

ASX Announcement

5th October 2010



New Shallow Gold Mineralised Structures Discovered at Dargues Reef

HIGHLIGHTS

- At least five gold mineralised structures discovered close to surface in recent step-out drilling at Dargues Reef
- Best result to date of 0.5m @ 77.0g/t gold which appears to correlate with earlier high-grade hits
- Broad, mineralised gold lode intercepted ~100m beneath current gold resource
- Drilling at Dargues Reef now to focus on defining gold resources at the new shallow discoveries, targeting an increase in annual gold production early in the project's life
- Current hole discovers new zone of strong alteration and associated mineralisation ~150m north of Plums Lode target, results pending
- Dargues Reef Environmental Assessment passes through 'Adequacy Review' by NSW Government
- Dargues Reef DFS on track for November 2010

Cortona Resources Limited ("Cortona" "the Company") is pleased to provide an update on progress at its 100%-owned Dargues Reef Gold Project in NSW, where the Company is nearing completion of its Definitive Feasibility Study ("DFS") on the production of +50,000 ounces of gold per annum, over a minimum initial mine life of 5 years.

The mine design and production schedule at Dargues Reef are complete and financial modelling is underway. A high percentage of the

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ASX CODE: CRC, CRCO

Corporate Information
(31 August 2010)

Shareholders	~2,000
Shares on Issue	170M
Options (CRCO)	35M
Options (Unlisted)	11M

PROJECTS

Majors Creek (NSW)
Eugowra (NSW)
Christmas Gift (NSW)
Booths Reward (NSW)

CRC is a trade name of
CORTONA
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resource is being converted into reserves and a maiden Reserve and an upgraded Resource are due to be published with the DFS in November 2010.

Capital costs for the processing plant and other aspects of the development have been received and these, along with mining and operating costs, are being entered into the DFS financial model as they become available.

The Environmental Assessment for the Project has passed through the Adequacy Phase of the NSW Section 3A Planning Process, and is now on public exhibition. The DFS for Dargues Reef remains on track for completion in November 2010, permitting for late 2010, and construction and production in 2011.

Recent drilling by Cortona has discovered additional gold mineralised structures close to surface and within several hundred metres north and south of Main Lode (figure 1). At least five additional structures have been discovered, with intercepts including **0.5m @ 77.0g/t**, which appears to correlate with an earlier result of **1m @ 103.0g/t**. Other structures returned highly encouraging grades including **4m @ 3.2g/t**, **3.4m @ 4.2g/t** and **3.8m @ 2.5g/t**. The intercepts are mostly within 200m of the surface and present excellent targets with the potential to increase the current estimated gold production rate of +50,000 ounces per annum in the project's early years.

The hole currently being drilled is targeting ~100m beneath the resource envelope at Plums Lode. This hole has intersected a broad zone of strong alteration with lode development approximately 150m north of Plums Lode, and may represent yet another discovery. Samples will be submitted to the lab as soon as is practicable. An RC rid is due on site this week to accelerate the shallow drilling program.

In addition to the discovery of new gold mineralised structures close to surface at Dargues Reef, broad mineralisation (**11.5m @ 1.6g/t**) has been intercepted ~100m below the current resource, indicating that the lode continues to greater depths than previously defined. However technical issues while drilling these deep holes have hampered progress and drilling accuracy, resulting in several holes deviating from their targets.

In light of the excellent near-surface discoveries from recent drilling, and their potential to provide an early increase in annual production, Cortona will now shift the current drilling focus to the shallow targets in the mine area and to follow-up recent near mine exploration results as a priority.

Drilling depth extensions at Dargues Reef will be undertaken from underground once the decline has been sunk and mining is underway.

