

Weststar Closes Non-Brokered Private Placement and Amends Lekona Letter of Intent

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VANCOUVER, 07/05/11 - [Weststar Resources Corp.](#) (TSX VENTURE: WER) (the 'Company') is pleased to report that it has closed its non-brokered private placement for gross proceeds of \$2,217,960 (the 'Private Placement') by the issuance of 2,464,400 units (each a 'Unit') at a price of \$0.90 per Unit, previously announced in a news release dated May 3, 2011. Each Unit consists of one common share (a 'Share') and one-half of one transferable share purchase warrant (each whole warrant a 'Warrant'). Each Warrant entitles the holder to purchase one common share (a 'Warrant Share') at a price of \$1.50 until July 5, 2012.

The Company has paid finders' fees comprising of 8% cash commission and compensation warrants (the Finder's Warrants') equal to 8% of securities placed by the finders. Each Finder's Warrant entitles the holder to acquire an additional common share (a 'Finder's Warrant Share') of the Company at a price of \$1.50 per Finder's Warrant Share for a term of 12 months from the closing of the Private Placement.

All securities issued under the Private Placement are subject to hold periods expiring November 6, 2012.

Amendment to Lekona Letter of Intent

The Company also announces that it has entered into an amendment agreement (the 'Amendment Agreement') with Lekona Mineral Incorporated ('Lekona') dated June 30, 2011, amending the terms of the letter of intent with Lekona dated March 17, 2011.

La Paloma Property - Acquisition of Lekona's Interest

Pursuant to the Amendment Agreement, in consideration of an assignment by Lekona of all of Lekona's right, title and interest in and to the La Paloma concessions (the 'Acquisition'), including the 20% undivided interest held by it therein and its rights under the underlying option agreement between Lekona and Minera Sierra de Oro S.A. de C.V. ('Minera'), the Company has agreed, subject to completing a financing of not less than \$2,000,000 to:

(a) pay, within 5 business days of receipt of final TSX Venture Exchange (the 'Exchange') acceptance to the Acquisition, on or before August 15, 2011 or such other date as mutually agreed to by the parties (the 'Closing'), to or to the direction of Lekona, the sum of \$700,000;

(b) issue, on Closing, 4,000,000 common shares in the capital stock of the Company to Lekona or its designates and 1,650,000 common shares in the capital stock of the Company to Minera;

(c) issue on Closing 1,500,000 share purchase warrants (the 'Warrants') to Lekona or its designates, each such Warrant being exercisable into one common share of the Company at a price of \$1.50 per common share for a period of one year from Closing. The Warrants shall only be exercisable in the event:

(i) the Company completes Phase I of the work program contained in the NI 43-101 report dated June 26, 2011 on the Project prepared by Snowden Mining Industry Consultants and delivers a new NI 43-101 compliant report describing the results of the Phase I work, which new report recommends proceeding with Phase 2 (the 'Completion Date'); and

(ii) the Company completes a follow on financing of not less than \$1,000,000 to fund the Phase 2 program;

(d) issue, within 10 business days of the Completion Date, 2,000,000 common shares in the capital stock of the Company to Lekona or its designates;

(e) pay on or before the date that is one year from the Closing, to or to the direction of Lekona, the sum of \$1,100,000;

(f) to assume all of the unfulfilled obligations of Lekona under the Option Agreement, including the payments of cash and shares due to Minera thereunder; and

(g) on commencement of commercial production from the Project, to pay to Lekona a 2% net smelter returns royalty, on the terms set out in the Amendment Agreement.

Lekona currently holds an option to acquire an 80% interest in the La Paloma concessions from Minera under an option agreement dated September 15, 2010 as amended by agreement dated April 30, 2011 (together the 'Option Agreement') between Lekona and Minera. Lekona has exercised a portion of the option granted under the Option Agreement and currently owns a 20% undivided interest in the La Paloma concessions.

The Option Agreement provides for the following payments (all share issuances required under the Option Agreement from Lekona, to be assumed by Weststar):

(a) a non-refundable deposit of \$50,000.00 (paid);

(b) a payment of \$300,000.00 (paid), together with a transfer of 2,000,000 common shares in the capital stock of Lekona (transferred), which obligations have been satisfied and in consideration for which Lekona has acquired an undivided 20% interest in the Project. On closing of the transaction between Company and Weststar this 20% interest will be transferred to Weststar;

(c) on or before April 30, 2011, a further payment of \$300,000.00 (paid);

(d) On Closing of the transaction between the Company and Lekona, the issuance of 1,650,000 common shares in the capital stock of Weststar and the expenditure on or before October 30, 2011 of \$200,000.00 on or in respect of the Project. In consideration for the foregoing, Weststar shall acquire a further 20% interest in the La Paloma concessions, for an aggregate 40% interest in the Project;

(e) on or before October 30, 2011, a further payment of \$400,000.00 and the issuance of 1,000,000 common shares in the capital stock of Weststar. In addition, a further \$250,000.00 is to be expended on or in respect of the Project and a National Instrument 43-101 Standards of Disclosure for Mineral Projects ('NI 43-101') level report is to be generated. In consideration of the foregoing, Weststar shall acquire a further 20% interest in the Project, for an aggregate 60% interest in the Project; and

(f) on or before October 30, 2012, a final payment of \$2,000,000.00, the issuance of an additional 2,000,000 shares in the capital stock of Weststar and the expenditure of a further \$750,000.00 on or in respect of the Project. In consideration of the foregoing, Weststar shall acquire a further 20% interest in the Project, for an aggregate 80% interest in the Project.

In addition to the foregoing, in the event that Weststar receives a NI 43-101 compliant report, acceptable to both parties, drawn in accordance with NI 43-101, indicating that there are resources of gold and silver in the Project exceeding 4,000,000 ounces and 150,000,000 ounces, respectively, Weststar shall deliver to or to the order of Minera 5,000,000 common shares in the capital stock of Weststar. The NI 43-101 shall be undertaken and paid for by Weststar on or prior to October 31, 2014, or within 12 months following Weststar acquiring the 80% undivided interest in the Project, as contemplated by the Option Agreement, which ever event occurs first.

The Option Agreement further provides that upon Weststar acquiring 80% of the Project, Weststar and Minera will form an 80/20 joint venture and continue development of the Project with Weststar acting as operator.

The Company has received conditional Exchange approval of the Acquisition and the Company intends to close same shortly.

On Behalf of the Board

Mitchell Adam
President of Weststar Resources Corp.

'Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.'

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