



ASX/Media Release – 21 December 2010

Significant Silver Discovery Near Dargues Reef

Shallow twenty-two ounce silver intercept adds further potential

HIGHLIGHTS

- **Shallow RC drilling discovers high grade silver mineralisation ~500m northeast of Dargues Reef**
1m @ 687g/t Ag (22 ounces), 0.22% Cu, 1.8% Pb from 49m
- **Shallow RC drilling also extends Chinaman's gold prospect located ~100m southwest of Dargues Reef**
- **2 rigs to resume drilling in early January**

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 recently completed a positive Feasibility Study on the production of +50,000 ounces of gold per annum over an initial mine life of 6 years.

Several significant results have been received, highlighting further growth potential in close proximity to Dargues Reef. At the *Hughen* prospect, ~500m north of Dargues Reef, shallow drilling (MCRC051) has intercepted very high grade silver (1m @ 687g/t, or 22oz, Ag, from 49m), with anomalous copper (0.22%) and lead (1.81%). This intercept correlates well with a previous silver intercept (MCRC010) that contained similar physical and chemical attributes (ie; 57.6g/t and 1.04% Pb) 50m to the northwest.

The *Chinaman's* prospect, situated ~100m southwest of Dargues Reef, has returned shallow gold intercepts that extend the trace of the lode a further 40m along strike. The proposed access for the Dargues Reef mine will pass close to this lode and will enable the establishment of underground drill sites to further explore its potential to add further ounces to the mining inventory.



COMPANY DETAILS

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Corporate Information
(30 November 2010)

Shareholders	~2,000
Shares on Issue	196M
Options (CRCO)	34M
Options (Unlisted)	16M

PROJECTS

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

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The spatial relationship and physical and chemical attributes of the silver intercepts highlight the potential for a significant new discovery. Further drilling is planned early in 2011 to ascertain the continuity and extent of this exciting development.

Drilling at Dargues was suspended early in December due to the inclement weather that has impacted much of eastern Australia. The rigs remain on site, and will recommence drilling very early in the 2011.

Peter van der Borgh, Cortona's Managing Director said: *"Given the strong upward movements in both gold and silver prices, the discovery of high grade silver at Hughen and additional near surface gold mineralisation at Chinaman's present further exciting developments from our exploration drilling program, which delivered the Ruby Lode discovery less than two months ago.*

"The recovery of silver is catered for in the process design for the Dargues Reef mineable resource, which already includes 119,000oz of silver (comprising 110,000oz@2.46 g/t measured/indicated and 9,000oz@1.46 g/t inferred categories) in addition to the 260,000oz of gold (comprising 233,000oz@5.21 g/t measured/indicated and 27,000oz@4.42 g/t inferred categories). Two drilling rigs are on site and will resume drilling these and a range of other targets from very early next year."

-ENDS-

ABOUT CORTONA

Cortona is an emerging Australian gold company which is focussed on the exploration and development of its 100%-owned Majors Creek Project, located 60km east of Canberra in New South Wales, where it has recently completed a Feasibility Study on the Dargues Reef Gold deposit.

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 the positive Feasibility Study results which show strong cash flows from average annual production of 50,000 ounces over an initial mine life of 6 years.

Cortona's multi-pronged plan is to progress Dargues Reef to production 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.*