



Company Announcement: 25th October 2010

New Shallow High Grade Gold Discovery at Dargues Reef

HIGHLIGHTS

- **New shallow zone of high grade gold mineralisation discovered in drilling ~150m north of Dargues Reef:**
12.6m @ 9.9g/t gold ~80m below surface
- **Further mineralisation observed in five follow-up holes along ~90m of strike length, results pending**
- **Potential to add ounces per vertical metre, near term production and mine life at Dargues Reef**
- **Drilling is ongoing to explore the extent of this new gold zone and a range of other shallow targets**

Cortona Resources Ltd (ASX:CRC) is delighted to report the discovery of a broad zone of high grade gold mineralisation (**12.6m @ 9.9g/t gold**) ~150m north of Dargues Reef (Figure 1). DREX216 intercepted the shallow zone from 112m down hole (~80m below surface).

Five follow-up RC holes above and to the east and west of this intercept have all intercepted varying degrees of mineralisation extending over ~90m of strike and from surface to ~80m. Results for these and further holes will be ongoing over the coming months. This announcement releases the Company from the trading halt.

The new zone is associated with a subtle soil anomaly, which bodes well for similar targets that will be drill tested in the near future as part of the shallow drilling program around Dargues Reef. The mineralisation appears to be striking ~ENE, which is in a different orientation to Main and Plums lodes. The zone remains open in all directions. The true width remains unknown at this stage.

Portions of the mineralisation are fracture controlled which is different in style from Main Lode and Plums Lode. The fractures contain chlorite-epidote-calcite-pyrite fill (matrix), with moderate bismuthinite and fine, disseminated visible gold.



COMPANY DETAILS

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ASX CODE: CRC, CRCO

Corporate Information
(15 October 2010)

| | |
|--------------------|--------|
| Shareholders | ~2,000 |
| Shares on Issue | 196M |
| 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
RESOURCES LIMITED



Cortona's Managing Director Peter van der Borgh commented "This is a great start to our next phase of near mine exploration drilling and demonstrates the significant upside at Dargues Reef. We will now move aggressively to test the extent of this new gold zone, which is well within reach of the proposed Dargues development and has the potential to add to the ounces per vertical metre, near term production and mine life. Drilling will also test other near mine shallow exploration targets that have the potential to add further discovery ounces."

"The ongoing drilling program is going to be very exciting and timely as we move towards the completion of the Dargues Reef DFS and Permitting over the next couple of months, and mine construction next year."

| Hole ID | GDAE | GDAN | Dip | Azi | From (m) | Interval (m) | Gold (g/t) |
|---------|--------|---------|-----|-----|----------|--------------|------------|
| DREX216 | 749260 | 6063142 | -64 | 178 | 112.4 | 12.6 | 9.90 |
| and | | | | | 132.2 | 2.2 | 3.87 |
| and | | | | | 136.4 | 5 | 2.14 |

Table 1: Collar and intercept details for DREX216

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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 late 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.*



