

30<sup>th</sup> July 2009

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### ACTIVITIES STATEMENT, JUNE QUARTER 2009

Australian gold company Cortona Resources Limited (ASX: CRC) expanded activities at its 100%-owned Majors Creek Gold Project in NSW during the Quarter. Resource and exploration drilling continue with two drill rigs on site.

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### HIGHLIGHTS

- **Significant Gold intercepts at Dargues Reef, including:**
  - **20m @ 6.0g/t (DREX135; Plums Lode)**
  - **6m @ 4.9g/t (REX 136; Hanginwall Lode)**
  - **6m @ 4.0g/t (DREX153; Main Lode) and,**
  - **4m @ 9.4g/t and,**
  - **1m @ 13.5g/t**
- **Discovery of new gold mineralisation 100m SW of Dargues:**
  - **4m @ 28.0g/t (DREX140)**
- **Positive drill results from Tulloch validate IP exploration technique**
- **~5,000m of RC drilling during the quarter**
- **Two drill rigs continuing at Dargues and near mine targets**

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Australian gold company Cortona Resources (ASX: CRC) expanded its activities at its Majors Creek Project where the Company is aiming to expand the current Indicated and Inferred resource of **1.44Mt @ 6.2g/t for 286,000 ounces of gold at Dargues Reef**. Resource and mine area drilling are continuing, and a second rig has commenced drilling on a range of geochemical, geophysical and conceptual targets within the 'shadow of the headframe'. The regional soil sampling program continues.

Cortona completed a successful Capital Raising in April, placing 10.6 million shares at \$0.17 to raise A\$1.7 million after costs, which is being used to fund the current drilling programs.

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## DARGUES REEF MINE AREA, MAJORS CREEK (CRC 100%)

Twenty five RC holes were drilled for an advance of 3,982m, both along the Dargues Reef line of lodes, and on adjacent targets considered to be within reach of a future mining development at Dargues. Much of the current drilling at Dargues is designed to complete evaluation of the resource in preparation for a feasibility study on a mining operation.

Reverse circulation (RC) drill holes were drilled into the upper portion of Main lode, in and around the old workings, much of which falls outside of the current resource. Achieving precise drill position in this area is challenging on account of historical ground disturbance. Hole DREX153 intercepted several mineralised lodes, including **6m @ 4.0g/t gold from 60m, 4m @ 9.4g/t gold from 103m and 1m @ 13.5g/t gold from 110m.**

