7 May 2003

The Manager
Australian Stock Exchange Limited
Company Announcements Office
Electronic Lodgement

Dear Sir

ACQUISITION OF PROCESSING PLANT AND FEASIBILITY STUDY UPDATE

Processing Plant

The Company is pleased to announce that it will attain a major milestone in its plan to redevelop the Westonia gold mine by taking an option with Interquip Pty Limited to purchase the principal components of a CIP plant. The agreement is expected to be signed this week.

The plant is in good condition and located at Mt Pleasant, near Kalgoorlie, which is only 300km away from the Westonia mine site. The specifications of the plant will be input into the independent Bankable Feasibility Study ("BFS") which is being co-ordinated by Lycopodium Pty Limited.

In its March Quarterly Report, the Company announced that it was modelling a 2.5mtpa throughput option, which at that stage was indicating superior project economics in comparison to the original 1.5mtpa design. Lycopodium has advised that the Mt Pleasant plant can be satisfactorily upgraded to handle this greater throughput. It is now validating project economics in light of the performance characteristics of the Mt Pleasant plant for both throughput alternatives.

BFS

Ongoing detailed reserve estimate work, as part of the BFS, has recently identified a number of zones within the current pit design where drilling density is less than optimal for the geostatistical estimates. These zones preferentially occur in the generally higher grade footwall sector of the gold-hosting Edna May Gneiss and at relatively shallow depth below the old open cut. Consequently, a new resource estimate using standard geostatistical techniques is likely to contain fewer ounces in the pit design than was the case in the first-pass Stage One study. The Company is confident that were it to undertake some infill drilling in these zones that it would enhance the resource situation. It is currently considering the alternatives of an early drill program or a deferral of it until recommencement of mine production.

Potential Nickel Circuit

In a separate ASX release today, the Company has announced the discovery of significant nickel sulphide intersections at Westonia. Lycopodium has been requested to ensure that the design of the gold processing plant could accommodate the addition of a future nickel concentrate circuit.

Released for and on behalf of
Westonia Mines Limited

Andrew Drummond
Managing Director

Enquiries should be directed to the signatory and readers are encouraged to register on the Company's website (www.westoniamines.com.au) for automatic receipt of information.