

18 November 2009

CORTONA

RESOURCES LIMITED

ABN 98 117 848 790

cortonaresources.com.au

CORTONA ANNOUNCES \$10.3M CAPITAL RAISING TO ADVANCE DARGUES REEF TOWARDS PRODUCTION

FUNDS RAISED TO UNDERPIN FEASIBILITY STUDY AND EXPANDED EXPLORATION

HIGHLIGHTS

- **\$2.5M institutional share placement**
- **Fully underwritten 1-for-2 rights issue to raise additional \$7.8M**
- **Definitive Feasibility Study to commence immediately on Dargues Reef Deposit (1.44Mt @ 6.2g/t Au for 286,000oz):**
 - *Operations Manager and several key teams already in place*
 - *Tenders being sought for mining and infrastructure studies*
- **DFS targeted for completion by end of 2010, with first production scheduled for mid-2011**
- **Near-mine and regional exploration to be ramped-up**

Australian gold company Cortona Resources Limited (ASX: **CRC**) is pleased to announce a **\$10.3 million capital raising** comprising a \$2.5 million institutional share placement and fully underwritten \$7.8 million rights issue to accelerate the development of its Dargues Reef Gold Project in New South Wales. This announcement releases the Company from voluntary suspension.

The proceeds of the raising will be used to underpin a Definitive Feasibility Study (DFS) on the Dargues Reef Main Lode, part of the 100%-owned Majors Creek Gold Project located 60km east of Canberra.

The DFS will build on the recently completed positive Scoping Study, which indicated that a potential underground mine development at Dargues Reef would be robust and viable, delivering production of 40-50,000 ounces per annum.

The funds will also be used to ramp-up exploration drilling at Dargues Reef and to target a series of priority exploration prospects within "the shadow of the headframe" at Majors Creek, where the Company has a 700km² tenement position

Capital Raising

Cortona will raise \$10.3 million before costs through the issue of 68,845,194 shares at \$0.15, with a one-for-two attaching \$0.20 Option for a total of 34,422,597 Options expiring 31 January 2012. Cortona will apply to have these options quoted on the ASX. The funds will be raised via a \$2.5 million placement in two tranches to an International Fund Manager, with the remainder being raised via a fully underwritten, renounceable 1-for-2 Rights Issue to existing shareholders.

Patersons Securities are Lead Managers to the Placement and Underwriter of the Rights Issue. Full details of the Rights Issue are contained in the Prospectus dated 17th November 2009. The second tranche of the Placement will be subject to shareholder approval, which will be sought at a General Meeting of the Company on the 18th of December. Details of the meeting will be provided to Shareholders in a Notice of Meeting that will be mailed to shareholders later this week.

Cortona intends to use the funds to complete the DFS at Dargues Reef, ramp up its exploration activities at Majors Creek, and for working capital and Corporate Administration. As a consequence of this capital raising, Cortona will withdraw Resolution 4 at the Company's AGM, which seeks approval for a future Share placement.