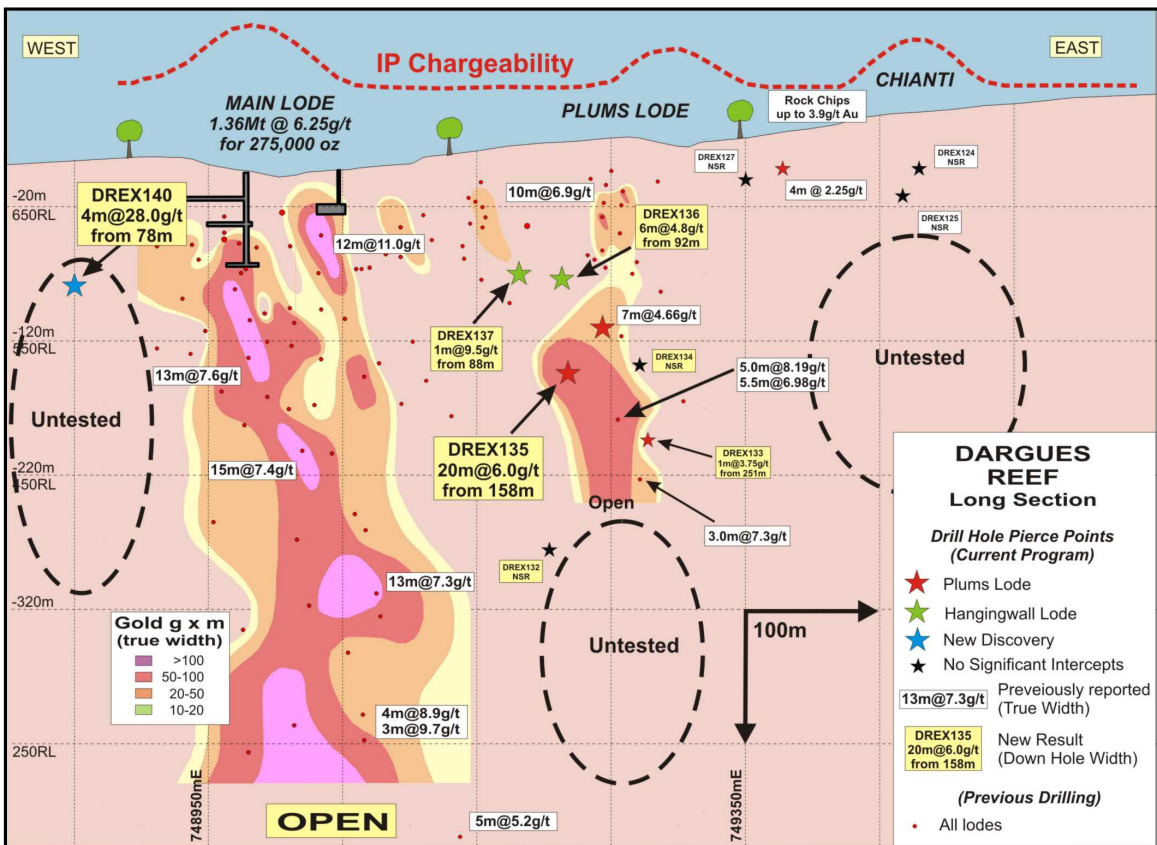


Figure 1: Long Section through Dargues Reef showing true-width gram metre contours, highlighting the intercepts in recent drilling at Plums Lode. NB: DREX140 has been projected ~100m north onto this section.

Results received at **Plums Lode** include a highly significant intercept of **20m @ 6.0g/t gold from 158m** (DREX135), which has extended the strike length of the lode. Drilling now appears to have closed off Plums Lode both east and west in the upper 200m. The current interpretation for Plums is that it is a sub vertical, pipe-like ore shoot, 40m to 50m in length and ~7m wide, extending from ~20m below surface to ~250m where it remains open at depth.

Intercepts have returned average gold grades in the range 4.7g/t to 8.1g/t, and it is anticipated that the overall grade at Plums will be similar to that at Main Lode (6.25g/t).

Cortona also reported two significant intercepts in the hangingwall at Plums (**6m @ 4.9g/t from 92m in DREX136, and 1m @ 9.47g/t from 85m in DREX137**). These results correlate well with adjacent hangingwall intercepts, and indicate greater continuity of the Hangingwall Lode at Plums than is seen in Main Lode.

Approximately 80m east of Plums Lode, a well developed zone of pyrite mineralisation was discovered in the same structural position as Main and Plums lodes but did not contain significant gold values. A deep hole (250m) into the Chianti IP anomaly 150m further east is currently underway.

Several holes have been drilled to test geophysical and conceptual targets considered to be within reach of a future mine development at Dargues. Targets include Thompsons and Thompsons South (Glencoe) to the south of Dargues, and structural targets west of Dargues. The best result to date was from hole DREX140, which intercepted a new mineralised structure that returned assays averaging **4m @ 28.0g/t** from 78m down hole. A follow-up hole above this intercept, and another to the west, did not intercept mineralisation. This prospect remains at an early stage of exploration.

Drilling into the Thompsons IP anomalies intercepted several zones of pyrite mineralisation, but gold grades have thus far been of a low tenure. These prospects require further drill evaluation.

## **REGIONAL EXPLORATION (CRC 100%)**

A second drilling rig is now on site at Majors Creek, and will test a range of geophysical, geochemical and conceptual targets within close proximity (<2km) of Dargues Reef.

