

30th October 2007**ACTIVITIES STATEMENT: SEPTEMBER QUARTER, 2007**

Cortona Resources completed another very active quarter during which Big Island Mining become a wholly owned subsidiary of the Company, the technical team was strengthened by the addition of two experienced geologists, and drilling programs commenced in both WA and NSW. **Highlights include:**

- ✦ **Finalises acquisition of Gold assets and \$10.85M Capital raising**
- ✦ **Further positive drilling results at Wombola Dam confirm potential for resource upgrade**
- ✦ **\$1.5M, six month drilling program commences at Majors Creek, NSW**
- ✦ **Copper Ridge rock chips return encouraging gold, silver and copper assays**
- ✦ **Eugowra exploration licence granted**
- ✦ **Derek Fisher appointed as Company Director**

Acquisition of Big Island Mining Ltd and Completion of Fundraising

In early July, Cortona finalised the acquisition of Big Island Mining Ltd, which owns six highly prospective gold assets in NSW. The flagship Majors Creek project hosts a 310,000 gold resource at Dargues Reef. The Company also completed a \$10.85M fund raising at \$0.32, enabling settlement of the acquisition and associated costs (\$5.2M), and payment of brokerage fees for the fundraising (~\$0.5M). The remaining funds (~\$5.15M) will be used for exploration at the Company's exciting projects.

