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Paste Fill Approval and New Drilling Program at Dargues Reef

Initial focus on high priority near-mine gold targets

- Approval received for use of paste-fill at Dargues Reef.
- Exploration drilling underway 800m south of the proposed ROM pad and box-cut at Dargues Reef.
- Current phase of drilling also planned to test the Napoleon prospect, located 20km north of Dargues, and Doubloon located 2km east.

Australian gold company Cortona Resources Limited (ASX: CRC) is pleased to advise that it has received approval from the NSW Department of Planning and Infrastructure for the use of paste fill at its 100%-owned Dargues Reef Gold Mine in NSW. Paste fill is expected to deliver a range of financial, safety and environmental benefits to the project.

The approval means that the Dargues Reef site is now fully permitted to commence development. Determination of the application to modify the operating license at the London Victoria processing site is expected within weeks.

The Company has also commenced a new phase of exploration drilling (see Figure 1) targeting several newly identified near-mine and regional prospects.

A dual-purpose RC/Diamond Rig has commenced drilling at the Redbank and Nightingale Prospects, which are located just 800m from the proposed location of the ROM pad and box-cut at Dargues Reef (see Figure 2).

The Redbank prospect comprises mineralized outcrops, substantial gold-in-soils and a number of historic shafts. The style of mineralisation is similar to that at Dargues Reef (JORC Resource 1.6Mt @ 6.3g/t Au for 327,000oz).
The nearby Nightingale prospect comprises substantial gold-in-soils, a number of historic shafts, and offers the potential for high-grade vein style mineralization akin to nearby mines such as Snobs, which produced parcels of ore grading in excess of 50g/t.

Cortona has recently been granted access to this land for the first time, and no previous drilling has been carried out in either of these areas, which offer the potential for the discovery of new zones of gold mineralization in close proximity to the proposed Dargues Reef infrastructure.

The new phase of exploration drilling at the Dargues Reef Project will also target new regional gold occurrences discovered over the past few months.

![Figure 1: Targets and Prospects within 2km of Dargues Reef](image)

These include the Napoleon prospect, located ~20km north of Dargues Reef. The Napoleon prospect is the first such occurrence in that area and confirms Cortona’s belief that the district has the potential to become a significant gold producing region.

Drilling will target an exposed epithermal quartz vein extending over 50m strike which has returned gold grades of up to 6.2g/t and silver grades of 77g/t from rock chip sampling.

The final prospect planned to be tested as part of the current program is Doubloon, located 2km east of Dargues Reef, where soils and rock chips have returned significant values from this previously untested area.
Cortona also plans to test the westward continuation of the Ruby Lode, 150m north of Dargues Reef. Drilling will continue over the coming weeks and results will be reported as they come to hand.

Figure 2: The recently identified Redbank and Nightingale prospects near Dargues Reef

Cortona’s Managing Director, Mr Peter van der Borgh, said the re-commencement of exploration drilling signalled an exciting new phase of activity on site.

“While our main focus is obviously on continuing to move Dargues as rapidly as possible to development, we have also been doing a lot of very effective work on the exploration front as well,” he said.
“This has resulted in some exciting new discoveries which will be drill tested now for the first time. Of particular note are the two new areas at Nightingale and Redbank, which are both in close proximity to the proposed infrastructure at Dargues Reef.

“The current phase of drilling will also test the new discoveries at Napoleon and Doubloon. Success in any of these areas has the potential to add substantial value to the Dargues Reef Project as we move towards development.”

Yours faithfully

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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.