ASX
AUSTRALIAN STOCK EXCHANGE

MARKET RELEASE

17 May 2005

Westonia Mines Limited

REINSTATEMENT TO OFFICIAL QUOTATION

The securities of Westonia Mines Limited (the "Company") will be reinstated to official quotation, at the request of the Company, following the release of the Company's announcement dated 17 May 2005.

Security Codes: WEZ
WEZO

Brendan O'Hara
Manager Companies

WESTONIA MINES LIMITED

17th May 2005

Mr Brendan O'Hara
Manager
Australian Stock Exchange Limited
Exchange Plaza
Level 8
2 The Esplanade
PERTH WA 6000

Dear Brendan

Request to Lift Voluntary Suspension – Westonia Mines Limited – ACN 084 669 036

The Company refers to our letter dated 11th May 2005 requesting a voluntary suspension and to our ASX announcement released 17th May 2005 (Fund Raising Resolution). We request the ASX lift the voluntary suspension immediately.

The Company knows of no reason why the voluntary suspension should not be lifted. If you have any queries or require any clarification please call me (0413 050 036).

Yours sincerely

D. J. Hatch

David Hatch
Managing Director

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WESTONIA MINES LIMITED

FUND RAISING RESOLUTION

Amendments to Agreement regarding the Big Bell Mill

Replacement Prospectus to be issued with revised terms for the current Rights Issue

- Westonia acquired the Big Bell Mill for $2.45 million from Big Bell Gold Operations Pty Limited ('Harmony') in November 2003 and originally agreed to remove the mill by November 2004. A refundable performance bond of $0.25 million was posted by Westonia as part of a three way agreement between Big Bell Gold Operations Pty Limited, Interquip Pty Ltd ('Interquip') and Westonia Mines Limited ('Sale Agreement').

- Subsequent to the issue of the Prospectus dated 19 April 2005, the Sale Agreement has been amended to provide a time extension for Westonia to remove the mill to 30 April 2007 and to release Interquip from the Agreement. In return for extending the period to remove the mill and to cover Harmony's increased exposure, the performance bond has been increased by $1.0 million to $1.25 million. The performance bond will increase by a further amount of $0.25 million at the end of September 2005. This bond is refundable providing Westonia removes the plant and complies with the required rehabilitation standards by 30 April 2007.

- As a result of this late amendment to the Sale Agreement and to provide for the additional amount of the performance bond, the Westonia Board has resolved to amend the terms of the proposed rights issue and to issue a Replacement Prospectus.

- To accommodate the increased bonding requirement associated with the Big Bell mill and an accelerated dewatering programme at Westonia, the Company proposes to undertake a renounceable, 11 for 10 rights issue at 6 cents per share to raise approximately $6.6 million after the costs of the issue. Major shareholder Lion Selection Group has advised their strong ongoing support for the capital raising by committing up to $3.5 million.

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ASX Codes: WEZ/WEZO

Fund Raising Resolution

- Following the rights issue, Westonia will have sufficient funds and working capital to complete the dewatering programme in order to gain access to the pit floor, allowing two phases of drilling. The initial phase of drilling will comprise intensive RC grade control, which will be followed by infill resource drilling. The aim of the programme will be to achieve a fully JORC compliant, upgraded geological resource upon which your Company will seek to establish a robust open pit mine.

- On completion of the issue, Westonia's major assets will comprise:
  - Westonia project:
    - JORC compliant resource of 1.0 million ounces at 1.76 g/t
    - Plan to enhance project value by dewatering the existing pit followed by grade control and further resource drilling
    - Underground potential
  - Regional exploration - dominant tenement position on the Westonia Greenstone Belt
  - Big Bell Plant - purchased for $2.45 million in November 2003
  - Cash - approximately $7.0 million

- The Offer pursuant to the current Prospectus will be closed tomorrow and no shares will be allotted pursuant to that closed Offer.

- Further information for shareholders regarding the capital raising will be advised shortly.

For further information:

David Hatch
Managing Director

(08) 9321 3088

17th May 2005