WESTONIA MINES LIMITED

QUARTERLY REPORT
FOR THREE MONTHS ENDED
31 MARCH 2006

SUMMARY

- **Westonia successfully completes its drilling programme on time and within budget.**

- **New Mineral Resource estimate significantly upgrades confidence categories and increases contained metal compared to the 2004 Feasibility Study resource.**

- **New open pit mine optimisation and design work commenced.**

- **Big Bell plant relocation cost being reviewed to determine optimum project development route and economic outcome.**

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WESTONIA DRILL PROGRAMME COMPLETED

Westonia Mines completed its grade control and resource infill drill programmes in March 2006 after some four months of RC drilling in the Westonia pit.

Grade Control

The Company is now very confident that it understands the tonnage and grade distribution within the Edna May Gneiss and that the orebody can be mined to a higher cut-off grade if required. The **grade control drill programme** on a 7.5m x 7.5m x 20m pattern was a very intensive level of drilling to undertake at the exploration stage, but it successfully achieved the required level of confidence in a geologically complex orebody. Better grade control drill intercepts included:

7 metres	@	22.98 g/t gold
18 metres	@	5.16 g/t gold
10 metres	@	17.14 g/t gold
3 metres	@	52.65 g/t gold

Level 1, 9 Havelock Street, West Perth WA 6005 ♦ PO Box 1300, West Perth WA 6872
Telephone: (08) 9321 3088 ♦ Fax: (08) 9321 8804
Email: manager@westoniamines.com.au ♦ Website: www.westoniamines.com.au

The scope of the grade control drill programme included 370 holes, which generated 7,474 new one metre drill samples.

Resource Infill

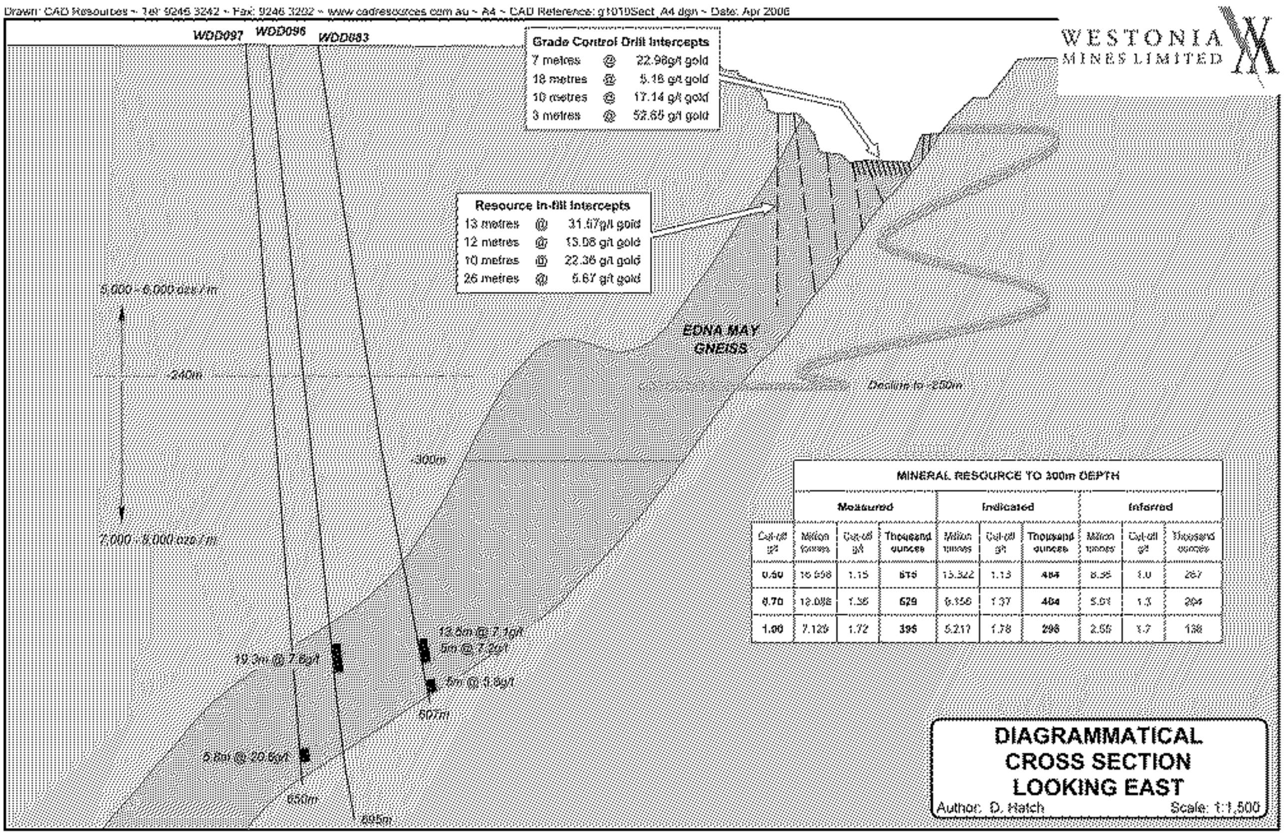
The objectives of the **resource infill drill programme** were to drill into areas of the orebody where either no drilling existed or where the drill density was inadequate to define measured or indicated resources. Accordingly, the resource infill drill programme was aimed at providing a complete drill-out of the resource on a 25m x 25m pattern to 200m below surface, especially near the footwall where most of the high grade mineralisation occurs.

