

2nd September 2011: ASX/Media Release



## Cortona Enters MOU with DRA Pacific for Construction of Dargues Reef Processing Plant

### HIGHLIGHTS

- ***Lump sum contract, throughput guaranteed***
- ***Work on long-lead items and design to commence immediately***
- ***Final agreement to be entered into once development is fully funded***

Emerging NSW-focused gold company Cortona Resources Limited (ASX:CRC) is pleased to advise that it has entered into an MOU with DRA Pacific Pty Ltd to construct the processing facility at its 100% owned Dargues Reef Gold Project located near Canberra in NSW.

Cortona is developing an initial 50,000oz per annum gold mine at Dargues Reef, for which it is awaiting final environmental approvals.

DRA Pacific Pty Ltd is a subsidiary of DRA Group, a leading global project management and plant construction group which has completed over 100 mining projects worldwide.

The lump sum contract will cap the cost of the works, with a bonus scheme attaching to early delivery. The agreement includes a throughput guarantee for the 330,000tpa plant.

The Dargues Reef processing facility comprises a crusher, ball mills, gravity circuits, and flotation cells for the production of a high-grade gold concentrate and a gravity product. The plant is designed for +95% recovery with about 50% of the gold reporting to the gravity circuit

The concentrate will be trucked to the London Victoria gold mine near Parkes (~400km away), where Cortona will further treat the concentrate to produce gold dore. First production is targeted for 2012.

The MOU with DRA Pacific follows a number of positive developments for Cortona in recent months, including a mining alliance with underground mining contractor GBF Mining Services, who recently took a \$1m placement in the Company. Deutsche Bank has been mandated for a debt facility up to \$37M, and Cortona has entered into



### COMPANY DETAILS

**Principal and Registered Office**  
Cortona Resources Limited  
Level 5, 72 Kings Park Road  
West Perth, WA 6005

**Postal Address**  
PO Box 86, West Perth WA 6872

**Website**  
[www.cortonaresources.com.au](http://www.cortonaresources.com.au)

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

**Phone**  
(08) 9485 0577

**Facsimile**  
(08) 9485 0706

**ABN:** 98 117 848 790

**ASX CODE:** CRC, CRCO

**Corporate Information**  
(30 June 2011)

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)**

For personal use only



a license agreement to operate the London Victoria processing plant for treatment of the Dargues Reef gold concentrate.

Cortona's Managing Director Peter van der Borgh commented "We're delighted to have secured a respected and experienced international group like DRA Pacific for the construction of the Dargues processing plant.

"We now have all the key contractors in place for construction, mining and processing, clearing the way for project development to proceed.

"The total capital and operating costs of these arrangements combined is within 10% of the DFS cost model which was completed almost 12 months ago. This is an excellent outcome given that the devil is often in the detail, and even more so in the current environment of rising costs for new resource projects," Mr van der Borgh said.

"Value engineering is currently underway to identify further savings that may be achievable prior to construction commencing."

Yours faithfully

Peter van der Borgh

Managing Director

#### **ABOUT DRA PACIFIC**

*DRA Pacific Pty Ltd (DRAP) are mineral processing and control engineers with Australian offices in Brisbane and Perth. DRAP is part of the DRA Group which has completed over 100 processing plants across a range of commodities since starting operations in 1984.*

#### **ABOUT CORTONA**

*Cortona is an emerging Australian gold company which is focussed on the development 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, 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.*