

Exciting new fields for Cortona

Junior gold explorer Cortona Resources has enjoyed some excellent results in its brief history, but believes it is now on the verge of what could be a company-making gold discovery. By **Ron Berryman**



Cortona Resources managing director Peter van der Borgh.

Listed in March, 2006, the company has enjoyed success with its Wombola Dam gold resource at North Monger near Kalgoorlie, Western Australia, but has now focused attention on a new acquisition in New South Wales.

And the new tenements have given the company a totally new focus on its gold exploration program.

In July last year Cortona finalised the acquisition of six advanced properties in NSW from Moly Mines for \$5 million in cash, 12 million shares and 8 million options.

A further \$4 million cash and 8 million options will be payable on the delineation of 1 million ounces of indicated-measured resources, or a decision to mine.

The acquisition also resulted in Moly Mines being offered a non-executive position on the Cortona board.

The properties cover an area of more than 1500 square kilometres and include the Majors Creek project, which is the largest historic alluvial goldfield in NSW, with production in excess of 1.2Moz. Majors Creek hosts the Dargues Reef prospect with inferred resources of 310,000oz and a great deal of upside according to Cortona managing director Peter van der Borgh.

"This is an exciting step for Cortona," he told *RESOURCESTOCKS*, "one which we believe will see us become a major Australian explorer."

"The assets provide the company with a defined resource and excellent exploration opportunities at a time when the gold price is looking strong. Dargues Reef is a significant ore body with plenty of upside, while the Majors Creek project as a whole is an explorer's dream."

The project covers the entire Braidwood granodiorite – some 700sq.km – and includes the recently discovered Exeter Farm and Copper Ridge prospects within a few kilometres of Dargues Reef, where most exploration work has been conducted. It is about 60km east of Canberra.

Cortona has a dual-purpose rig operating at Dargues Reef – reverse circulation and diamond – and the first six diamond drill holes have been completed. Results from the first three holes reported multiple mineralised intersections.

Highlights included 13m at 5.53 grams of gold to the tonne and 12m at 6.27gpt; 9m at 6.63gpt and 4m at 7.01gpt; and 16m at 3.38gpt and 4m at 7.04gpt, confirming continuity of near-surface gold lodes below 150m.

The first phase of the \$1.5 million diamond drilling program is targeting the upper 200m of the Dargues Reef prospect and Exeter Farm, where early results have been outstanding.

The first drill hole identified near-surface high-grade gold mineralisation including 19m at 5.6gpt gold and included 2m at 1.3% copper from 55m.

Historic exploration in the mid-1980s appears to have targeted the footwall contact of a diorite dyke and failed to provide worthwhile results.

However deeper drilling by the former owners Moly Mines more recently showed that the mineralisation below 200m typically occurs below this contact, indicating why much of the historic drilling had been ineffective.

Cortona tested the Moly Mines model with three holes designed to intersect the newly interpreted lode position and the results to hand not only confirm the model, but indicate that at these depths the lode system remains virtually untested



Cortona drill rig.

along strike to the east.

The drilling has also successfully confirmed the geological and high-grade gold continuity for more than 100m up dip of previous drilling on the current section highlighting the potential to increase the ounces per vertical metre above 150m depth.

"The previous owners did a great job at exploring and defining the potential of this prospect and these drilling results strengthen our belief that we can move Dargues Reef on from an advanced exploration prospect to one where we can evaluate production scenarios with a rising gold price," van der Borgh said.

The six-month drill program has now moved 2km north of Dargues Reef to Exeter Farm, where the company has located some excellent soil and rock chip samples showing up to 8gpt and a number of outcropping gossans.

Surface gold and base metal anomalism has so far been identified over an area of about 1sq.km.

"We're excited about Exeter Farm because most big ore bodies are associated with a large mineralised footprint, and we certainly seem to be seeing that here," van der Borgh said.

Many of the targets have never been drill tested and Cortona has planned reverse circulation (RC) drilling to test coincident geochemistry, magnetic and induced polarisation (IP) chargeable zones at Exeter Farm.

