



ABN 98 117 848 790

Quarterly Report for March 2006

Highlights:

- **Successfully listed on the ASX, 21st March 2006.**
- **Offer closed early & oversubscribed. \$3.5M raised, 29.75M Shares on issue.**
- **North Monger Project greatly enhanced by settlement of Purchase Agreements and tenement rationalisation.**
- **Rock chip results confirm big gold system at Wombola Prospects.**
- **3000m RC drilling campaign planned, due to commence shortly.**

Introduction

Successful early listing on the ASX, exploration underway.

Cortona Resources has had a very active quarter, culminating in its successful listing on the ASX on 21st March 2006.

The Company also succeeded in strengthening its tenement position at North Monger via the completion of acquisitions and the removal of impediments, and now controls 90% of all tenements of interest in the Project area. The Company is in the final stages of planning the upcoming RC drilling program, with 2,000m to be drilled at Wombola Pit, and 1000m at Wombola Dam.

Cortona Resources also completed a rock chipping program at the Wombola prospects (announced on the ASX on April 24th 2006) in the North Monger Project 45km SE of Kalgoorlie. The work is in preparation for the upcoming drilling campaign. A total of 42 rock chips were collected (Table 1), of which 24 were from the Wombola Pit prospect and 18 from the Wombola Dam prospect (Figures 1 and 2). The results confirm the presence of a large gold system with abundant mineralised quartz veins which can attain grades upwards of 30g/t gold.

Finally, work has commenced on enhancing and updating the database.



CRC Board at old battery during site visit

North Monger Project

Tenement position strengthened, rock chip program completed, upcoming RC drilling program planned

Tenement Improvements

As outlined in the Company's Prospectus the listing on the ASX triggered settlement of the



Quartz veins exposed in wall at Wombola Pit

Option Agreement with Eastern Goldfields Exploration for the purchase of the 40% Cooke/Sinclair interest in 7 tenements, and the Purchase Agreement for one tenement held by Mr Devine. With the exception of one small Lease, the Company now controls 90% or more of all tenements in the North Monger Project area. This is the first time a company has held this position at North Monger for many years.

Forfeiture notices issued by the Mining Registrar on eighteen of the North Monger tenements were revoked in the Warden's Court in Kalgoorlie, and tenure has been assured for these licenses.

Following assurances of ongoing tenure and further tenement rationalisation, the Company has now successfully completed its first objective of consolidating and enhancing the North Monger land position. Cortona is now focused on rapidly exploring the Wombola targets at North Monger. During the quarter we have been improving the exploration model, and have planned approximately 2000m of RC drilling at Wombola Pit and 1000m at Wombola Dam. A drilling rig is due on site towards the end of April.

Fieldwork

Two fieldtrips were conducted in the quarter, during which drilling rig access to the drill targets was assessed, ground proofing of previous drilling conducted, and a review of the regolith was made to assess the viability of the regional soil geochemistry. It was noted that many places with low gold response are covered with several metres of transported cover. Additionally a rock chip program was conducted at the Wombola Dam and Wombola Pit prospects.



Wombola Pit

This work forms part of an ongoing mapping program being conducted over the project with the aid of recently acquired Landsat imagery, which is intended to advance our understanding of the regional geology, the nature of surface material, and the quality of historical exploration.

Rock Chips

Wombola Pit

The Wombola Pit samples (Table 1, Figure 1) were taken from outcropping quartz veins east of the current pit and beyond the limits of the inferred resource of 31,000oz. Numerous sub-parallel quartz-carbonate veins were observed in outcrop, ranging in widths from 10cm to 40cm, and spaced ~3m to 5m apart. The ENE striking veins can be traced for distances ranging from 5m to as much as 50m, typically disappearing under cover. Vein textures and compositions vary slightly, with some containing abundant limonite and hematite after sulfides.

Representative samples weighing ~1kg were collected across the width of the veins. Samples were submitted to Amdel Laboratories in Kalgoorlie for analysis by Fire Assay.

Results from the Wombola Pit samples indicate the presence of anomalous gold in most of the veins sampled. A best value of 12.3g/t gold was attained in one vein, while ten of the

twenty-four samples returned values greater than 1.0g/t gold. Several lines of RC have been planned to test these veins to ~50m vertical depth in the upcoming drilling campaign.

Table 1: Rock chip samples from the Wombola area.

