



WESTONIA MINES LIMITED

ASX ANNOUNCEMENT

UPDATE ON FINANCING OF WESTONIA GOLD PROJECT (WGP)

As previously advised, the Company has been conducting ongoing financing discussions in connection with funding the development of the WGP. While substantial progress has been made, the recent strengthening of the Australian dollar against the US dollar has impacted upon the financing despite the fact that the US dollar gold price has remained encouragingly strong. Consequently, the Company has not yet been able to finalise a funding structure for the WGP development decision that would provide an adequate return to shareholders .

Despite the current challenges that these economic conditions present, the Company will continue evaluating financing and equity raising alternatives in anticipation of an improvement in relevant economic conditions. A strengthening of the Australian dollar gold price would have a favourable impact upon the funding options available to the Company.

Additionally, the Company continues to seek further refinements to its operations strategy of mining the Edna May open pit.

The relocation of the Big Bell Plant is progressing well and is now approximately 70% complete. Site dismantling work is scheduled for completion in accordance with the contract by the end of May 2007.

The company continues to pursue a series of regional exploration initiatives. Recently completed work includes the extensive aeromagnetic survey, the IP survey at Anomaly 47 and a programme of 9 RAB holes to test one of the higher ranked Edna May repeat targets. Assays are awaited from this programme. Further drilling has just been conducted at the Perrins prospect and follow up drilling will occur to test the highest ranked IP targets at Anomaly 47 in the coming weeks.

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