From there the program will move to Copper Ridge, another exciting prospect that was discovered in June 2007 after the company targeted a favourable looking magnetic lineament.

"Rock chip sampling at Copper Ridge has returned up to 5.7 grams of gold to the tonne and 185 grams to the tonne of silver along a 1 kilometre strike length," van der Borgh said. "The discovery is particularly satisfying because it was the first conceptual target to be generated from a detailed helimag survey flown over the project in early 2007.

"Consequently our structural targeting model gets a tick, which bodes well given that we can see similarly orientated structures throughout the granodiorite."

The company has just completed an initial soil survey at Copper Ridge, and intends to use the results to plan a few holes of reverse circulation drilling there before returning to Dargues Reef.

"Based upon the exploration drilling results we get, we will swing the rig around one more time before the winter rains."

Van der Borgh said the silver readings at Copper Ridge, which is a quartz lode, had been a nice credit.

"Dargues Reef hosts an inferred resource of 310,000 ounces and we have already

identified numerous untested targets at drill-ready stage with considerable scope for additional resources.

"However, the really exciting part of this whole exercise is that all of the exploration to date has been confined to only a small area of the 700 square kilometres Braidwood granodiorite tenement."

The NSW tenement package comprises the Braidwood tenements plus Christmas Gift, Booths Reward, and Eugowra, each 100% owned by Cortona. The Winderera project is 51% owned with Exco Resources NL as a 49% partner.

Christmas Gift is 180km northwest of Canberra and 15km east of Cootamundra, Booths Reward is 170km northwest of Canberra and 25km southeast of Cootamundra, Nundle is 50km southeast of Tamworth, Winderera is 50km northeast of Cobar, and Eugowra is 40km southeast of Forbes.

Previous drilling at Christmas Gift has intersected economic grades including 7m at 9.7gpt gold from 55m in and around old workings which produced about 37,000oz gold at 23.5gpt.

Recent drilling at Booths Reward also returned economic results including 6m at 7gpt gold from 169m.

Van der Borgh said each of the NSW assets appeared to have exploration potential.

"Majors Creek, in particular, is viewed as the right complement to the company's North Monger project near Kalgoorlie, where resources have recently been increased and which remains on target to generate revenue in the near future," he said.

"From the outset the company will have the necessary cash, people and infrastructure to rapidly advance both projects, thereby continuing our very aggressive approach to exploration."

Cortona is particularly pleased with its acquisition of the Eugowra tenement in NSW, which covers an area of about 390sq.km.

Following the discovery of intrusion related gold (IRG) mineralisation at Dargues Reef, Moly Mines applied the geological model to other Devonian granite intrusions and found the Eugowra granites to be prospective as they had similar granite chemistry and historic granite-hosted gold mineralisation.

The Eugowra suite of granites is associated with gold, tin and copper mineralisation. Past gold production has been recorded from deep alluvial leads (46kg). The source of the gold is historically assumed to be related to quartz veining within the granites or the volcanics further south.

However, previous investigation by Ausminex NL confirmed that the granite

was mineralised and samples have returned up to 14gpt of gold associated with miarolitic and altered granite.

"It is deeper cover, but it is a very good greenfields prospect," van der Borgh said.

"Eugowra is another project where we can apply the knowledge we gain from Majors Creek to develop a long-term pipeline of opportunities."

And while Cortona is progressing an aggressive drilling program at its new NSW tenements, it is continuing work on its Western Australian gold project at North Monger.

Cortona upgraded its Wombola Dam resource late last year to 557,000t at 3gpt gold, an increase of 70%.

The 10,300oz upgraded to indicated category raised the inventory of near-surface gold resources to more than 80,000oz.

The company completed infill drilling of the Wombola Dam resource, 45km southeast of Kalgoorlie, in October.

Van der Borgh said that given the proximity to large processing plants and the current strength in the gold price, he expected the Wombola Dam gold resources to be of interest to nearby producers. **RS**

cortona resources at a glance



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Market Capitalisation

\$31.32 million (at press time)

Major Shareholders

Moly Mines 16.4%
Peter van der Borgh 3.7%
Mark Munely 2.3%