Sample ID	GDAE	GDAN	Prospect	Sample Type	Au Average ppm (Fire Assay)
NMX038	387440	6569637	Wombola Dam	Trench	10.11
NMX039	387473	6569541	Wombola Dam	Trench	1.01
NMX040	387510	6569526	Wombola Dam	Trench	2.12
NMX041	387481	6569397	Wombola Dam	Trench	24.91
NMX042	387561	6569378	Wombola Dam	Trench	57.05
NMX043	387790	6569416	Wombola Dam	Grab	2.07
NMX044	387702	6569503	Wombola Dam	Trench	30.77
NMX045	387707	6569607	Wombola Dam	Trench	0.24
NMX046	387845	6569393	Wombola Dam	Grab	4.46
NMX103	388624	6569914	Wombola Pit	Outcrop	0.09
NMX104	388623	6569895	Wombola Pit	Outcrop	<0.01
NMX105	388606	6569887	Wombola Pit	Outcrop	1.41
NMX106	388615	6569897	Wombola Pit	Outcrop	0.34
NMX107	388602	6569880	Wombola Pit	Outcrop	0.05
NMX108	388604	6569878	Wombola Pit	Outcrop	0.22
NMX109	388576	6569836	Wombola Pit	Outcrop	1.06
NMX110	388570	6569845	Wombola Pit	Outcrop	0.06
NMX111	388567	6569851	Wombola Pit	Outcrop	0.12
NMX112	388566	6569854	Wombola Pit	Outcrop	2.70
NMX113	388657	6569828	Wombola Pit	Outcrop	0.13
NMX114	388653	6569832	Wombola Pit	Outcrop	0.20
NMX115	388649	6569831	Wombola Pit	Outcrop	1.84
NMX116	388656	6569837	Wombola Pit	Outcrop	1.00
NMX117	388660	6569840	Wombola Pit	Outcrop	1.52
NMX118	388665	6569843	Wombola Pit	Outcrop	1.35
NMX119	388667	6569851	Wombola Pit	Outcrop	12.20
NMX120	388670	6569856	Wombola Pit	Outcrop	2.57
NMX121	388663	6569866	Wombola Pit	Outcrop	0.91
NMX122	388657	6569866	Wombola Pit	Outcrop	0.55
NMX123	388659	6569871	Wombola Pit	Outcrop	1.77
NMX124	387807	6569508	Wombola Dam	Small pit	4.93
NMX125	387750	6569519	Wombola Dam	Trench	1.00
NMX126	387688	6569375	Wombola Dam	Trench	73.10
NMX127	387688	6569375	Wombola Dam	Trench	1.80
NMX128	387578	6569352	Wombola Dam	Small pit	1.00
NMX129	387333	6569635	Wombola Dam	Trench	7.04
NMX130	387300	6569626	Wombola Dam	Trench	0.18
NMX131	387441	6569759	Wombola Dam	Trench	1.33
NMX132	387392	6569717	Wombola Dam	Stope	17.40
NMX133	388525	6569959	Wombola Pit	Outcrop	0.20
NMX134	388500	6569999	Wombola Pit	Outcrop	0.75
NMX135	388501	6569995	Wombola Pit	Outcrop	0.18

Wombola Dam

The Wombola Dam samples (Table 1, Figure 2) were taken from historical trenches and small exploration pits that date back to the early mining days prior to 1920. Many of the veins at Wombola Dam have been the subject of shallow historical mining. Approximately 40 veins have been observed to date. The full strike extent is unknown owing to the transported cover at both ends of the outcrop.