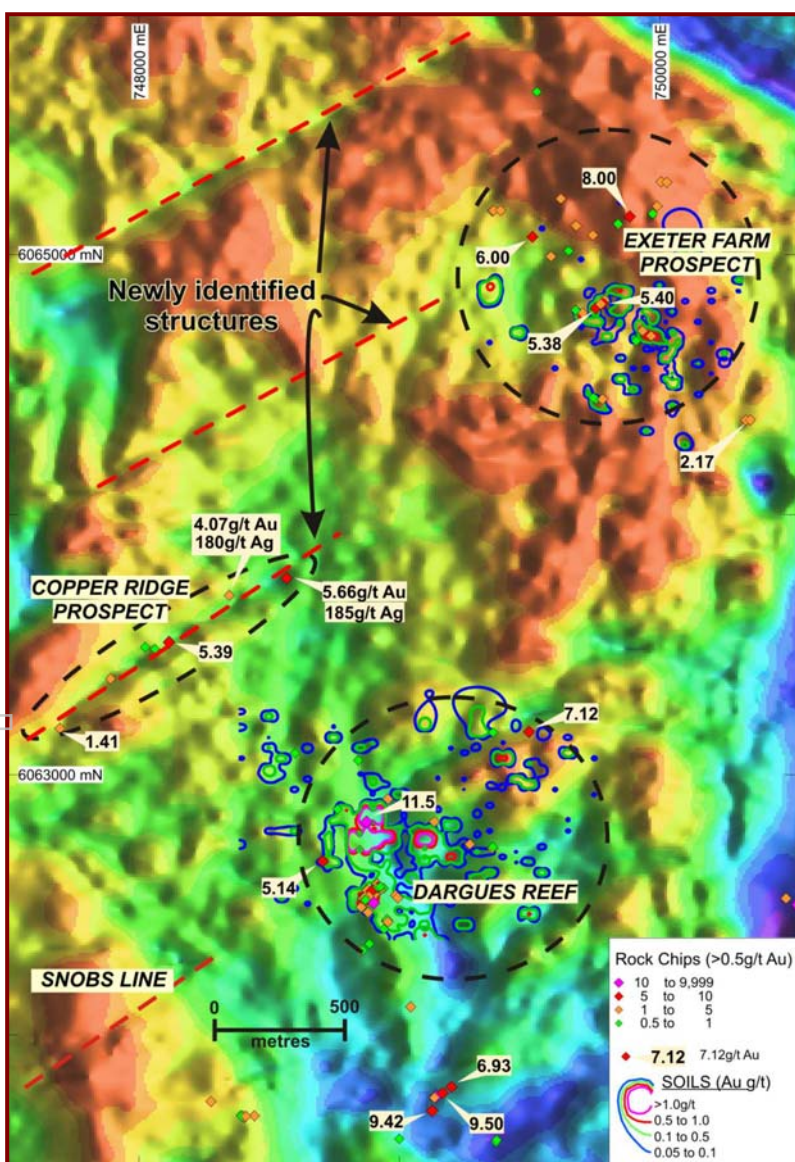
Majors Creek Rock Chips

In August, the Company announced the results of thirty-two rock chip assays from a mapping program undertaken at Majors Creek in June and July. The results confirmed a new prospect discovery, *Copper Ridge*, which returned significant gold, silver and copper results including:

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- ✪ 5.7g/t gold with 185g/t silver
- ✪ 5.4g/t gold with 16.4g/t silver
- ✪ 4.1g/t gold with 180g/t silver and 0.13% copper
- ✪ 82g/t silver with 0.53% copper

Ten samples were collected from the Copper Ridge prospect, which is delineated by intermittent outcrops of quartz +/-carbonate veining, altered and copper-stained wall rock, and numerous historic exploration pits along 1km of strike. Better results included **5.7g/t gold with 185g/t silver from outcropping quartz veining, 5.4g/t gold with 16.4g/t silver from outcropping quartz veining ~500m along strike, and 4.1g/t with 180g/t silver and 1,260ppm copper from a waste dump sample.** Magnetite-destructive alteration of the monzogranite country rock akin to that at Dargues Reef has been observed in outcrop and on mullock heaps.



Detailed airborne magnetic data flown by the Company earlier in the year indicates that mineralisation is coincident with a previously unrecognised low magnetic structure (Figure 1), which is one of several similar features highlighted by the new magnetic data set.

The results highlight *Copper Ridge* as an exciting new prospect discovery for Cortona, which is situated 1km from Dargues Reef and has never been tested by drilling.

Figure 1: Aeromagnetic image of a portion of the Majors Creek project, highlighting surface geochemistry and newly identified structures.

North Monger Drilling

In September, Cortona completed an RC drilling program at its North

Monger Project in WA. Fifty-three holes were drilled for a total advance of 3,315m at the Wombola

Dam prospect to infill gaps within and beyond the existing resource outline. The prospect has now been drilled on a 25m x 25m grid to an approximate vertical depth of 45m, and is now interpreted to be closed off to the south and east.

The highly significant results were reported in October, and included:

- ✘ **2m @ 22.4g/t gold from 9m**
- ✘ **2m @ 14.6g/t gold from 47m**
- ✘ **3m @ 10.7g/t gold from 12m**
- ✘ **5m @ 8.6g/t gold from 26m**

Thirty-eight intercepts returned assays >5 gram metres of gold within 40m of the surface, of which thirteen contain >15 gram metres of gold (Table 1).

A revised independent resource estimate for Wombola Dam has been commissioned.

At the new Carillon prospect, eight holes were completed for a total advance of 871m, initially targeting the up-dip continuation of the 3m intercept averaging 16.8g/t gold in the discovery hole drilled in June. The weathering is intense and deeper than observed elsewhere in the project area. A number of mineralised structures were intersected in the weathered horizon.

The degree of weathering within and adjacent to the veins, in conjunction with low levels of gold from the assays, led to the interpretation that these structures have been depleted of gold by the weathering process as is common in the Eastern Goldfields. In light of this, NMC022 was drilled beneath the discovery hole, and intersected two mineralised structures in fresh rock, which returned encouraging results of **4m @ 3.37g/t gold from 85m and 2m @ 4.98g/t gold from 131m.**

As a consequence of this work, the Carillon target zone is now interpreted to be deeper than previously thought and remains very sparsely explored. The Company intends to review the new data and outline a plan for further exploration work.