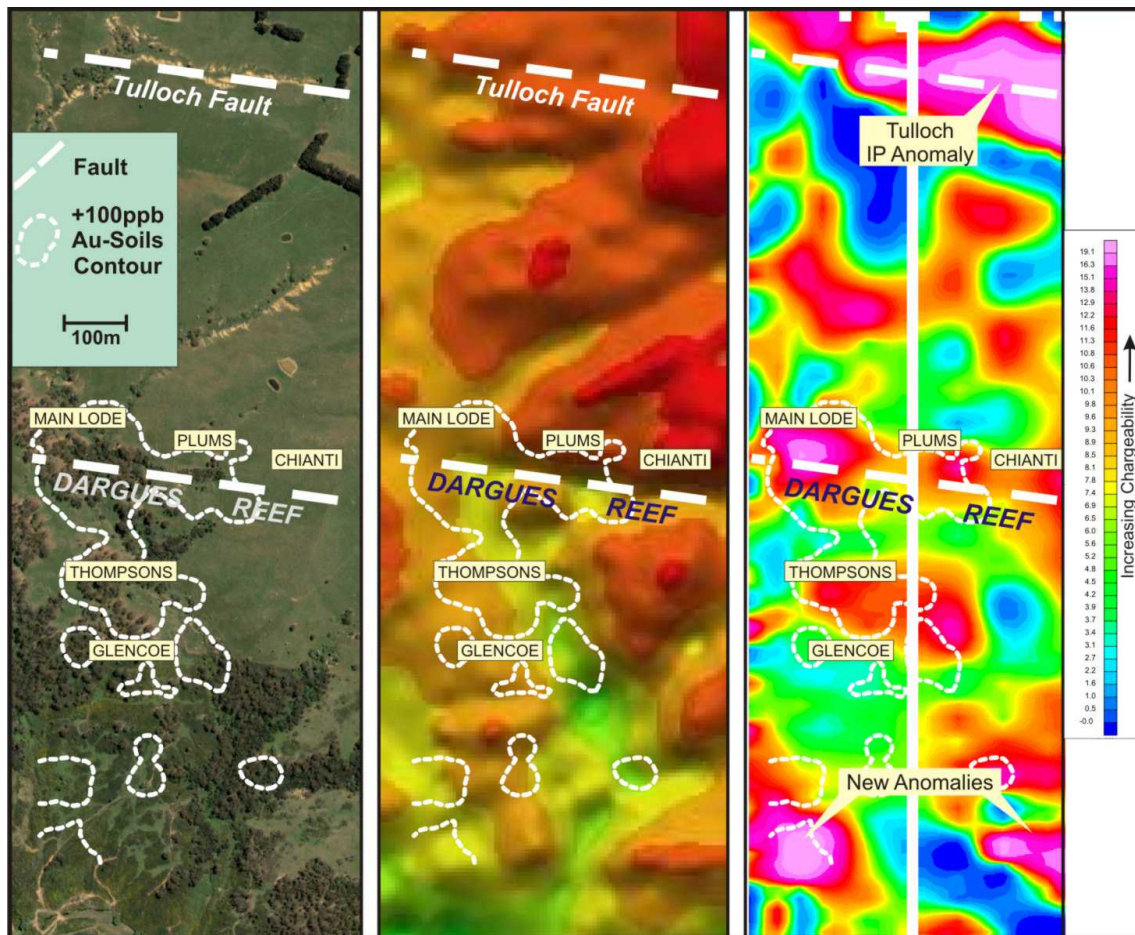
A first pass drilling program at the *Tulloch* and *Hughen* prospects has been completed

### **Tulloch and Hughen Prospects**

The Tulloch Fault is located ~800m north of Dargues Reef and strikes sub parallel to the Dargues structure. The fault is coincident with a large IP dipole-dipole chargeability anomaly (Figure 2). There has been no prior drilling at the prospect.

The Huguen structure (figure 3) is ~450m north of Dargues, and represents a structural position associated with anomalous soils and rock chip geochemistry.

The recently identified *Tulloch* prospect provides an opportunity for Cortona to assess an isolated IP target away from known mineralisation. This is particularly important because IP could prove to be a cost effective first pass exploration tool for targeting sulphide hosted gold mineralisation akin to that known to occur at Dargues Reef.



**Figure 2: Three maps of the area around Dargues Reef; an air photo (left) aeromagnetics (middle) and IP chargeability (right). Note the substantial IP chargeable anomaly at Tulloch in the north, and other newly identified anomalies in the south.**

Eight holes for an advance of 985m have been drilled at *Tulloch*, testing a strike length of ~800m. Seven holes intercepted broad zones of alteration and pyrite mineralisation with anomalous gold values (e.g. 2m @ 0.8g/t, 3m @ 0.4g/t, 8m @ 0.13g/t). The results provide a clear indication that the fault zone was a structural pathway for gold bearing fluids, and appear to explain the IP response. The challenge remains to identify favourable structural sites along the anomaly where increased levels of gold deposition may have occurred.