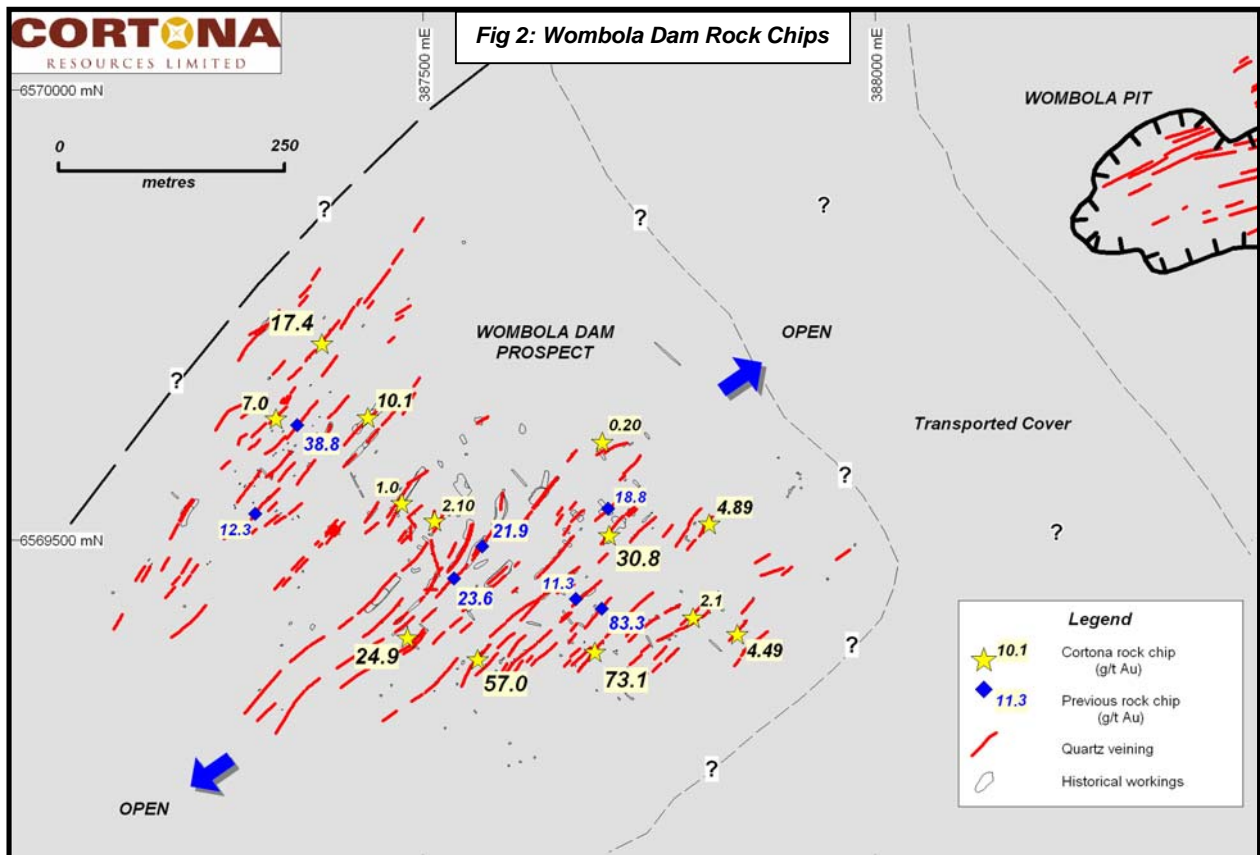
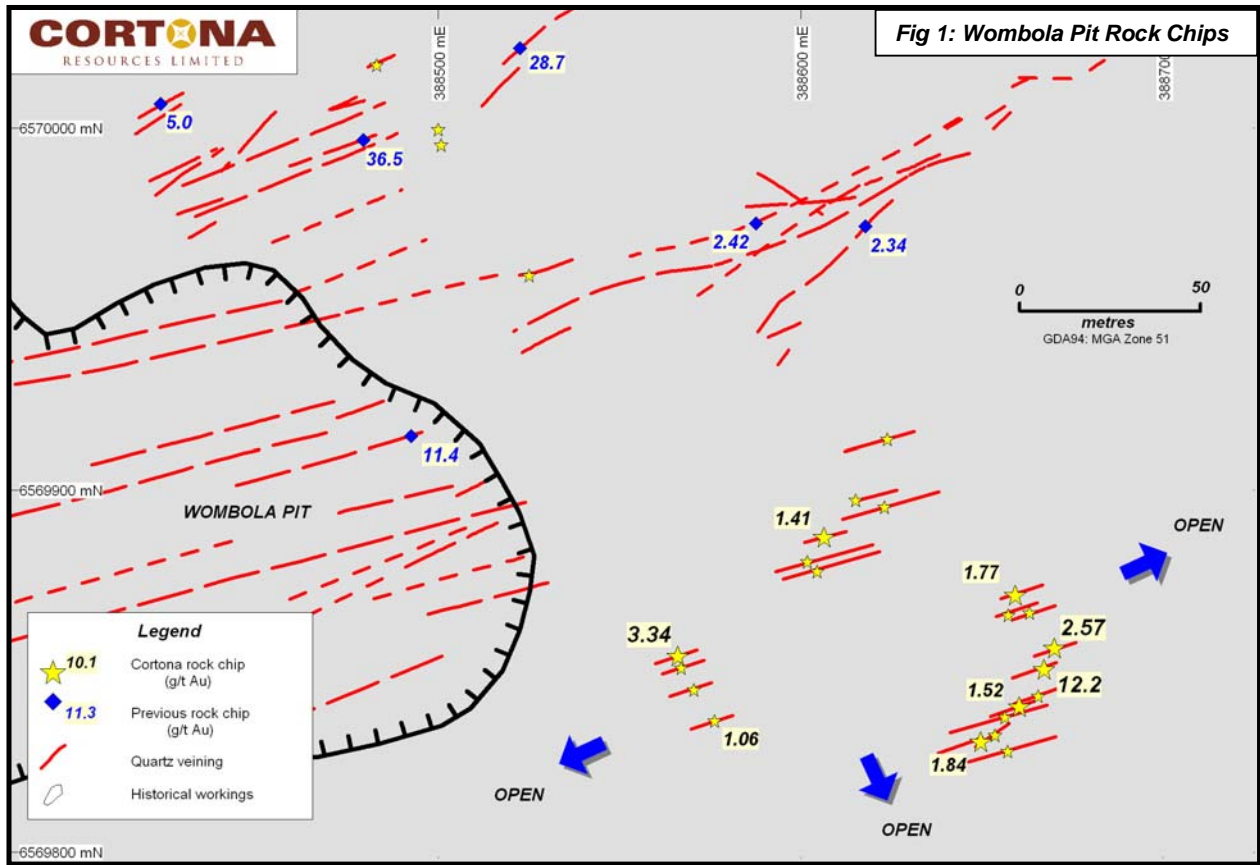
The results of the rock chipping program at Wombola Dam are highly encouraging, with 3 of the samples returning assays above 30.0g/t gold, while 16 of the 18 samples returned values above 1.0g/t gold.

