virtue of Cortona's harvestable water entitlement attaching to its freehold farmland. Additional water, if required, resides in several historic underground workings on this freehold land. Cortona is investigating these water sources as potential supplements if required.

Other Studies

The Environmental Assessment is being managed by R. W. Corkery Pty Ltd, a NSW based firm. Cortona has collected and submitted data to a number of independent consultants on a range of studies. The consultants are currently modelling the data, and reports are pending. These include road traffic, heritage, air quality, surface water and soils, ground water and ecology.

Planning Application

In February, Cortona was notified by the NSW Department of Planning that Dargues Reef had qualified for approval under section 3A of the Planning Act. In early March the Company submitted a Preliminary Environmental Assessment. Later in the month, representatives from a range of Government Agencies and Local Council attended a Planning Focus Meeting to discuss the proposal and visit site. Valuable feedback has been incorporated into the application, which remains on track and on schedule.

Land Acquisition

Cortona took up its Option to acquire a further 120ha of freehold farmland adjoining its existing freehold property. The land will provide benefits to Cortona on a range of fronts including water rights, infrastructure, access and exploration.



EXPLORATION

A deep diamond drilling program is underway beneath the existing resource at Dargues to test the continuity of mineralisation to a depth of ~650m. Cortona is targeting an upgrade in the resource, with an exploration target of +500,000 ounces at an average grade of ~6.0g/t. This would also extend the mine life. The deep drilling is designed to utilize a parent hole and wedge five or six 'daughter' holes from it in order to achieve the optimal spread of intercepts.

Cortona has been evaluating the results of the near mine exploration drilling that took place during the latter half of 2009, where primary mineralisation was discovered at Tory Boy, Dreadnought, Hughen and Copper Ridge. Follow up drilling is being planned.

Regional exploration is continuing over the highly prospective northern land holdings. Ground reconnaissance, mapping and rock chipping has identified several prospects, and Cortona is becoming increasingly confident that the potential of the area will soon be unlocked.

CORPORATE OVERVIEW

The capital raising of \$10.3M before costs comprised a (A\$2.5M) institutional share placement and a fully underwritten (A\$7.8M) Rights Issue. The renounceable Rights Issue entitled each shareholder to acquire one new share (15c) for every two share held, together with an attaching option on a one for two basis.

LOOKING FORWARD

Cortona remains on track to be a gold producer in 2011. Many of the ongoing feasibility studies will conclude shortly. A revised resource model is being evaluated to finalise a mining schedule and preliminary financial model.

Exploration drilling at Dargues Reef will continue for at least another couple of months. The results of this will feed into a resource upgrade which is expected to be published mid year. Cortona anticipates the results will indicate an increased resource, including the required bankable number of measured and indicated resources for conversion into reserves. Cortona's exploration target of +500,000 ounces would also deliver an extended mine life.

Regional exploration is ongoing. Drilling is being planned to follow up last year's near mine discoveries, and new areas further afield are being mapped and sampled. Cortona remains confident that modern day exploration will unlock the prospectivity of this unexplored goldfield.

Cortona expects to maintain a high level of activity into the foreseeable future. Drilling results, a resource upgrade, and results of the DFS, amongst other things, should enable the Company to continue delivering reward to shareholders.

-ENDS-



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ABOUT CORTONA

Cortona is an emerging Australian gold company with a portfolio of advanced gold projects in New South Wales and Western Australia. The Company is focused on the exploration and development its 100%-owned Majors Creek Project, located 60km east of Canberra in New South Wales, where it is currently undertaking a Definitive Feasibility Study (DFS) on the Dargues Reef Gold deposit (1.44Mt @ 6.2g/t gold for 286,000oz).

Majors Creek was the largest historic alluvial goldfield in NSW producing more than 1.25 million ounces. The Dargues Reef deposit is expected to be the Company's first operating mine following positive scoping study results indicating average annual production of 45,000 ounces over an initial mine life of 5 years.

