



**WESTAIM ANNOUNCES TSX APPROVAL
OF NORMAL COURSE ISSUER BID**

Toronto, Ontario (August 24, 2011) – The Westaim Corporation (“**Westaim**” or the “**Company**”) (TSX: WED) is pleased to announce that the Toronto Stock Exchange (the “**TSX**”) has approved the notice of its intention to make a normal course issuer bid.

Pursuant to the terms of the bid, Westaim may purchase its own common shares (the “**Shares**”) for cancellation through the facilities of the TSX at the prevailing market price of the Shares. It is expected that the maximum number of Shares which may be purchased by Westaim will not exceed 30,173,238, being approximately 10% of 301,732,838, representing the number of Shares which are in the “public float”. Purchases will be subject to a daily maximum of 79,235 Shares, except where such purchases are made in accordance with the “block purchase” exemption under applicable TSX policy. Westaim will effect purchases at varying times commencing on August 30, 2011 and ending on August 29, 2012.

In addition to providing shareholders liquidity, Westaim believes that its Shares have been trading in a price range which does not adequately reflect the value of such shares in relation to the Company’s business and its future prospects. As a result, Westaim believes that its outstanding Shares may represent an attractive investment.

As at the close of business on August 23, 2011, Westaim had 586,798,960 Shares issued and outstanding.

For further information, please contact:

Jeff Sarfin, Chief Financial Officer
Telephone number: (416) 203-2253
Email: info@westaim.com

This press release contains “forward-looking information” which may include, but is not limited to, statements with respect to future purchases by Westaim of its Shares pursuant to its normal course issuer bid. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements contained herein are made as of the date of this press release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances, management’s estimates or opinions should change, except as required by securities legislation. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.