The Wombola Dam prospect has seen only limited effective drilling in the past, and very few holes drilled within the area covered by Figure 1 have gone below 60m. Cortona intends to test the lateral extent to ~50m vertical depth during the upcoming drilling program, while the vertical extent will be tested in the very near future.

Database

The Company has employed the services of a database consultant to reformat the North Monger database to the Company's specifications and to facilitate the uploading of newly generated data from upcoming exploration programs. The database will also be extended to include historical data from the Juglah Rocks and Tambourah Projects.

Competent Persons: *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 of London. 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 Australasian Code for Reporting Results, Mineral Resources and Ore Reserves. Peter 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.*



Juglah Rocks Project

No work was carried out at Juglah Rocks during the reporting period.

Tambourah Project

Tenements Granted.

Tenements P45/2521 and P45/2522 were granted on February 3rd 2006, and P45/2523 and P45/2524 were granted on 24th February 2006. Group reporting is being applied for.

Summary

Cortona completed its successful listing on the ASX late in the quarter and currently has 29.75M shares on issue to more than 490 Shareholders. The Company is looking forward to the challenge of exploring the North Monger Project with the funds raised, and is keen to test the exploration models being developed.

The North Monger tenement position has been greatly enhanced by a rationalisation program that included the purchase of key tenements and the successful removal of impediments. Cortona now owns a 90% interest in all tenements of interest, and is the first company to achieve this position for many years.

A rock chipping program at the Wombola Prospects has confirmed the presence of a big gold system as evidenced by widespread quartz veining and gold mineralisation at surface.

The North Monger database has been enhanced, and is being used in the planning of the upcoming RC drilling program which is due to start towards the end of April.

Yours Faithfully

Peter van der Borgh,
Managing Director

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CORTONA RESOURCES LIMITED

ABN

98 117 848 790

Quarter ended ("current quarter")

31 March 2006

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(7)	(7)
(b) development	-	-
(c) production	-	-
(d) administration	(31)	(31)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – (provide details if material)	-	-
Net Operating Cash Flows	(30)	(30)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) tenements	(65)	(65)
(b) equity investments	-	-
(c) other fixed assets	(19)	(19)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Net cash acquired on acquisition of subsidiary	169	169
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	85	85
1.13 Total operating and investing cash flows (carried forward)	55	55

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)		
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,502	3,502
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - costs of share issues	(287)	(287)
	Net financing cash flows	3,215	3,215
	Net increase (decrease) in cash held	3,270	3,270
1.20	Cash at beginning of quarter/year to date	-	-
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,270	3,270

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

The company issued 1,400,000 shares at 20 cents each in relation to Tenements acquired from various parties as outlined in Section 7 Part IV of the Prospectus.

