



CARMICHAEL QUICK NOTE

31st January, 2008

QUICK NOTE # 19

RECOMMENDATION:
Speculative BUY

ASX,	CRC
Share price	\$0.48
Mkt cap. ¹	\$37.0m
Ordinary shares on issue ¹	77m
Listed Options ²	14.7m

¹ Undiluted Source: IRESS
² 31st March, 2008 at 20c

12 MONTH PERFORMANCE



Source: IRESS

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Cortona Resources Ltd (CRC)

EXETER FARM BRINGS IN THE BACON

CRC have released the results of their first deep RC hole into the Exeter Farm Project in south-eastern NSW. Exeter Farm was the first anomaly identified after conducting analysis of the data at nearby Dargues Reef, which CRC are drilling to add to existing resources of 310,000 ounces of gold. The first hole at Exeter Farm intersected 19m at 5.6 g/t gold from 47m with geology very similar to that at Dargues Reef. An auspicious start to a very exciting gold play.

CRC are exploring for gold in south-eastern NSW at its Majors Creek project. An existing gold resource of 310,000 ounces of gold at Dargues Reef underpins the project, that was the scene of one of NSW's major gold rushes during the middle of the 19th century. The company also have gold tenements in Western Australia, with the North Monger Project - Wombola Dam resource containing 53,500 ounces gold at 3.0g/t and Wombola Pit resource containing 26,800 oz of gold at 2.7g/t.

The Majors Creek Project was acquired from Moly Mines Limited in mid 2007 for \$14.0m. The Majors Creek tenement package completely envelopes the Braidwood Batholith – a granodiorite body of considerable extent. The gold mineralisation at Majors Creek is solely hosted within the granodiorite intrusion, adjacent to a diorite unit and associated with silica-sericite-carbonate-potassic alteration. Typically, gossanous material can be seen at surface, with large relic pyrite cubes giving an indication of the sulphide mineralisation below the base of oxidation.

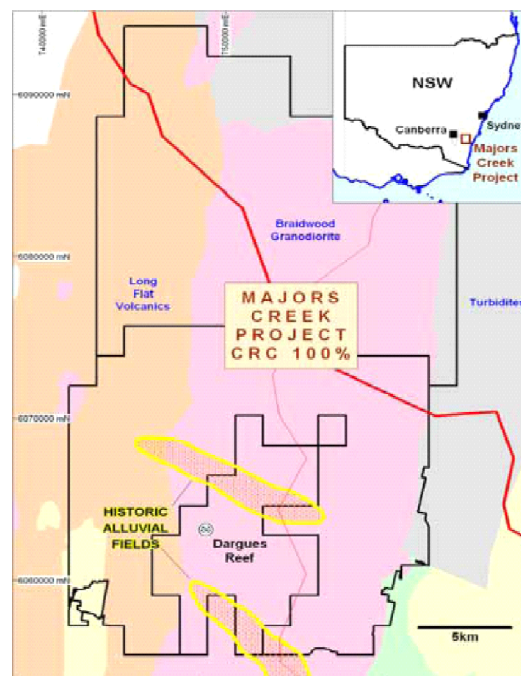


Figure 1. Location Map and Generalised Geology at Majors Creek Source: CRC

The first hole at the Exeter Farm Prospect at Majors Creek has intersected high grade gold mineralisation, close to surface, over a considerable intersection width. This is an excellent start for CRC, who have an additional 7 targets to test at Exeter Farm, in addition to future drilling planned for Copper Ridge and continuation of resource definition drilling at its flagship Dargues Reef Prospect, located 2km south of Exeter Farm.

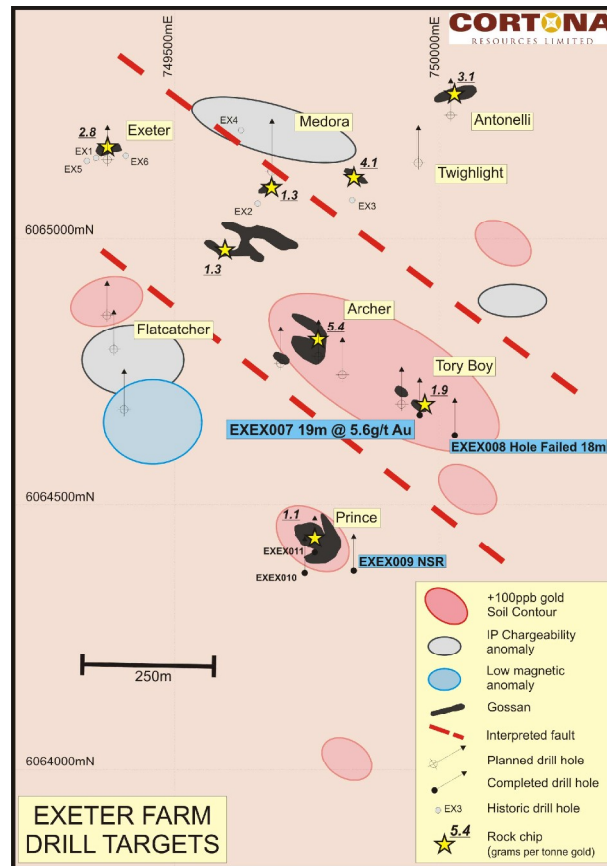


Figure 2. Soil and Geophysical Anomalies with Drill Hole Locations at Exeter Farm

Source: CRC

The first hole, EXEX007, intersecting 19m at 5.6g/t gold was located at the Tory Boy Prospect, drilled beneath a surface gossan. CRC believe that the soil anomaly, orientation of mapped outcrop and linear demagnetised zones are indicative of a WNW striking mineralisation zone with the potential to link with the Archer Prospect, 250m further to the West. If this is the case, there is potential for the Tory Boy – Archer zone to be twice the size to Dargues Reef, which has previously been drilled to a vertical depth of 350m. Mineralisation there is still open down dip and is the subject of an on-going \$1.5m definition drilling campaign.

Our View

The first drill hole at Exeter Farm has given us some early confidence that the exploration model developed by the CRC geologists is effective in identifying new mineralised zones. Exeter Farm has never been previously drilled and we believe there is potential for Exeter Farm to host a similar sized deposit to that of Dargues Reef. Continued drilling at Dargues Reef should result in an updated resource estimate in the first half of 2008 and we are anticipating a resource in excess of 380,000 ounces. Although it's early days yet, a similar deposit at Exeter Farm would provide CRC with a considerable scope to look at developing a stand alone mining operation at Majors Creek. We view the exploration potential as very high, backed up by a site visit we made to both Dargues Reef and Exeter Farm late last year. We rate CRC as a Speculative BUY.

Disclosure Disclaimer**RCAN0688**

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The Author of this report made contact with the **Cortona Resources Limited** for assistance with verification of facts, admittance to business sites, access to industry/company information. No inducements have been offered or accepted by the company.

The recommendation made in this report is valid for four weeks from the stated date of issue. If in the event another report has been constructed and released on **Cortona Resources Limited**, the new recommendation supersedes this and therefore the recommendation in this report will become null and void.

Recommendation Definitions

BUY – 10% or more outperformance

HOLD – 10% underperformance to 10% over performance

SELL – 10% or more underperformance

Period: During the forthcoming 12 months, at any time during that period and not necessarily just at the end of those 12 months.

Stocks included in this report have their expected performance measured relative to the ASX All Ordinaries index. DJ Carmichael Pty Limited's recommendation is made on the basis of absolute performance. Recommendations are adjusted accordingly as and when the index changes.

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