Dargues Reef IP Survey

An induced Polarisation (IP) program was completed over the Dargues Reef mining lease. The work incorporated a combination of gradient array, pole-dipole and down hole IP surveys designed to investigate the resistivity and chargeability responses at Dargues Reef and its surrounds, where

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historic workings highlight the potential for additional parallel lode structures. The Company is awaiting the results.

Tenements

The DPI notified Cortona that the Eugowra application in NSW has been granted. EL6880 covers an area of 500km² and encompasses the Eugowra granodiorite (Figure 2), which was targeted because of its similar age, geochemistry and structure to the Braidwood granodiorite that hosts the Majors Creek project. The Company is particularly encouraged by the presence of historic alluvial gold workings over the granodiorite.

During the quarter Cortona applied for three new prospecting licenses adjacent to the North Monger project (Figure 3).

The Nundle project was relinquished after field assessments highlighted significant challenges associated with the project's location within State Forest, and the extreme topography. In addition, historic mining targeted restricted, narrow quartz veins which were interpreted not to have significant upside potential for the Company.

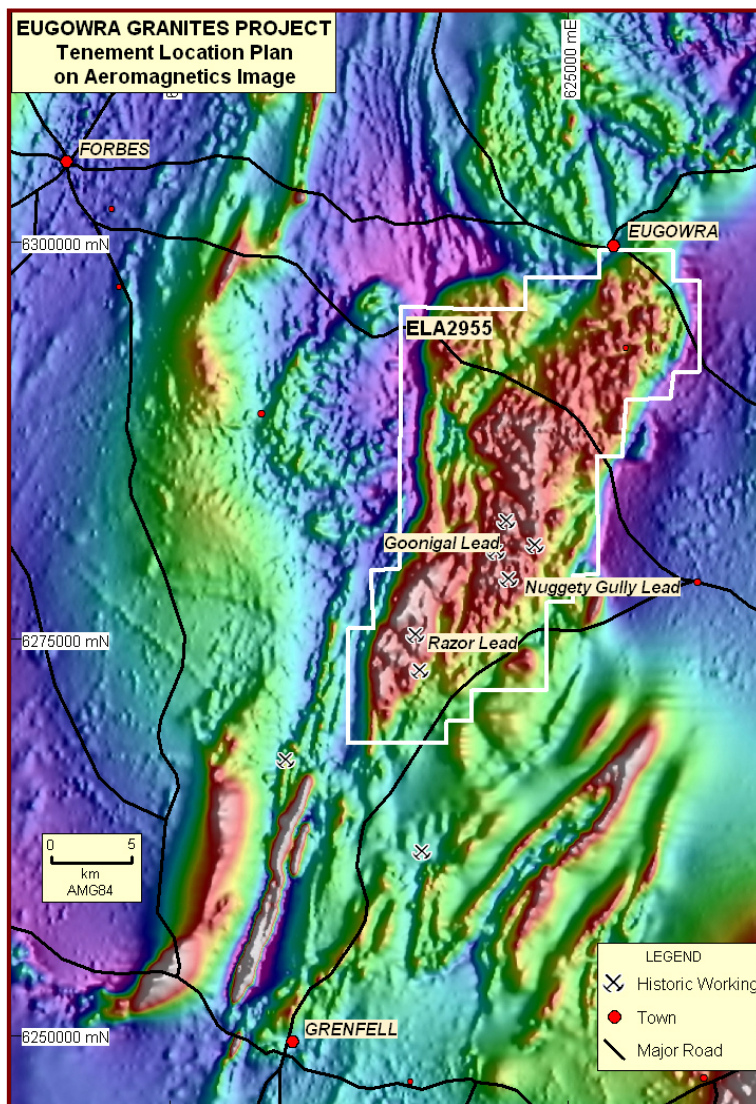


Figure 2: New tenement granted at Eugowra

Boardroom Developments

In July, Cortona welcomed Dr Derek Fisher to its Board as a Non Executive Director. Derek is the Managing Director of Moly Mines Ltd, which is currently in the advanced stages of developing the World Class Spinifex Ridge molybdenum project in the Pilbara. Derek is a highly regarded industry figure and brings a wealth of industry and corporate experience that will be valuable to the Company going forward.