Cortona's multi-pronged plan is to progress the Dargues Reef DFS in conjunction with aggressive near- mine and regional exploration programs to underpin a long-term gold business.

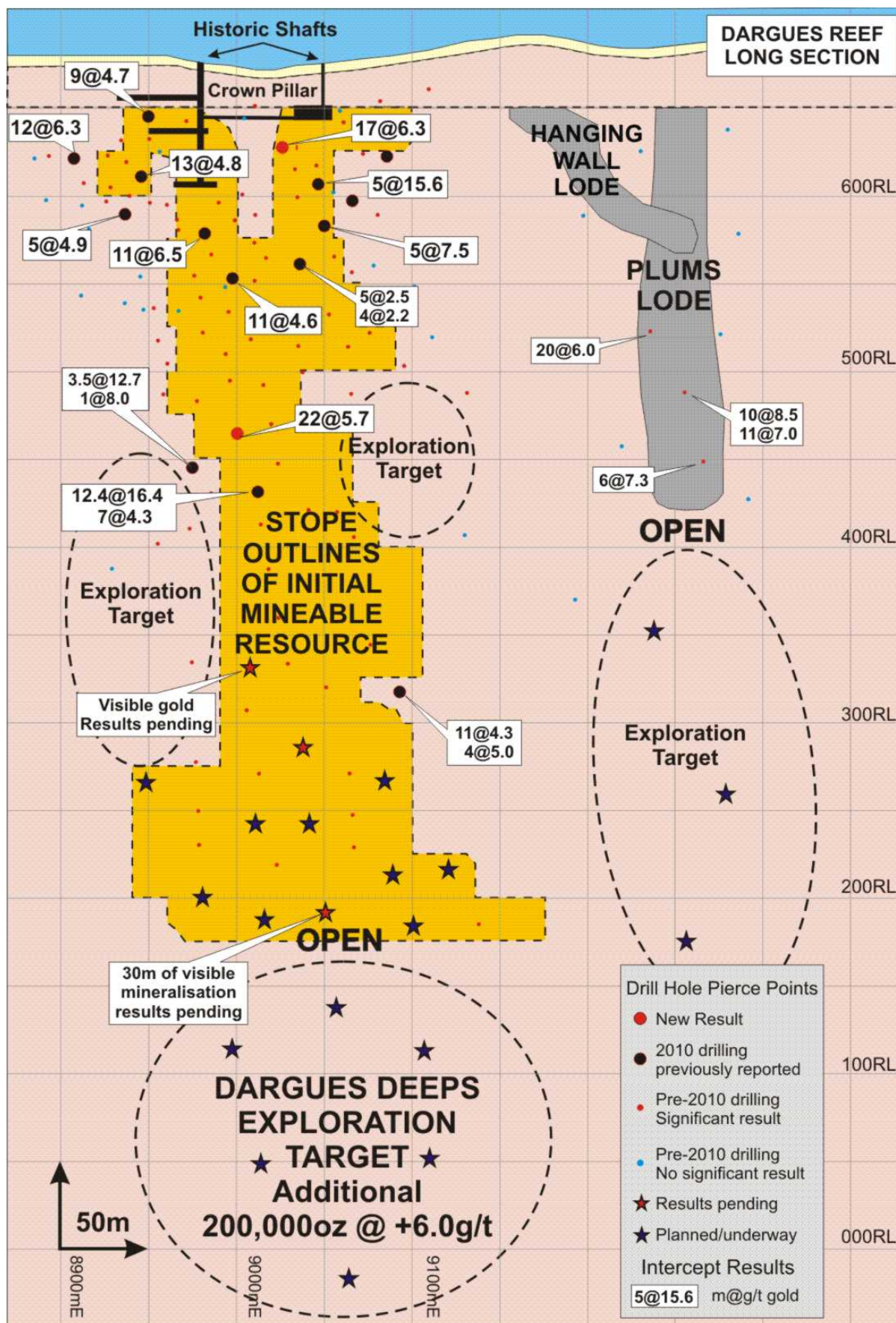


Figure 1: Dargues Reef Long Section highlighting results from the current program