Cortona has drilled three holes along the *Hughen* Fault, where anomalous soils and rock chips were previously discovered. *Hughen* is coincident with a subtle IP anomaly.

As at *Tulloch*, broad zones of alteration and pyrite mineralisation were observed, with assays returning anomalous gold values (eg 1m @ 1.25g/t, 6m @ 0.4g/t, and 5m @ 0.4g/t). One hole at *Hughen* intercepted 3m @ 0.3g/t gold, 32.8g/t silver, 0.6% lead and 0.7% zinc. High levels of these elements are not typical along *Dargues Reef*, confirming the complexity of the mineralised system, which is a common feature amongst many World Class gold provinces.

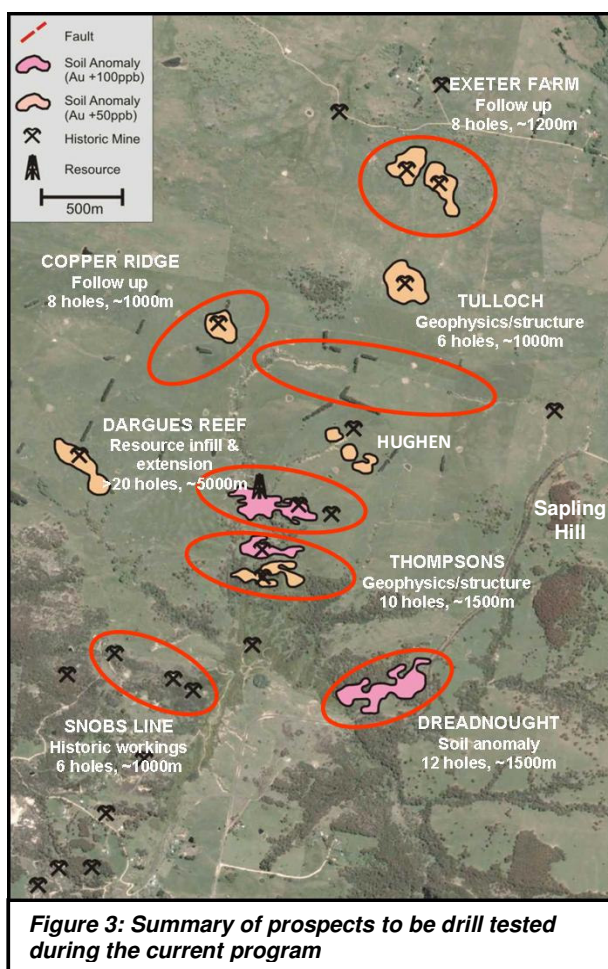
The drilling results at *Tulloch* and *Hughen* are very encouraging, confirming the exploration model, the geophysical technique, and the presence of gold mineralisation along previously unrecognised structures.

### Dreadnought Prospect

*Dreadnought* (figure 3) is a high level gold-in-soils anomaly discovered by Cortona earlier this year (Figure 3). There has been no previous exploration or mining at the prospect, which lies under a thin layer of soil cover in an area of very sparse outcrop. The +100ppb gold-in-soils contour is equivalent in size and tenor to that at *Dargues Reef*, measuring greater than 500m in strike length and containing eight samples >500ppb gold. A first pass program comprising 1,500m of RC drilling is underway.

### Snobs Line

Three historic underground gold mines, located ~1.5km southwest of *Dargues Reef*, is known as *Snobs line* (figure 3), where over 10,000oz of gold were produced at grades ranging from 7.0g/t to 120.0g/t between 1870 and 1910. Historic reports indicate that each mine was in *Dargues* style mineralisation when mining ceased. This line of workings extends for 500m and has never previously been drill tested.



The prospect represents a very exciting opportunity for Cortona to add resource ounces to the Majors Creek gold inventory.

### **Exeter Farm Prospect**

*Exeter Farm* (figure 3) is a geochemical and geophysical prospect ~2km north of Dargues Reef. Cortona's first round of drilling intersected **19m @ 5.6g/t** gold from 47m down hole at the *Tory Boy* prospect. Broad zones of lower level gold were also encountered at *Archer*. The nature of mineralisation is very similar to that observed at Dargues Reef. Cortona plans to drill along strike and beneath these earlier successes.

