



11 April 2012

Dear Shareholder

## Invitation to Participate in Cortona Resources' Share Purchase Plan

On 5 April 2012, Cortona Resources Limited (ACN 117 848 790) (**Cortona** or **Company**) announced its intention to offer existing shareholders the chance to participate in a share purchase plan to subscribe for ordinary, fully paid shares in the Company (**Plan**).

The Company's Board of Directors is now pleased to make that offer to eligible shareholders on the Terms and Conditions enclosed with this letter.

### Shareholders eligible to participate in the Plan

The right to participate in the Plan is optional and is only available to shareholders who are registered as holders of fully paid ordinary shares in the capital of Cortona (**Shares**) at 7:00pm (AEST) on the Record Date of **4 April 2012** with a registered address is in Australia or New Zealand (**Eligible Shareholders**).

### Share purchase plan

The Plan entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of Shares at \$0.12 per Share, free of brokerage and commission (**Offer**).

The average market price of Cortona Shares on the Australian Securities Exchange (**ASX**) during the 5 trading days immediately prior to the announcement date of the Offer was \$0.143.

Details of the Offer are set out in this letter and the enclosed Terms and Conditions, together with an Entitlement and Acceptance Form.

### Current projects

Details of the Company's current activities are set out in the announcements made by Cortona to the ASX and are available from the ASX or Cortona's website at [www.cortonaresources.com.au](http://www.cortonaresources.com.au).

The funds raised under the Plan will be used by the Company primarily for site engineering works and finalising approvals required for the development of the Company's Dargues Reef Gold Project, for regional exploration, and for working capital purposes.

### How much can you invest?

Under the Plan, Eligible Shareholders may purchase Shares in \$5,000 parcels up to a maximum of \$15,000 worth of Shares (being 125,000 Shares at the Offer price of \$0.12 per Share). The maximum investment any Eligible Shareholder may apply for will remain \$15,000 even if they receive more than one Offer (whether in respect of a joint holding or because they have more than one holding under a separate account).

### Subscription, application procedure and Closing Date

Eligible Shareholders may participate by selecting one of the following Offers to purchase Shares under the Plan:

Offer	Subscription Price	No. of Shares
Offer A:	\$5,000	41,667
Offer B:	\$10,000	83,334
Offer C:	\$15,000	125,000

If you would like to participate in the Offer, please return your completed Entitlement and Acceptance Form (enclosed), together with your cheque or for the subscription moneys for the Shares you wish to acquire to:

By Post	By Hand
Security Transfer Registrars Pty Limited PO Box 535 APPLECROSS WA 6953	Security Transfer Registrars Pty Limited 770 Canning Highway APPLECROSS WA 6153

If you elect to pay by BPAY, you will not need to return the Application Form but you will need to make the payment by Friday 27 April 2012 in accordance with the instructions on the Application Form and quoting your personalised BPAY reference number provided on the Application Form.

Applications (together with payment) must be received on or before the **Closing Date of 5:00pm (WST) on Friday 27 April 2012**. No late applications will be accepted. Once an application has been made, it cannot be revoked. All valid applications shall be deemed accepted if received before the Closing Date.

Please refer to the Plan Terms & Conditions for details of the certification you will be deemed to provide when you participate in the Offer by returning an Entitlement and Acceptance Form or by paying by BPAY.

### **Purchase Price and acceptance of risk factors**

The purchase price of Shares under the Offer is \$0.12 per Share. On the trading day immediately prior to the announcement date of the Offer (**Announcement Date**), the closing price of Cortona Shares traded on ASX was \$0.145. The Offer price of \$0.12 per Share represents a 17% discount to the closing price of Cortona Shares on the Announcement Date.

The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are allotted to you as a result of your acceptance of this Offer.

By accepting the Offer and applying for Shares under the Plan, each Eligible Shareholder will be acknowledging that, although the Offer price is at a discount to the Share price on the Announcement Date, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an Offer and the date of issue of Shares under that Offer and that the value of the Shares received under the Plan may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer.

### **Additional information and important dates**

The Offer cannot be transferred and the Board reserves the right to reject any application. Shares allotted under the Plan will be issued as soon as practicable after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

A maximum of 25 million Shares may be issued pursuant to the Offer. In the event of an oversubscription by the Closing Date, the Directors may, in their absolute discretion, scale-back all applications on a pro-rata basis.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application moneys, without interest.

### **New Zealand offer restrictions**

The Plan Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

### **Shortfall placement**

If less than 25 million Shares are applied for pursuant to this Offer, the shortfall may be placed at the directors' discretion.

**Indicative timetable**

Record Date	7:00pm (AEST) 4 April 2012
Announcement Date	5 April 2012
Opening Date	11 April 2012
Closing Date	5:00pm (WST) Friday 27 April 2012
Issue of Shares under the Plan	2 May 2012
Dispatch date for holding statements	2 May 2012
Quotation of Shares on ASX	4 May 2012

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact the Company Secretary, Ms Amanda Wilton-Heald on +61 8 9485 0577.