On 13 January 2006 the company acquired all of the issued capital in Wombola Gold Pty Ltd by offering one Cortona Resources Ltd share for each Wombola Gold Pty Ltd share for a total consideration of \$431,819.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	199
4.2	Development	-
Total		199

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	285	-
5.2 Deposits at call	2,985	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,270	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			
	P25/1795	90%	0%	90%
	P25/1796	90%	0%	90%
	P25/1797	90%	0%	90%
	P25/1798	90%	0%	90%
	P25/1799	90%	0%	90%
	MLA25/0247	90%	0%	90%
	MLA25/0248	90%	0%	90%
	M26/0059	90%	0%	90%
	M26/0278	94%	0%	94%
	M26/0352	94%	0%	94%
	M26/0437	94%	0%	94%
	M26/0440	94%	0%	94%
	MLA26/0516	94%	0%	94%
	MLA26/0562	90%	0%	90%
	MLA26/0568	94%	0%	94%
	MLA26/0584	90%	0%	90%
	MLA26/0641	90%	0%	90%
	MLA26/0642	90%	0%	90%
	MLA26/0644	90%	0%	90%
	MLA26/0657	90%	0%	90%
	MLA26/0683	90%	0%	90%
	MLA26/0701	94%	0%	94%
	MLA26/0702	94%	0%	94%
	MLA26/0705	90%	0%	90%
	MLA26/0706	90%	0%	90%
	MLA26/0707	90%	0%	90%
	MLA26/0709	90%	0%	90%
	MLA26/0710	90%	0%	90%
	MLA26/0711	90%	0%	90%
	MLA26/0716	90%	0%	90%
	MLA26/0717	90%	0%	90%
	MLA26/0772	90%	0%	90%
	MLA26/0773	90%	0%	90%
	MLA26/0783	90%	0%	90%
	MLA26/0791	90%	0%	90%
	MLA26/0798	90%	0%	90%
	MLA26/0802	90%	0%	90%
	P26/2064	94%	0%	94%
	P26/2249	94%	0%	94%
	P26/2450	90%	0%	90%
	P26/2451	90%	0%	90%
	P26/2489	90%	0%	90%
	P26/2490	90%	0%	90%
	P26/2491	90%	0%	90%
	P26/2492	90%	0%	90%
	P26/2518	90%	0%	90%
	P26/2593	90%	0%	90%
	P26/2632	90%	0%	90%
	P26/2633	94%	0%	94%
	P26/2635	90%	0%	90%
	P26/2637	90%	0%	90%
	P26/2644	90%	0%	90%
	P26/2692	90%	0%	90%
	P26/2693	90%	0%	90%
	P26/2703	90%	0%	90%
	P26/2704	90%	0%	90%
	P26/2846	90%	0%	90%
	P26/2870	90%	0%	90%
	P26/2922	90%	0%	90%
	P26/2944	90%	0%	90%
	P26/2971	90%	0%	90%
	P26/3002	90%	0%	90%
	P45/2521	90%	0%	90%
	P45/2522	90%	0%	90%
	P45/2523	90%	0%	90%
	P45/2524	90%	0%	90%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

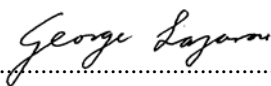
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	29,750,002	19,750,000		
7.4 Changes during quarter (a) Increases through issues 4,350,000 4,000,000 2,500,000 18,900,000 2 (b) Decreases through returns of capital, buy-backs		- 1,000,000 1,250,000 17,500,000 -	0.01 cents 5 cents 10 cents 20 cents \$1	0.01 cents 5 cents 10 cents 20 cents \$1
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	3,000,000 1,000,000	- -	<i>Exercise price</i> 30 cents 40 cents	<i>Expiry date</i> 31 January 2008 31 December 2008
7.8 Issued during quarter	3,000,000 1,000,000	- -	30 cents 40 cents	31 January 2008 31 December 2008
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 21 April 2006
Director

Print name: George Lazarou

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.