



## **WESTSTAR EXECUTES LETTER OF INTENT TO ACQUIRE HIGH GRADE PAST PRODUCING GOLD AND SILVER MINE IN JALISCO, MEXICO**

### **Weststar Commences Regional Asset Consolidation of Near-term and Producing Gold and Silver Projects**

**Vancouver, BC – March 24, 2011:** Weststar Resources Corp. (TSX-V: WER - FSE: HN3) (the “Company” or “Weststar”) is pleased to announce the Company has entered into a Letter of Intent with Lekona Minerals Incorporated (“Lekona”) under which Weststar has been granted an option to acquire up to an 80 percent undivided interest in the La Paloma concessions (the “La Paloma concessions” or the “Property”). The La Paloma concessions are located in the State of Jalisco, Mexico and comprise 160 hectares. The Property lies at the very southern end of the Sierra Madre Occidental physiographic province.

#### **La Paloma Property - Epithermal Gold and Silver Mineralization**

Snowden Industry Mining Consultants Ltd. (“Snowden”) was contracted to do a site visit and take samples to support the opinion of mineral occurrence. This report was written to be compliant with the requirements of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”) for the purposes of this acquisition.

Snowden, during its site visit, collected 10 samples from outcrops and structures found during their site visit. The samples were representative of the area being evaluated and channel samples were taken across structures with a conscious effort made to include sample from the full width of the structure of interest as shown below in Table 1. The Company was excited to receive the sample assays which returned gold values of up to 49.20 grams / tonne (“g/t”) gold. Silver values were as high as 385 g/t. Eight (8) of the ten (10) samples returned very good to excellent grades. These eight (8) samples were taken from inside the old mine workings. The other two (2) samples were taken at the tunnel entrances outside the old mine. As expected these two (2) samples taken from outside the mine in wall

rock (chip sample numbers 1 & 7) at the tunnel entrances returned lower values of gold. The samples were sent to ALS Chemex Laboratories in North Vancouver, B.C. and in the report Snowden has confirmed presence of gold and silver mineralization. In addition it concludes that the La Paloma concessions host epithermal style mineralization and is a property of merit.

**Table 1: Gold and Silver Assays from Samples**

<b>Sample Number</b>	<b>Gold g/t</b>	<b>Silver g/t</b>	<b>Sample Type</b>	<b>Notes</b>
1	0.01	1.60	Chip	Tunnel 3 Entrance
2	8.77	222.00	Chip	Outcrop near peak
3	4.44	385.00	Chip	Entrance of Tunnel 1
4	0.39	87.40	Chip	Inside Tunnel 1
5	1.90	211.00	Chip	Artisanal Workings
6	1.41	131.00	Chip	Artisanal Workings
7	0.16	4.40	Chip	Tunnel 5 Entrance
8	10.10	26.60	Chip	5m inside Tunnel 5
9	49.20	119.00	Chip	Extension of Tunnel 1
10	0.87	15.60	Chip	Artisanal Workings

Snowden recommends that Weststar undertake a phased exploration program of mapping, geophysics and drilling and estimate the cost to be in the order of \$1.4 million.

The exploration history on the area and concession is described as dating back many hundreds of years. Natives of the area mined and worked silver prior to the arrival of the Spanish. The first known record of mining in the area was described in 1543 by Juan Fernandez de Hajar who identified the mines in the Guachinango, Etzatlan and Guajacatlan districts (C. Rene de Leon Meza). The Property was, at one time, owned by Industrias Peñoles, S.A.B. de C.V. who relinquished it in 1980. Mexican corporations are not required to file reports on their activities, so programs up to this date are unknown.

In 1983 and 1984 the Consejo de Recursos Minerales (CRM), a government agency, drained and entered the northern end of the main tunnel of the Veta Ancha workings and sampled an exploration drift approximately 100 metres from the 1928 planned mining to the northwest. Based on this work CRM reported a "potential reserve" of 750,000 tonnes grading 4.19 g/t Au and 123 g/t Ag from the CRM. This estimate must be considered an historical resource as it does not meet the NI 43-101 definitions for a resource or reserve as stated in sections 1.2 and 1.3. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources, the issuer is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon.

In 2006, a small leach plant was constructed on the old foundations to process material collected during the clean-up of tunnel #1. Sampling of the tunnels was also carried out. Further exploration was carried out in 2008 which outlined new targets of interest and additional tunnels, not identified in the 1928 reports.