Yours faithfully

**Peter van der Borgh**  
**Managing Director**  
**CORTONA RESOURCES LIMITED**

# CORTONA RESOURCES LIMITED

ACN 117 848 790

## Shareholder Share Purchase Plan – Terms and Conditions

### Purpose

The purpose of the Shareholder Share Purchase Plan (**Plan**) is to offer existing shareholders of Cortona Resources Limited (**Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Shares**) at \$0.12 per Share up to a maximum of \$15,000 (when combined with any Shares issued under any share purchase plan in the 12 months preceding the date of the Plan) without the need to pay brokerage costs and without the need for the Company to issue a Prospectus. The Plan Terms and Conditions have been determined by the Board of Directors of the Company.

### Shareholders eligible to participate

The right to participate in the Plan is optional and is only available to shareholders who are registered as holders of fully paid ordinary shares in the capital of Cortona at 7:00pm (AEST) on the Record Date of **4 April 2012** with a registered address in Australia or New Zealand (**Eligible Shareholders**).

Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these Terms and Conditions. Offers made under the Plan are non-renounceable (that is, Eligible Shareholders may not transfer their rights to any Shares offered under the Plan).

The maximum amount, which any Eligible Shareholder may subscribe for in any consecutive 12 month period under the Plan, is A\$15,000. The Board may also determine in its discretion, the minimum amount for participation, the multiple of Shares to be offered under the Plan and the period the Offer is available to Eligible Shareholder.

### Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in ASIC Class Order CO 09/425 (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan), you may apply for up to the maximum number of new Shares for each beneficiary for whom you act as custodian, provided you annexe to your Entitlement and Acceptance Form a certificate to the Company (**Custodian Certificate**) confirming the following:

- that you held Shares on behalf of one or more other persons (each a **Participating Beneficiary**) at 7:00pm (AEST) on the Record Date and have subsequently been instructed by those Participating Beneficiaries to apply for Shares under the Plan on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application price for Shares applied for under the Offer for each Participating Beneficiary for whom you act, plus the application price for any other Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each Participating Beneficiary; and
- where you hold Shares on behalf of a Participating Beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Class Order CO 09/425, you are a 'custodian' if you are a registered holder that:

- holds an Australian financial services licence that allows you to perform custodian or depositary services or operate IDPS accounts;

- is exempt from holding an Australian financial services licence by virtue of Class Order CO 03/184 or by relying on the Australian financial services licence of your master custodian under regulation 7.1.06(k) of the *Corporations Regulations 2001* (Cth);
- is a trustee of a self managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS-like schemes; or
- is noted on the Company's register of members as holding the shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact the Company's Share Registry, Security Transfer Registrars Pty Limited on +61 8 9315 2333 at any time from 8:30am to 5:00pm (WST) Monday to Friday during the Offer period.

The Company reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

## Price of Shares

The price of Shares to be issued under the Plan is \$0.12 per Share.

## Applications, notices and certification

At the Board's discretion, the Company will send Eligible Shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Shares under the Plan, and accompanied by the Terms and Conditions of the Plan and an Entitlement & Acceptance Form. Applications will not be accepted after the Closing Date of the Offer. Oversubscriptions to the Offer may be refunded without interest.

Notices and statements made by the Company to participants may be given in any manner prescribed by its Constitution.

By returning an Entitlement and Acceptance Form or by paying by BPAY, an applicant:

- acknowledges that the application is irrevocable;
- acknowledges and warrants they are an Eligible Shareholder; and
- certifies that the aggregate of the application price for the following does not exceed \$15,000:
  - the Cortona Shares that are the subject of the application; and
  - any other Cortona Shares applied for by the applicant under the Plan (or any similar arrangement in the 12 months prior to the application), whether:
    - in the applicant's own right; or
    - jointly with one or more persons; or
    - in the applicant's capacity as a beneficiary (as defined below),

but not including in the applicant's capacity as a trustee or nominee where it is expressly noted on Cortona's register of members that the shareholding is held on account of another person.

If 2 or more persons are recorded in the register of members as jointly holding the Shares to which an applicant's application relates, they are taken to be a single registered holder and these statements are taken to be given by all of them.

If a trustee or nominee is expressly noted on Cortona's register of members as holding the shares to which an application relates on account of another person (the "**beneficiary**"), these statements and confirmations are taken to be given by the beneficiary in respect of him/her/itself (and not the trustee or nominee).

By returning an Entitlement and Acceptance Form together with payment or by paying by BPAY, the applicant confirms that it has read, understood and agreed to the Terms and Conditions of the Plan.

### **Placement of Shortfall**

Any shortfall from the Offer may be placed at the Board's discretion.

### **Issue of Shares**

Shares to be issued under the Plan will be issued as soon as reasonably practicable after the Closing Date.

Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in the Company from the date of issue.

Holding statements or CHES notification will be issued in respect of all Shares issued under the Plan. The Company will, promptly after the issue of Shares under the Plan, make application for those Shares to be listed for quotation on the Official List of ASX.

### **Modification and termination of the Plan**

The Company may modify or terminate the Plan at any time. The Company will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any Eligible Shareholder fewer Shares than the Eligible Shareholder applied for under the Plan if the issue of the Shares applied for would contravene any applicable law or the Listing Rules of ASX.

### **Dispute resolution**

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Shares. The Company's decision in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions. The Company's powers under these Terms and Conditions may be exercised by the directors of the Company or any delegate of the directors of the Company.

### **Questions and contact details**

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or the Company Secretary, Ms Amanda Wilton-Heald on +61 (0) 8 9485 0577.