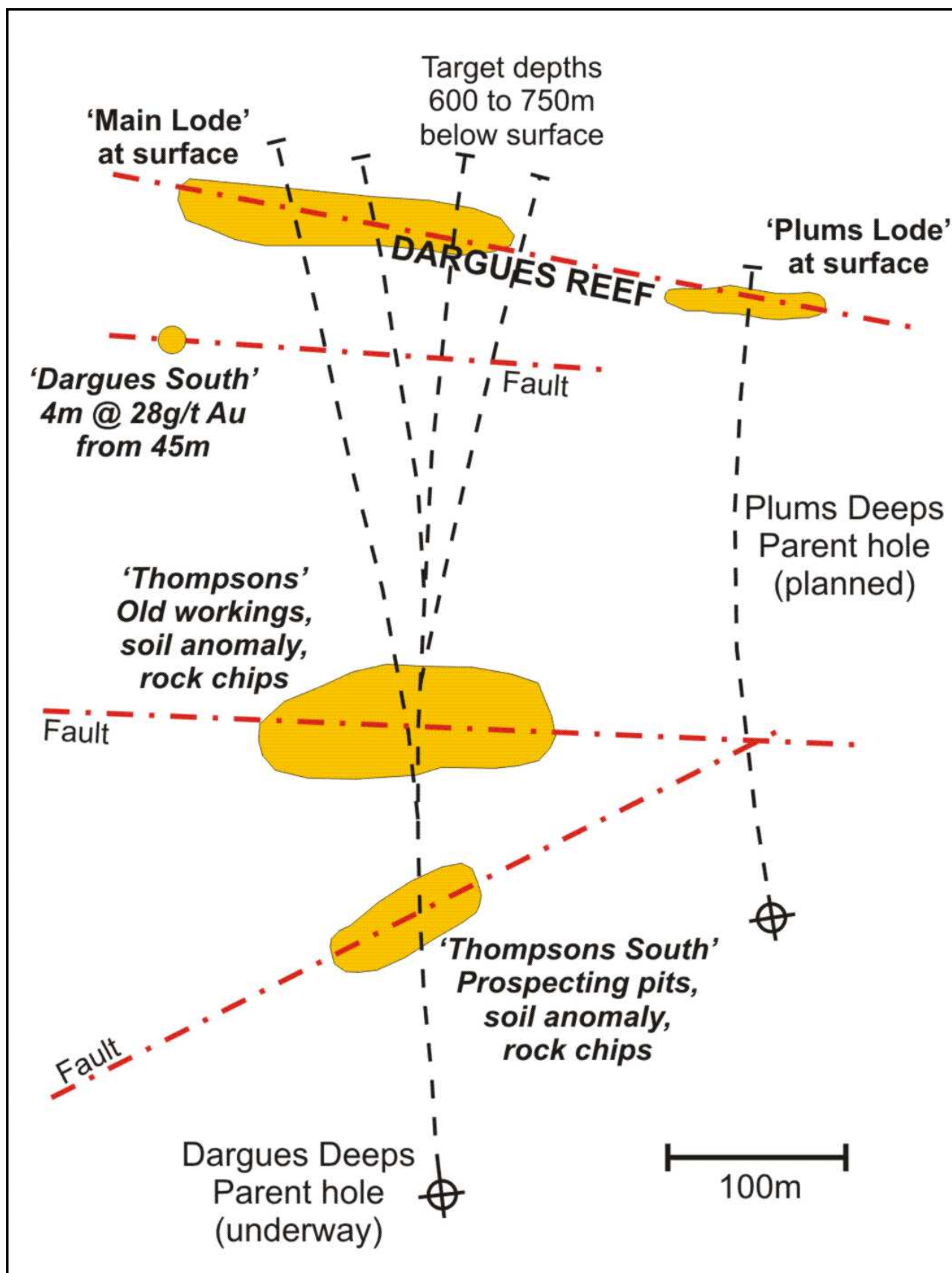


Figure 2: Plan view of the proposed phase 2 deep diamond drilling at Dargues Reef.