Future Activities

The principal focus of the Company for the next six months will be the diamond and RC drilling at the Majors Creek project in NSW. Cortona has budgeted \$1.5M for the program, which has been

designed to both upgrade the existing Dargues Reef resource, and also test the Exeter Farm and Copper Ridge prospects. A soil sampling program will commence shortly at Copper Ridge to better define drill targets. A reconnaissance mapping and rock chipping program is due to commence shortly at Eugowra as part of preliminary investigative work.

The Company has commissioned a new resource estimate for Wombola Dam.

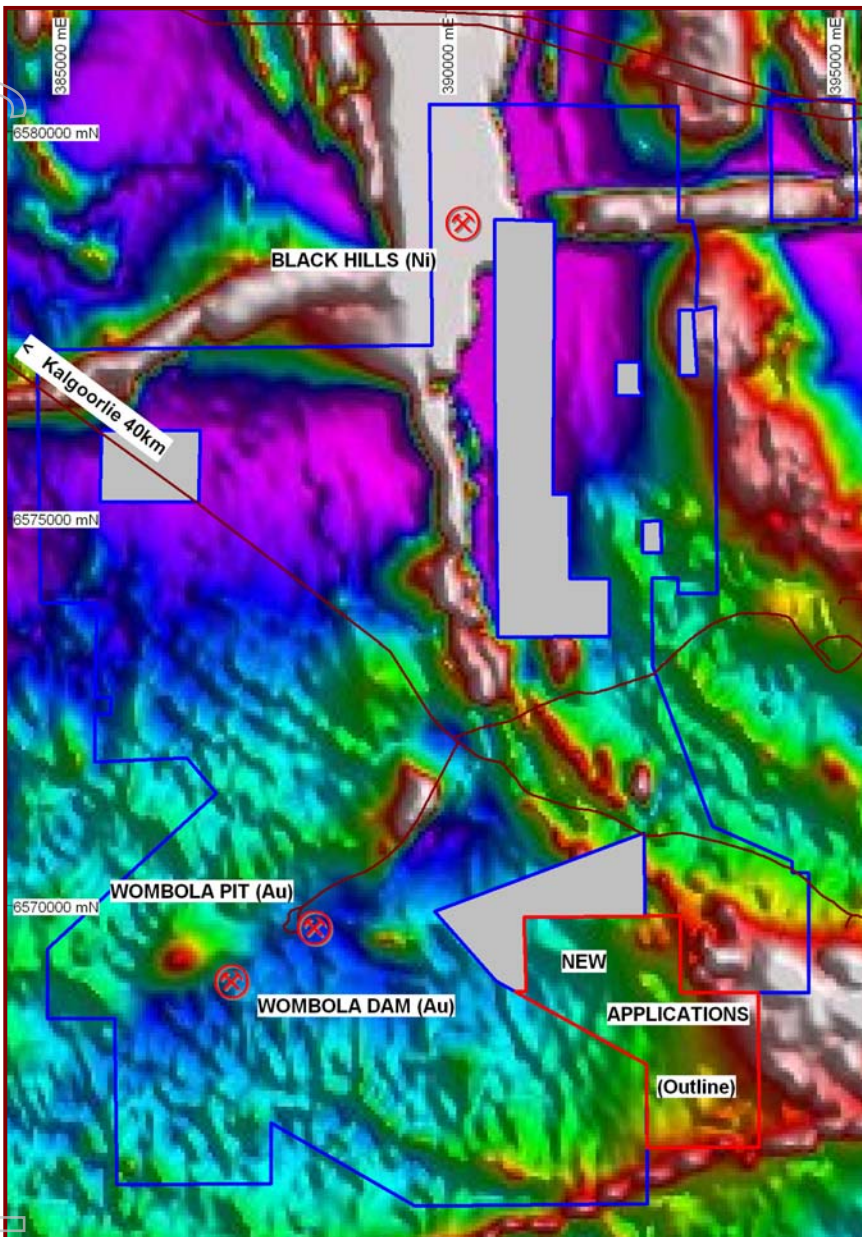


Figure 3: Aeromagnetic image of North Monger highlighting the outline of the 3 new tenement applications.