## **La Paloma Property - Production History**

The Piedra Bola mine hosts gold and silver mineralization and was the target of historical mining. On the La Paloma concessions, the mineralized zone extends approximately 1,500m southeast to northwest and it was exploited until a 1928 workers strike terminated mining operations. Documentation from 1927 and 1928 offers detailed accounts of the mining operation. The 1927 Report of Production indicates that 41,090 tonnes were mined at an average grade of 5.87 gpt gold and 507 gpt silver. Plans for 1928 proposed that 44,300 tonnes were to be excavated at an estimated grade of 6.64 gpt gold and 500 gpt silver. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources, the issuer is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon. The main travel and communication tunnel at 1,563ms elevation runs 1500 meters northwest to southeast with entrances to the northwest and a cross-cut tunnel 140 metres to the northeast. Previous exploitation occurred above the 1563 level in the mine to the northwest along 300m of strike length. Plans for 1928 were to develop below the 1563 level. Exploration shafts and tunnels were being developed as the mine shut down.

Weststar intends upon completion of financing to begin the first phase of work which will include the securing and rehabilitation of the underground shafts and adits and begin to define a mine plan based on reconfirming the historic block of ore.

Mitch Adam, Weststar's President states, "We are excited to have entered into this agreement to acquire the La Paloma gold and silver mine in Mexico. The Property is an advanced project and we expect to commence our exploration activities as soon as we obtain TSX Venture Exchange approval of the Acquisition. WestStar plans on working quickly to the eventual re-opening of the mine."

## **La Paloma Property – Terms of Acquisition**

Lekona currently holds an option to acquire an 80% interest in the La Paloma concessions from Minera Sierra de Oro S.A. de C.V. ("**Minera**") under an option agreement between Lekona and Minera dated September 15, 2010 (the "**Option Agreement**"). 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:

- (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 Property;
- (c) on or before April 30, 2011, a further payment of \$300,000.00 the issuance of 1,000,000 common shares in the capital stock of Lekona and the expenditure

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of \$200,000.00 on or in respect of the Property. In consideration for the foregoing, Lekona shall acquire a further 20% interest in the La Paloma concessions, for an aggregate 40% interest in the Property;

- (d) 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 Lekona. In addition, a further \$ 250,000.00 is to be expended on or in respect of the Property 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, Lekona shall acquire a further 20% interest in the Property, for an aggregate 60% interest in the Property;
- (e) 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 Lekona and the expenditure of a further \$750,000.00 on or in respect of the Property. In consideration of the foregoing, Lekona shall acquire a further 20% interest in the Property, for an aggregate 80% interest in the Property.

In addition to the foregoing, in the event that Lekona 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 Property exceeding 4,000,000 ounces and 150,000,000 ounces, respectively, Lekona shall deliver to or to the order of Minera 5,000,000 common shares in the capital stock of Lekona. The NI 43-101 shall be undertaken and paid for by Lekona on or prior to October 31, 2014, or within 12 months following Lekona acquiring the 80% undivided interest in the Property, as contemplated by the Option Agreement, which ever event occurs first.

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

### **La Paloma Property - Acquisition of Lekona's Interest**

In consideration of an assignment by Lekona to Weststar 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 Option Agreement, Weststar has agreed, subject to completing a financing of not less than \$5,000,000.00 to:

- (a) pay, on Closing the sum of \$3,000,000.00;
- (b) to issue, on Closing, 5,850,000 common shares in the capital of Weststar to Lekona and 650,000 common shares in the capital of Weststar to Minera; and
- (c) to assume all of the unfulfilled obligations of Lekona under the Option Agreement, including the payments of cash and shares due to Minera thereunder.

All cash payments due to Minera under the Option Agreement shall be made to or to the direction of Minera. All issuances of shares in the capital stock of Lekona otherwise due to Minera under the Option Agreement shall be replaced with the issuance of common shares in the capital stock of Weststar and issued to or to the order of Lekona.

### **La Paloma Property - Due Diligence**

Weststar is entitled to conduct customary due diligence on the Property, including environmental and/or geological performance reviews, a review of all studies, analyses, reports and findings related to the Property, and standard legal due diligence examination, including review of all documentation relating to the title to assets of the Property and the Option. Weststar has substantially completed its due diligence investigations.

The technical information in this news release has been prepared in accordance with the Canadian regulatory requirements set out in NI 43-101 and reviewed on behalf of the Company by Thomas Clarke, Pr.Sci.Nat, a qualified person and a Director of the Company.

The Acquisition is subject to the acceptance of the TSX Venture Exchange.

For further info on the Company please visit [www.weststarresources.com](http://www.weststarresources.com) or email [info@weststarresources.com](mailto:info@weststarresources.com) Telephone: 604-678-5308, Toll Free: 1-855-678-5308.

On Behalf of the Board

Mitchell Adam, President  
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."*