Sampling and Assay Procedures

A bulk sample from each drilled metre interval is collected from the RC drill rig. A representative sample (approx 3kg) is collected via a PVC spear or riffle splitter and submitted to ALS in Orange for analysis. Standard samples of known gold concentration are inserted every 25 samples and a blank sample is inserted at the start of each hole. On occasion a blank sample is also inserted following visually determined high-grade mineralisation.

In each case the entire sample is pulverised in a LM5 mill to 95% passing 75 microns. A sub-sample is selected for analysis. Gold is analysed by a 50 gram fire assay with AAS finish (0.01ppm detection). Samples returning gold values >1g/t are duplicated and assayed again by the same method for comparison and check of variability. Gold values >100g/t are then re read through the AAS using a 1 in 10 dilution of the solution. In conjunction with the gold analysis a suite of elements including Silver (0.2ppm), Arsenic (2ppm), Bismuth (2ppm), Copper (1ppm), Lead (2ppm), Molybdenum (1ppm), Sulphur (0.01%), Calcium (0.1%) and Zinc (2ppm) are also analysed by Aqua Regia digest and ICPAES finish.

Core samples from diamond drilling (HQ or NQ) are cut lengthwise and dissected, usually in 1m intervals or as geological parameters dictate. Standards and blanks are periodically included, using similar methodology to above, usually every 25 samples. The samples are submitted to ALS in Orange for analysis.

The analytical technique used on the diamond core samples is identical to that used on the RC samples.

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 Australian 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.

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 March 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(1,694)	(3,257)
(b) development	-	-
(c) production	-	-
(d) administration	(580)	(1,098)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	26	69
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Refund of tenement bonds	-	-
Net Operating Cash Flows	(2,248)	(4,286)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) tenements	-	-
(b) equity investments	-	-
(c) other fixed assets	(470)	(486)
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 option to purchase land at Dargues Reef	-	-
Net investing cash flows	(470)	(486)
1.13 Total operating and investing cash flows (carried forward)	(2,718)	(4,772)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,718)	(4,772)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,704	10,327
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	(542)	(643)
	Net financing cash flows	3,162	9,684
	Net increase (decrease) in cash held	444	4,912
1.20	Cash at beginning of quarter/year to date	7,362	2,894
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	7,806	7,806

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	96
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	1,000
4.2 Development	-
Total	1,000

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	801	6,485
5.2 Deposits at call	7,005	877
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	7,806	7,362

+ 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	N/A		
6.2	Interests in mining tenements acquired or increased	N/A		

+ 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	170,202,260	170,202,260		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	24,362,286 333,383 9	24,362,286 333,383 9	\$0.15 \$0.15 \$0.20	Fully Paid Fully Paid Fully Paid
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>	2,500,000 8,000,000 1,000,000 75,000 75,000 50,000 100,000 34,422,632 400,000	- - - - - - - 34,422,632 -	<i>Exercise price</i> \$0.50 \$0.50 \$0.45 \$0.41 \$0.41 \$0.52 \$0.60 \$0.20 \$0.25	<i>Expiry date</i> 30 June 2010 5 July 2012 30 June 2010 18 June 2010 18 June 2011 30 November 2010 30 November 2011 31 January 2012 9 February 2012
7.8 Issued during quarter	12,347,847 400,000	12,347,847 -	\$0.20 \$0.25	31 January 2012 9 February 2012
7.9 Exercised during quarter	9	9	\$0.20	31 January 2012
7.10 Expired / cancelled during quarter	50,000	-	\$0.25	27 March 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.

Amanda Wilton-Heald

Sign here:Date: 30 April 2010
Company Secretary

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.