Yours Faithfully

Peter van der Borgh
Managing Director

Table 1: Better intercepts from RC drilling at Wombola Dam, September 2007

Hole ID	MGAE	MGAN	Azimuth	Dip	Depth (m)	From (m)	Interval (m)	g/t Au (Average)	Gram metres
WDC130	387564	6569501	135	-55	60	14	3	1.76	5.29
and						20	1	6.13	6.13
and						36	2	5.05	10.10
WDC131	387553	6569512	135	-55	60	12	3	10.70	32.10
and						30	1	8.13	8.13
WDC132	387661	6569431	135	-55	60	46	2	2.71	5.42
WDC134	387695	6569361	135	-55	60	16	4	5.84	23.37
and						26	5	8.60	43.00
WDC135	387678	6569375	135	-55	60	6	2	4.69	9.38
and						27	1	9.86	9.86
WDC136	387661	6569394	135	-55	60	18	2	3.11	6.21
WDC137	387611	6569448		-90	60	10	2	3.16	6.31
and						19	4	2.76	11.02
WDC140	387690	6569331		-90	60	9	2	22.42	44.83
WDC142	387768	6569325	135	-55	60	38	1	10.95	10.95
and						41	4	5.13	20.54
WDC143	387736	6569355	135	-55	60	10	2	3.10	6.20
WDC144	387720	6569369	135	-55	60	43	1	9.06	9.06
WDC145	387753	6569372	135	-55	60	4	1	9.08	9.08
WDC146	387738	6569386	135	-55	60	47	3	3.57	10.72
WDC147	387715	6569407	135	-55	70	23	3	5.24	15.73
WDC149	387589	6569497		-90	60	29	3	3.67	11.02
WDC152	387801	6569538	135	-55	60	21	2	2.73	5.46
WDC157	387732	6569536	135	-55	60	43	2	2.74	5.48
WDC161	387588	6569327	135	-55	60	11	5	1.91	9.54
WDC162	387545	6569359	135	-55	60	22	2	4.08	8.17
WDC163	387715	6569270	135	-55	60	29	3	1.92	5.77
WDC165	387678	6569308	135	-55	60	17	5	1.61	8.05
and			135	-55		44	1	15.40	15.40
WDC168	387752	6569307	135	-55	60	47	2	14.58	29.15
WDC169	387752	6569307	135	-55	60	21	4	5.87	23.48
and			135	-55		39	2	4.98	9.95
WDC171	387752	6569307	135	-55	60	22	1	5.62	5.62
WDC172	387752	6569307	135	-55	60	3	2	3.03	6.05
and						14	1	18.20	18.20
WDC174	387785	6569412	135	-55	60	6	2	12.18	24.36
WDC177	387786	6569378	135	-55	60	0	2	8.09	16.17
WDC182	387768	6569357	135	-55	60	47	2	8.19	16.38

NB: Only results >5.0 gram metres gold are shown. All results are 1m samples analysed by Fire Assay. Intersections in red are >15.0 gram metres gold.