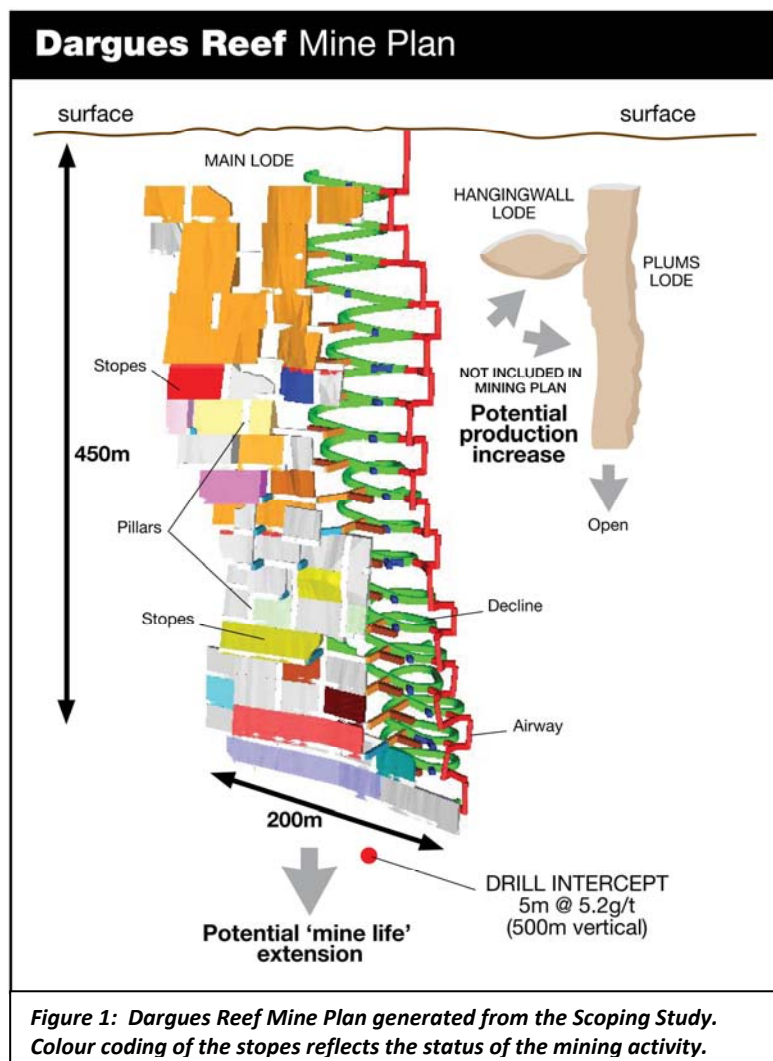
DARGUES REEF DEFINITIVE FEASIBILITY STUDY (DFS)

On 24th September, Cortona reported positive results from a detailed Scoping Study on a potential \$30 million underground mine development of the **Dargues Reef deposit (Indicated and Inferred resource 1.44Mt @ 6.2g/t Au for 286,000oz).**

Highlights of the Scoping Study included estimated scoping level **cash operating costs in the order of A\$470/ounce** for production of **188,000 ounces over an initial mine life of 4.5 years.**

This initial mine development would deliver an estimated **A\$68.4 million pre-tax profit** over the initial 4.5 year life, generating an **Internal Rate of Return of 68%** using a A\$1,150/ounce gold price.

Following this positive Scoping Study, the Cortona Board has decided to proceed with a Definitive Feasibility Study on the Dargues Reef Project in order to fast-track towards achieving its objective of establishing a robust, long-life gold business at Majors Creek.



Cortona has already assembled many of the key personnel and teams to advance the DFS, including the following key areas:

Operations Manager

Ajanth ('AJ') Saverimutto B.Eng(Hons), B. Business (Accounting)

Mr Saverimutto is a Mining Engineer with over 15 years experience in surface and underground mining operations. Prior to joining Cortona, Mr Saverimutto was a Mining Manager with BHP Billiton and has held Senior Mine Management and Project Development roles with Freeport MacMoran and Newmont Australia. AJ has extensive underground gold mining experience on both Australian and International Mining Projects. Mr Saverimutto will be responsible for the overall management of the Dargues Reef DFS.

Geology and Environmental

R.W. Corkery & Co. Pty Limited

R.W. Corkery & Co. Pty Limited is a NSW-based company that provides geological and environmental consulting services for the quarrying, mining, construction and waste industries. With over 25 years experience in the preparation of environmental assessments in NSW, the group has built a strong reputation for the consistent presentation of high quality consultancy services and reporting that reflects the environmental expectations of its clients, their shareholders, community and government.

Resource Estimation

Runge Ltd

Runge Limited (Runge) is a leader in the provision of consulting services and technology products to the global mining industry. Runge is recognised for providing services for mines and mining investors worldwide from exploration through to production and mine closure. Runge also has access to a large pool of geologists and engineers with extensive underground operational and evaluation experience who have been involved on the Dargues Reef Gold Project from a very early stage.