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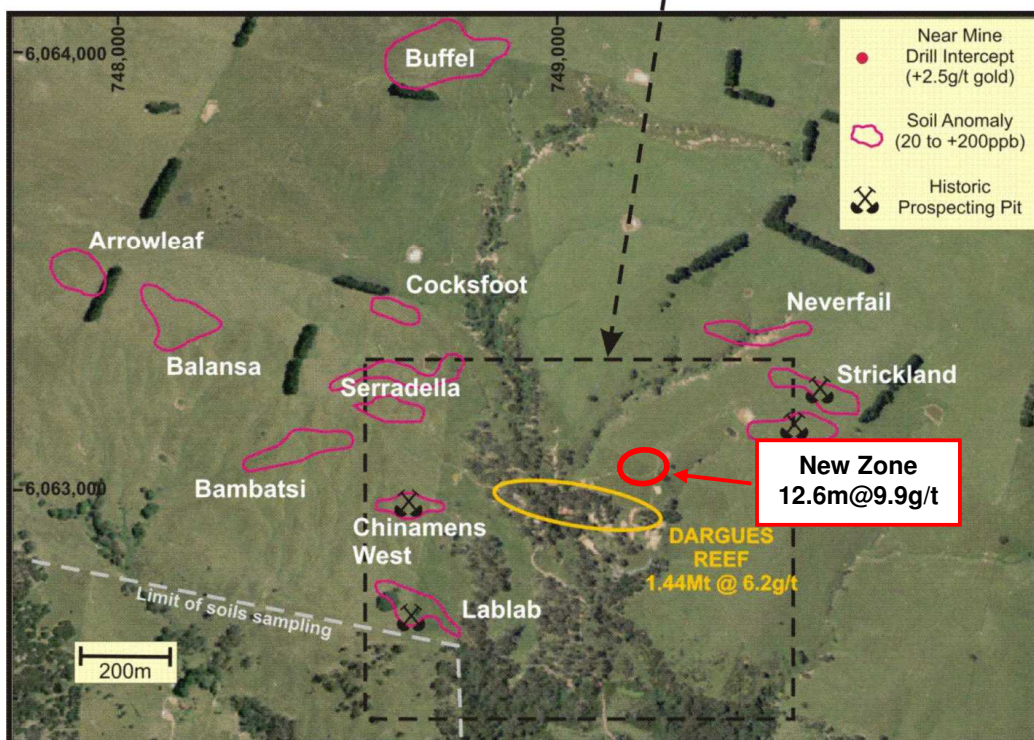
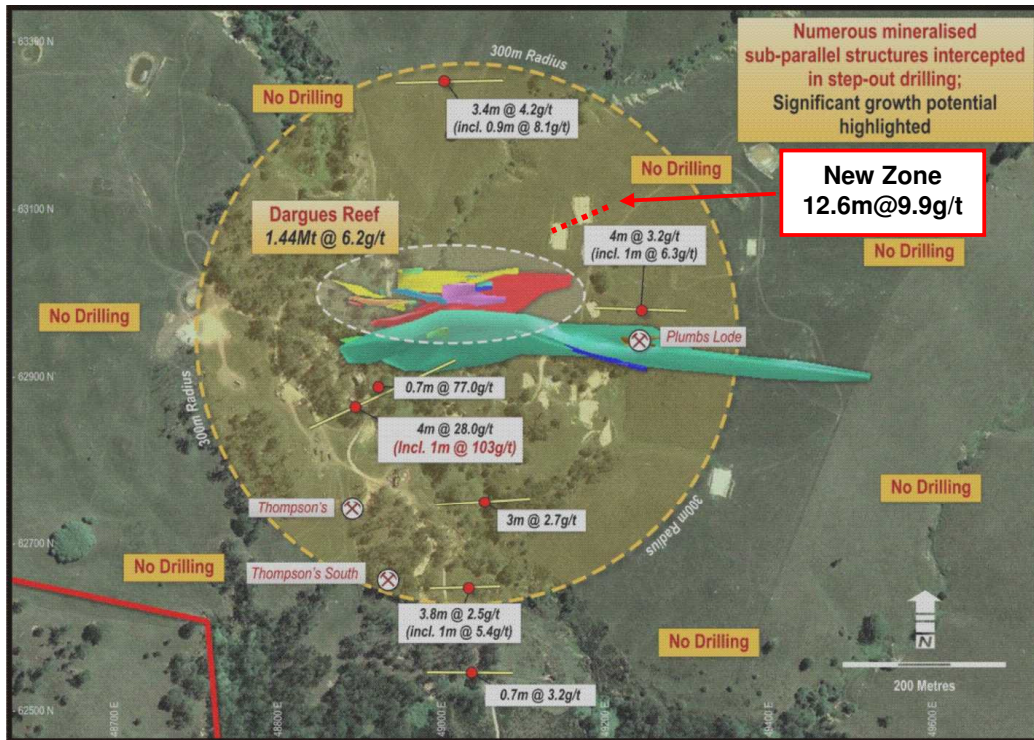


Figure 1. Recent mineralised lodes discovered in step out drilling at Dargues Reef (top), along with the location of the new gold discovery and near mine soil anomalies (bottom) to be tested in the ongoing drilling program.