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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")

30 September 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(545)	(545)
(b) development	-	-
(c) production	-	-
(d) administration	(208)	(208)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	82	82
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(674)	(674)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) tenements	-	-
(b) equity investments	-	-
(c) other fixed assets	(9)	(9)
1.9 Proceeds from sale of:		
(a) tenements	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Payment of subsidiary net of cash acquired	(5,000)	(5,000)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(5,009)	(5,009)
1.13 Total operating and investing cash flows (carried forward)	(5,683)	(5,683)

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(5,683)	(5,683)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	4,311	4,311
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	(513)	(513)
	Net financing cash flows	3,798	3,798
	Net increase (decrease) in cash held	(1,885)	(1,885)
1.20	Cash at beginning of quarter/year to date	8,029	8,029
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6,144	6,144

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	92
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, and fees of approximately \$15,250 paid to Mining Corporate Pty Ltd for ongoing accounting and company secretarial services. George Lazarou was a director of Mining Corporate Pty Ltd during the period.

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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On 5 July 2007, Cortona Resources Limited acquired all the issued shares in Big Island Mining Limited, a wholly owned subsidiary of Moly Mines Limited. The consideration paid was \$5 million in cash, 12 million ordinary shares, 8 million options exercisable 2 years from date of issue at 35 cents, and 8 million options exercisable 5 years from date of issue at 50 cents, which only vest upon securing a 1,000,000 ounce of indicated/measured JORC compliant gold resource that the Company/BIM delineate.

During the quarter the following options were issued:-

- 2,500,000 options issued to directors exercisable at 50 cents on or before 30 June 2010.
- 1,000,000 options issued to advisers exercisable at 45 cents on or before 30 June 2010.
- 75,000 options issued under the Employee Share Incentive Scheme exercisable at 41 cents on or before 18 June 2010.
- 75,000 options issued under the Employee Share Incentive Scheme exercisable at 41 cents on or before 18 June 2011.
- 100,000 options issued under the Employee Share Incentive Scheme exercisable at 50 cents on or before 18 June 2009.
- 100,000 options issued under the Employee Share Incentive Scheme exercisable at 50 cents on or before 30 June 2011.
- 100,000 options issued under the Employee Share Incentive Scheme exercisable at 50 cents on or before 30 June 2010.
- 150,000 options issued under the Employee Share Incentive Scheme exercisable at 41 cents on or before 30 June 2011.

- 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

Refer 2.1 above

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	750
4.2 Development	-
Total	750

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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	84	6,637
5.2	Deposits at call	6,060	1,392
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		6,144	8,029

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			
6.2	Interests in mining tenements acquired or increased			
	Big Island Mining Tenements			
	Acquired			
	EL6880	Granted	0%	100%
	EL6003	Granted	0%	100%
	EL6462	Granted	0%	100%
	EL6548	Granted	0%	100%
	ML103	Granted	0%	100%
	EL6012	Granted	0%	100%
	EL6445	Granted	0%	100%
	EL6010	Granted	0%	100%
	EL6004	Granted	0%	100%
	EL6118	Granted	0%	100%
	EL6161	Granted	0%	100%
	North Monger Tenements - Acquired			
	P26/3405	Granted	0%	90%
	P26/3406	Granted	0%	90%
	P26/3412	Granted	0%	90%
	P26/3413	Granted	0%	90%
	P26/3414	Granted	0%	90%

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Appendix 5B
Mining exploration entity quarterly report

			<i>Exercise price</i>	<i>Expiry date</i>	
7.7	Options <i>(description and conversion factor)</i>	14,849,484	14,849,484	20 cents	31 March 2008
		3,000,000	-	30 cents	31 January 2008
		1,000,000	-	40 cents	31 December 2008
		75,000	-	25 cents	21 May 2009
		75,000	-	25 cents	21 May 2010
		100,000	-	30 cents	20 October 2008
		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
		100,000	-	50 cents	30 June 2010
		150,000	-	41 cents	30 June 2011
7.8	Issued during quarter	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
		100,000	-	50 cents	30 June 2010
		150,000	-	41 cents	30 June 2011
7.9	Exercised during quarter	10,010	10,010	20 cents	20 cents
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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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: 30 October 2007

Print name: Suzie Foreman

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.

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