The Company achieved its objectives by drilling 46 new resource holes, which generated a further 3,709 one metre samples in the Edna May Gneiss.

Better resource infill hole intercepts included:

13 metres	@	31.57 g/t gold
12 metres	@	13.08 g/t gold
10 metres	@	22.36 g/t gold
26 metres	@	5.67 g/t gold

As a result of the drilling programme, the mineral resource which will fall within an expanded open pit mine is now almost exclusively in the higher confidence categories of measured and indicated material.



	MINERAL RESOURCE TO 300m DEPTH								
	Measured			Indicated			Inferred		
Cut-off g/t	Million tonnes	Cut-off g/t	Thousand ounces	Million tonnes	Cut-off g/t	Thousand ounces	Million tonnes	Cut-off g/t	Thousand ounces
0.50	16.958	1.15	615	13.322	1.13	484	8.35	1.0	267
0.70	12.088	1.36	529	9.156	1.37	404	5.01	1.3	204
1.00	7.129	1.72	395	5.217	1.78	298	2.55	1.7	138

NEW MINERAL RESOURCE ESTIMATE

Utilising the new drilling data, the Westonia orebody was remodelled and the Mineral Resource was re-estimated by Hellman and Schofield during March 2006.

Compared to the Mineral Resource estimate in the 2004 Feasibility Study, the new resource has resulted in:

- more than 10% increase in the contained metal within the 'bankable' indicated resource category.
- almost 50% of the total estimated contained metal is now at the 'measured', (i.e. highest) level of resource confidence.

The 2006 Mineral Resource is summarised below.

2006 Resource Estimate									
	Measured			Indicated			Inferred		
Cut off g/t	Million Tonnes	Gold g/t	Thousand Ounces	Million Tonnes	Gold g/t	Thousand Ounces	Million Tonnes	Gold g/t	Thousand Ounces
0.50	16.558	1.15	615	13.322	1.13	484	8.36	1.0	267
0.70	12.088	1.36	529	9.156	1.37	404	5.01	1.3	204
1.00	7.129	1.72	395	5.217	1.78	298	2.55	1.7	138

Westonia Mines is confident that it has addressed the historical quantity and quality matters concerning the mineral resource and that the new mineral resource forms the basis upon which the Westonia project can be successfully developed.

STEPS TOWARDS PROJECT DEVELOPMENT

Following the re-estimation of the Westonia mineral resource, the Company's management has commenced the process of determining the scale and optimum configuration for developing the Westonia gold mine.

Westonia Mines Limited, in determining the optimum project configuration will seek not only the maximum return for shareholders, but also will manage the risks associated with construction. This reflects the Board's and managements understanding of the current volatility in the construction industry and the challenges being faced by many companies in achieving project deadlines and budgets.

To this end, the Company will review the projected costs associated with relocating the Big Bell plant to Westonia aimed at reducing capital, improving operating margins and/or commissioning in an earlier timeframe. The Company aims to complete this work by the end of the June 2006 quarter.

EXPLORATION

The Company has undertaken a series of new exploration initiatives during the past quarter to test a range of prospects and generate new targets.

Expenditure totalled approximately $160,000.

A detailed airborne magnetic survey over the Westonia to Bodallin area was carried out during the March 2006 quarter. Interpretations are currently being reviewed with the objective of identifying new drill targets.

The Company is in joint venture with Image Resources NL in three tenements at Jilbadgie and has earned its 65% equity on E77/572. Based upon previous work, the Company is schedule to RAB drill test three nickel anomalies in April 2006. Westonia Mines will also earn its 65% equity in E77/1059 during the June 2006 quarter by implementing a shallow, auger drilling programme.

Following the encouragement received at North-West Westonia, which was reported in the December 2005 Quarterly Report, a further seven RC holes were drilled to test for strike extensions. Results from the follow up holes were disappointing and further work on this prospect has been put on hold.

A programme of shallow auger drilling was carried out over approximately one half of the Dick's Reward prospect strike. This drilling confirmed a strong arsenic anomaly, but returned no significant values for gold or base metals. Property access has now been obtained to test the remaining strike length of the target structure and this work is planned for April 2006. The Company is also planning to RAB drill test the arsenic anomaly during the June 2006 Quarter.

26 April 2006

David Hatch
Managing Director
Westonia Mines Limited
(08) 9321 3088

Willie Rowe
Gryphon Management Australia
0417 931 254
www.gryphon.net.au

www.westoniamines.com.au

The drill data reported in this announcement and utilised in the resource modelling has been collected by industry standard practises. Its compilation, quality and management has been overseen by Peter Ball of DataGeo Geological Consultants a competent person in terms of experience relative to gold sample data collection and management.

The information in this report that relates to mineral resources is based on work completed by Mr Nicolas Johnson, who is a Member of the Australian Institute of Geoscientists. Mr Johnson is a full time employee of Hellman and Schofield Pty Ltd and 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 as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Johnson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.