### **Copper Ridge**

Wide-spaced drilling at *Copper Ridge* last year intersected broad zones of pyrite mineralisation with anomalous gold values that did not explain the high gold values in rock chips and a number of high gold-in-soils values. Further advances in understanding the controls on mineralisation at Dargues have enabled Cortona to focus the drilling on structural intersections at the northern end of the prospect.

### **Regional Soils and Rock Chip Programs**

Soil sampling surveys were completed 2km east of Dargues, between *Sapling Hill* (figure 3) and *Savage Trig* (199 samples) and south of *Sapling Hill* (120 samples), to complete coverage between *Sapling Hill* and the *Elrington Mine*.

The results from the initial *Elrington* and *Sapling Hill* soil sampling programs were received, with several samples reporting >100ppb Au.

Following the results of the *Sapling Hill* and *Elrington* soil surveys, a sampling program was designed and completed to cover the area between the two previous surveys. The *Sapling Hill South* survey is due east of the *Dreadnought* gold-in-soil anomaly. Results show an extension of the *Dreadnought* soil anomaly further eastwards, with numerous samples returning >100ppb Au.

Nine rock samples collected during the *Sapling Hill* and *Savage Trig* soil programmes were submitted for Assay. Two samples from the *Sapling Hill* Shaft mullock returned 0.42g/t and 0.23g/t Au. Other samples returned elevated As, Co, Mo, and Pb.

## Rehabilitation and Land Improvements

The company maintains a continuous rehabilitation program of its drilling activities at Majors Creek in line with best practice.

## Community Relations

During the quarter the Company handed over the restored Gold Escort carriage to the



Braidwood Historical Society Museum, where it forms the centrepiece of the 'Gold Rush Exhibit'. The donation of the carriage is in line with the Company's policy of 'Reviving the Golden Heritage' of the district.

The carriage was constructed in New York, circa 1859, and was acquired and fully restored by Cortona over the past twelve months. Restoration work has managed to

retain much of the original timber and all the original ironwork. Paintwork is to original livery, and the trim is in blue leather to a period design.

The Braidwood Gold Escort carriage is an important artefact of local history. It frequently ventured on perilous journeys during the 1860s and 1870s, transporting miner's gold from the Araluen Goldfield, through Majors Creek and on to Goulburn. Fitted with a gold-safe and cash



box, it was usually accompanied by three armed troopers on the carriage and an additional four mounted troopers.

In March 1865 it was held up by the infamous Ben Hall and the Clarke Gang near the top of the escarpment at Majors Creek (Clarks Lookout). A vicious gun fight ensued, during which one of the Troopers, Constable Kelly, was shot and injured. The Gold Escort

entourage managed to hold off the gang until help arrived from the valley below, and continued its journey to Braidwood with its cargo of 3,000 oz of gold intact.

## **EUGOWRA (EL6880, CRC 100%)**

Cortona continues to review the new aeromagnetic and radiometric dataset.

## **NORTH MONGER (CRC 90%)**

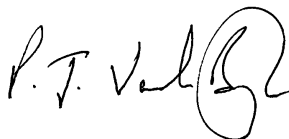
Cortona undertook a comprehensive rehabilitation program at Wombola, rehabilitating one hundred drill sites and disposing of ~7,000 sample bags in line with best practice.

## **LOOKING AHEAD**

Cortona is entering an exciting phase at Majors Creek. The resource drilling and scoping studies at Dargues Reef indicate that a feasibility study is just around the corner and a range of near mine targets are in the process of being drill tested, many of them for the first time.

Cortona looks forward to updating shareholders and the broader market on the results of these activities as and when they come to hand.

Yours Faithfully



**Peter van der Borgh**  
**Managing Director**

### **About Cortona Resources Limited (ASX: CRC)**

*Cortona is an emerging Australian gold company focused on the exploration and development of the Dargues Reef Gold deposit (1.44Mt @ 6.2g/t for 286,000oz), part of its 100%-owned Majors Creek Project, located 60km east of Canberra in New South Wales.*

*Majors Creek was the largest historic goldfield in NSW, with recorded production of 1.25 million ounces. The Dargues Reef underground mine was operated between 1870-91 and 1914-16 to a maximum depth of 70 metres.*

*Cortona is an energetic explorer, with aggressive exploration programs and strategies to underpin a long-term gold mining business.*



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[admin@cortonaresources.com.au](mailto:admin@cortonaresources.com.au)

**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 Australasian 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.

