

# Weststar Options Axe Property to World's Fourth Largest Copper Producer

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VANCOUVER, 04/03/12 - [Weststar Resources Corp.](#) (TSX VENTURE: WER) (the "Company") is pleased to announce that it has entered into an option agreement with Xstrata Copper Canada (a division of Xstrata Canada Corporation) (Xstrata) (LSE: XTA) and Bearclaw Capital Corp. ("Bearclaw") dated March 21, 2012 (the "Option Agreement"). The Company and Bearclaw are parties to a joint venture (the "Axe JV") in which they hold the beneficial interest in 25 mineral claims located in British Columbia, Canada, known as the Axe Property, with the Company holding a 70% interest and Bearclaw holding a 30% interest (the "Participating Interest").

The Axe Property is an advanced stage project with known porphyry copper mineralization, which has been the subject of numerous drill programs since the 1960s. The Axe Property consists of 25 mineral claims (4,983 hectares), located in the Similkameen Mining Division, 20 km north of Princeton, British Columbia. The Axe Property was acquired in the 1960s by Adonis Mines Ltd., which commenced exploration for porphyry copper style of mineralization. Major exploration programs were completed by Adonis, Amax Exploration Inc. and Cominco Ltd. during the 1970s and early 1980s. In total, 185 holes, comprising some 14,000 metres were drilled during this period. Amax provided the initial historic resource estimate in 1971, followed by estimates of Adonis in 1972 and 1973. The main area of the Axe Property has been continuously held under title since 1967. A fourteen-hole diamond drill program was completed by Weststar in 2006 and 2007 totalling 3,401 metres.

President, Mitchell Adam states, "We as a Company feel this is an excellent opportunity to advance the Axe Property and could unlock the value of the Axe Property for the benefit of our shareholders. To have a company of Xstrata's calibre spend up to \$18 million on the Axe Property is a major milestone for the project. Additionally, we are of the opinion it is a great vote of confidence in the British Columbia copper mining industry."

Under the terms of the Option Agreement, the Company and Bearclaw have agreed to grant Xstrata an option to earn a 51% interest in the assets of, or held pursuant to the Axe JV, including the Axe Property (the "Option").

## Axe JV - Acquisition of 51% Interest

Pursuant to the Option Agreement, from the date of the execution (the "Commencement Date") of the Option Agreement and continuing until the earlier of: (i) four years from the Commencement Date; (ii) the exercise of the Option; or (iii) the termination of the Option Agreement (the "Earn-In Period"), the Company and Bearclaw have granted Xstrata the sole and exclusive right to carry out exploration activities on and evaluate the Axe Property for minerals and to grant Xstrata the Option.

In order to exercise the Option, during the Earn-In Period, Xstrata must incur CDN\$3,000,000 of expenditures in exploration activities on the Axe Property by the end of the Earn-in Period.

In order to maintain the Option during the Earn-in Period, Xstrata must pay to the Company and Bearclaw (collectively, in proportion to their Participating Interest in the Axe JV):

- (a) CDN\$25,000 on the Commencement Date;
- (b) CDN\$25,000 on the first anniversary of the Commencement Date;
- (c) CDN\$30,000 on the second anniversary of the Commencement Date;
- (d) CDN\$40,000 on the third anniversary of the Commencement Date; and
- (e) CDN\$60,000 on the fourth anniversary of the Commencement Date.

If Xstrata exercises the Option, a joint venture will be formed between Xstrata, the Company and Bearclaw with respect to Axe Property as evidenced by a formal joint venture agreement with Xstrata as the initial

operator holding a 51% Participating Interest and the Company and Bearclaw a 34.3% and 14.7% Participating Interest respectively.

Upon exercise of the Option, Xstrata will have the option to acquire an additional 24% undivided interest in the Axe Property (increasing its interest to 75%, absent other adjustments) by either completing a feasibility study on the Axe Property or incurring no less than CDN\$15,000,000 in feasibility study expenditures on the Axe Property and providing the Company and Bearclaw with evidence of such expenditures. In the event Xstrata exercises the second option and acquires an undivided 75% interest in the Axe Property, then the Company will have a 17.5% and Bearclaw a 7.5% Participating Interest in the Axe Property respectively.

Under the Option Agreement the Company and Bearclaw have also granted Xstrata a right of first refusal ("ROFR") over any direct or indirect sale or transfer by the Company and/or Bearclaw of any of their respective interest in the Axe Property, which ROFR will terminate at the end of the Earn-in Period if Xstrata has not exercised the Option.

On Behalf of the Board

Mitchell Adam, President  
Weststar Resources Corp.

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