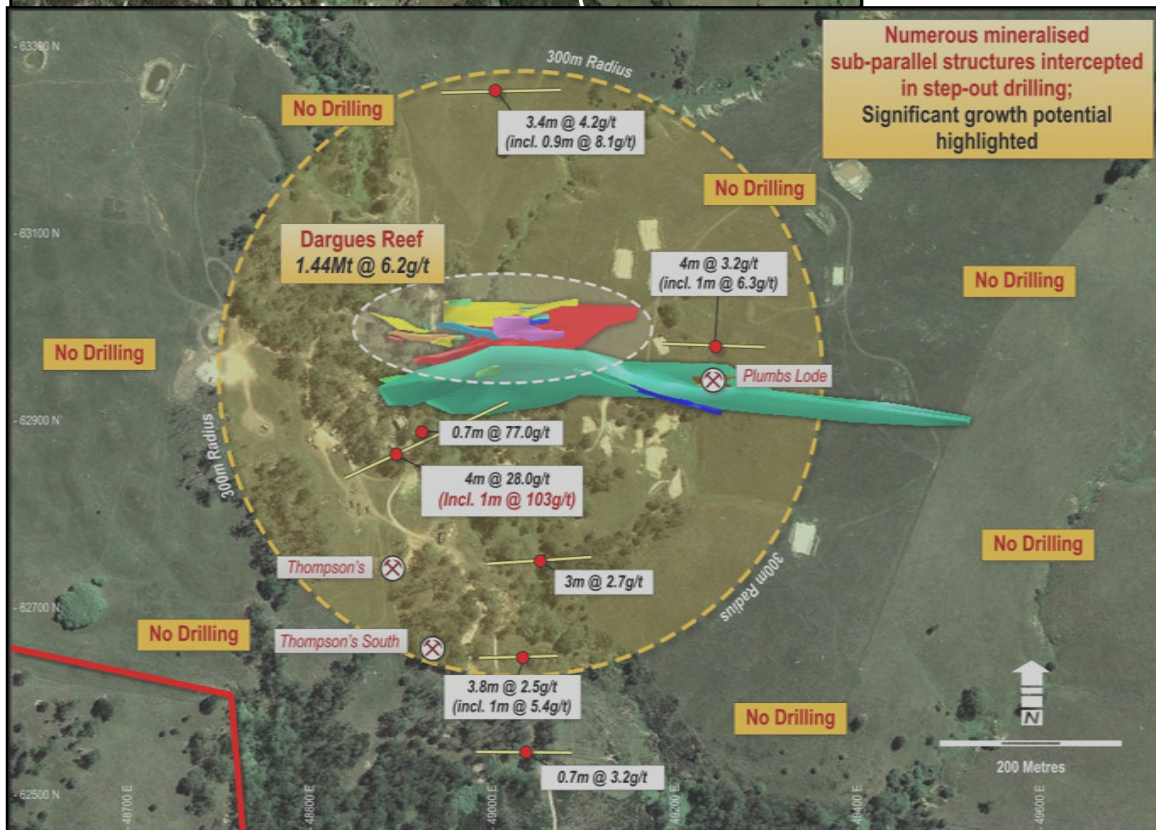
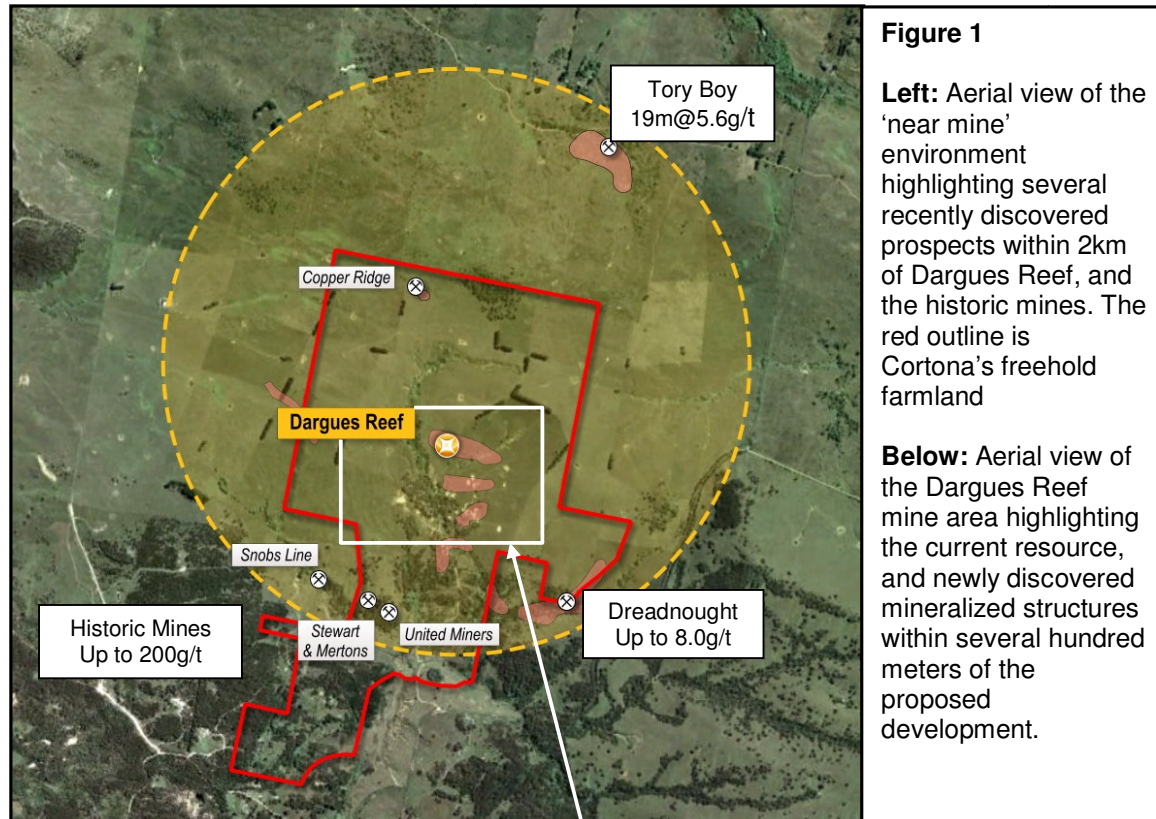
Following resource and exploration drilling at Dargues Reef, the drilling rigs are expected to be relocated to follow up some of the exciting regional exploration targets within Cortona's Majors Creek Gold Project.