**Table 1: Collar details of completed RC Drill holes for the June Quarter**

Hole ID	MGA East	MGA North	Dip	Azimuth	Depth (m)	Target/Prospect
DREX133	749263	6063073	-57	175	300	Plums
DREX134	749261	6063073	-51	177	240	Plums
DREX135	749226	6062886	-65	360	192	Plums
DREX136	749226	6062886	-62	347	162	Plums
DREX137	749222	6062886	-55	330	126	Plums
DREX138	749375	6062943	-66	152	126	Chianti
DREX139	749349	6062955	-66	190	132	Chianti
DREX140	748902	6062827	-60	360	354	Dargues
DREX141	749317	6063000	-56	194	200	Plums
DREX142	749339	6063048	-50	197	264	Plums
DREX143	749339	6063048	-50	197	300	Plums
DREX144	748896	6063051	-60	346	120	Diorite Tongue
DREX145	749000	6062605	-60	006	160	Thompsons
DREX146	749000	6062600	-55	170	96	Thompsons
DREX147	748928	6062676	-60	193	188	Thompsons
DREX148	748934	6062970	-50	012	80	Dargues
DREX149	748920	6062977	-65	180	108	Dargues
DREX150	748920	6062977	-70	180	108	Dargues
DREX153	748954	6062935	-59	014	156	Dargues
DREX154	748905	6062841	-55	360	80	Dargues
DREX155	748860	6062900	-60	180	76	Dargues
DREX157	749060	6063010	-51	188	48	Dargues
DREX158	749066	6063024.	-56	197	120	Dargues
DREX161	748912	6062895	-60	360	126	Dargues
MCRC001	749412	6063771	-55	360	120	Tulloch IP
MCRC002	749312	6063750	-55	360	140	Tulloch IP
MCRC003	749512	6063860	-50	180	150	Tulloch IP
MCRC004	749612	6063825	-50	180	114	Tulloch IP

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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 June 2009

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(403)	(2,407)
(b) development	-	-
(c) production	-	-
(d) administration	(286)	(1,105)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10	154
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Refund of tenement bonds	-	20
<b>Net Operating Cash Flows</b>	<b>(680)</b>	<b>(3,339)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) tenements	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(8)
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	(2)	(22)
<b>Net investing cash flows</b>	<b>(2)</b>	<b>(30)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(682)</b>	<b>(3,369)</b>

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**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(682)	(3,369)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	1,800	1,800
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	(90)	(90)
	<b>Net financing cash flows</b>	1,710	1,710
	<b>Net increase (decrease) in cash held</b>	1,028	(1,659)
1.20	Cash at beginning of quarter/year to date	1,866	4,553
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	2,894	2,894

**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	95
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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**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	1,500
4.2 Development	-
<b>Total</b>	<b>1,500</b>

**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	193	362
5.2 Deposits at call	2,701	1,504
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,894</b>	<b>1,866</b>

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**Appendix 5B**  
**Mining exploration entity quarterly report**

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**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	Nil		
6.2	Interests in mining tenements acquired or increased	P26/3682 P26/3683	0% 0%	100% 100%

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**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 <b>Preference + securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	101,357,057	101,357,057		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	10,586,000	10,586,000		Fully Paid
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	50,000 2,500,000 8,000,000 8,000,000 1,000,000 75,000 75,000 100,000 50,000 100,000	- - - - - - - - - -	<i>Exercise price</i> 25 cents 50 cents 35 cents 50 cents 45 cents 41 cents 41 cents 50 cents 52 cents 60 cents	<i>Expiry date</i> 27 March 2010 30 June 2010 5 July 2009 5 July 2012 30 June 2010 18 June 2010 18 June 2011 30 June 2011 30 November 2010 30 November 2011
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired / cancelled during quarter	75,000 100,000	- -	25 cents 50 cents	21 May 2009 18 June 2009
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

**Compliance statement**

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**Appendix 5B**  
**Mining exploration entity quarterly report**

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- 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: .....Date: 30 July 2009  
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.

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