Metallurgy

Independent Metallurgical Operations Pty Ltd (IMO) -

Based in West Perth, IMO is the largest metallurgical consultancy in Australia. IMO carries out all processing aspects in the development of Australian and international mining projects covering a wide range of commodities. IMO covers everything metallurgy from test work management to process plant management. IMO is particularly strong in gold processing from both underground and open cut mines for free milling and complex ores; processes include heap leaching, CIL, RIL, Merrill Crowe, flotation, roasting, bacterial oxidation and gravity separation etc.

Government Approvals Advisory

David Tucker (Responsible Resources Pty Ltd)

David Tucker will assist Cortona in securing the necessary licences and approvals required to construct and operate a new mine in NSW. Mr Tucker recently retired from his position as Director Corporate Affairs for Barrick Gold (Australia Pacific). During his time at Barrick, he was responsible for the management of government and community relations at a number of Barrick's operations in Australia, Tanzania and Papua New Guinea. With this background, in particular his direct personal involvement in the permitting and construction phase of the Cowal Gold Mine in central NSW, he will bring valuable experience to the Cortona team.

TIMETABLE

Cortona expects the Definitive Feasibility Study to take approximately 10 months to complete.

The key critical path item is the environmental approvals process. Cortona was cognisant of this early in its exploration program and has already established many of the baseline studies that will be required for environmental approvals.

Based on the above timetable for the DFS and an estimate of the time required for construction, the Company is aiming to be in a position to commence gold production by the middle of 2011.

RESOURCE DRILLING AND EXPLORATION TO RAMP UP

The Company intends to use a portion of the funds from the capital raising to significantly increase its exploration program at Majors Creek, where the Company is targeting on an initial resource base of 1Moz. There will be three key aspects to this work, all which offer promising exploration potential:

- The Scoping Study for **Dargues Reef** was based only on an assessment of the Main Lode only. Drilling results at Dargues Reef indicate that there is significant potential to increase the gold inventory through deep drilling beneath and along strike from Main Lode, including further exploration of the Plums Lode and the Hangingwall Lode. Based upon the continuity of mineralisation to over 450m depth where it remains open, the Company will be targeting additional ounces at Dargues Reef over the next six to twelve months.
- Recent exploration success at **Dreadnought** and **Tory Boy**, both located within 2km of Dargues Reef, has highlighted the excellent regional exploration potential within the immediate Dargues Reef area. Drill intercepts such as 19m at 5.6g/t Au at Tory Boy will be a high priority for follow up over the coming months.
- Outside of the immediate Dargues Reef area, the Company controls over 700km² of tenements that contain the same rock units as at Dargues Reef. Preliminary mapping and geophysics has indicated a number of structures with strong geological similarities to Dargues Reef that will require follow up. The greater portion of the tenement area has never been subjected to modern exploration.

SUMMARY & OUTLOOK

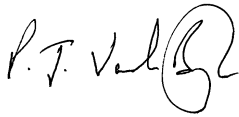
With the commencement of the DFS and expanded exploration programs at Majors Creek, Cortona expects a steadily increasing news flow over the coming year, leading up to the expected completion of the DFS in towards the end of 2010.

“This is a pivotal time for Cortona, with the capital raising securing the Company’s exploration and development pathway over the next 12 months,” said Cortona’s Managing Director, Peter van der Borgh.

“We are pleased to have secured a major international gold fund as a cornerstone investor in this raising, which also provides all existing shareholders with the opportunity to participate at an attractive price and increase their holdings in the Company ahead of the value-adding activities planned over the coming months.”

“Central to our plans is the DFS, which will lay the foundations for Cortona’s transition to gold production. At the same time, we will be substantially escalating our exploration push, both regionally and in the immediate vicinity of the Dargues Reef deposit, with a view to significantly increasing the resource base.”

Yours faithfully



Peter van der Borgh
Managing Director

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Competent Persons Statement:

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.

The information in this report that relates to Majors Creek – Dargues Reef Gold Project mining section ore resource estimates is based on information compiled by Mr Wayne Emslie who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the mining method undertaken to qualify as a Competent Person as defined in the JORC Code (2004). Mr Wayne Emslie is a full time employee of Mining Plus Pty Ltd and consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.