Peter van der Borgh, Cortona's Managing Director said: *"We are delighted by the progress that is being made with the DFS at our 100%-owned Dargues Reef Project, which remains on track for completion in November 2010. The discovery of multiple near-surface gold lodes at Dargues Reef demonstrates the great upside that remains to be uncovered within reach of the current development proposal, and we look forward to further positive results as we accelerate the process of following-up these new discoveries and other prospects further afield."*

-ENDS-



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ABOUT CORTONA

Cortona is an emerging Australian gold company which is focussed the exploration and development its 100%-owned Majors Creek Project, located 60km east of Canberra in New South Wales, where it is currently undertaking a Definitive Feasibility Study (DFS) on the Dargues Reef Gold deposit - 1.44Mt @ 6.2g/t gold for 286,000oz (comprising 175,200oz inferred and 110,800oz indicated categories).

Majors Creek was the largest historic alluvial goldfield in NSW producing more than 1.25 million ounces. The Dargues Reef deposit is expected to be the Company's first operating mine following positive scoping study results indicating average annual production of 45,000 ounces over an initial mine life of 5 years. A resource upgrade is currently being undertaken which will feed into the Definitive Feasibility Study which is on track to be completed on time and on budget in November 2010. The target for the DFS is to increase the mine life, and mine production rate at Dargues Reef and to allow a decision to mine which would result in first gold production by Q4 CY 2011.

Cortona's multi-pronged plan is to progress the Dargues Reef DFS in conjunction with aggressive near- mine and regional exploration programs to underpin a long-term gold production business.

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 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.*