

## Argonne, Western Lithium to Develop Lithium Carbonate for Multiple Battery Applications

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ARGONNE, ILLINOIS and RENO, NEVADA--(Marketwire - Oct. 5, 2011) - **Western Lithium USA Corporation** (TSX:WLC) (OTCQX:WLCDX) ("Western Lithium or the "Company") is pleased to announce that it has signed an agreement with the U.S. Department of Energy's **Argonne National Laboratory** as a step toward the commercialization of lithium carbonate from the Company's Kings Valley Lithium Project located in Humboldt County, Nevada, USA.

Under the agreement, Argonne will analyze and develop the Company's lithium carbonate products for battery applications. Argonne is a global leader in **advanced battery and energy storage research** and development and has developed 150 advanced battery technologies in the last decade. In the last three years, the research laboratory has executed several licensing deals for a lithium-ion battery technology with General Motors, BASF, Envia, LG Chem and Toda America.

"In 2010 and 2011, Western Lithium produced high quality lithium carbonate from its pilot studies in the United States and Germany and achieved lithium carbonate purity in the range of 99.5 to 99.9 percent," said Jay Chmelauskas, Western Lithium president. "We believe that the industry will continue to require improved product specifications for current and future lithium-ion battery applications. Our work with Argonne is intended to develop lithium specifications suitable to engage potential customers for lithium carbonate offtake agreements and ultimately to advance the Kings Valley project into production."

"Purity is critical for battery-grade materials such as lithium carbonate, which is the precursor material in lithium battery technologies," said Argonne scientist Ilias Belharouak, who will lead a team of researchers on the Western Lithium project. "Our team will work with Western Lithium to develop a battery specification for lithium carbonate produced from the Company's Kings Valley clay. This research will enhance the pilot study work that has already been completed."

As part of the work agreement, conventional electrode materials will be synthesized with lithium carbonate extracted from Western Lithium's lithium clay deposits at Kings Valley and electrochemically tested against current industry baseline specifications. Additionally, new composites based on improved materials may be tested as part of the work agreement to investigate new chemistries and formulations for enhanced performance. Argonne will work with Western Lithium to optimize and improve lithium carbonate production and quality to target areas of potential competitive advantage.

#### About Western Lithium

Western Lithium is developing the Kings Valley, Nevada lithium deposit into potentially one of the world's largest strategic, scalable and reliable sources of high quality lithium carbonate. The Company is positioning itself as a major United States-based lithium carbonate supplier to support the rising global demand for lithium, expected from the increased use of hybrid and electric vehicles.

Western Lithium is in the final stages of completing a pre-feasibility study for the project to demonstrate capital and operating cost requirements to extract and process lithium from its Nevada clays. As announced previously, the Company expects improvements to its project economics since it released its preliminary assessment economic study in January 2010 (see press release dated January 12, 2010), based on additional drilling supporting higher grade feedstock for processing and improved energy economics. The new study is expected to show two phases of development starting at a nominal 13,000 tonnes per year of lithium carbonate equivalent (LCE) and scaling after several years to approximately double the production rate to nominally 26,000 tonnes per year LCE. The results of the pre-feasibility study are expected to be released in October 2011.

#### About Argonne

Argonne National Laboratory seeks solutions to pressing national problems in science and technology. The nation's first national laboratory, Argonne conducts leading-edge basic and applied scientific research in virtually every scientific discipline. Argonne researchers work closely with researchers from hundreds of companies, universities, and federal, state and municipal agencies to help them solve their specific problems, advance America's scientific leadership and prepare the nation for a better future. With employees from more than 60 nations, Argonne is managed by **UChicago Argonne, LLC** for the **U.S. Department of Energy's Office of Science**.

#### Forward Looking Statement

Certain of the statements made and information contained herein, including the timing and results of a pre-feasibility study, the size and scope of any potential mine plan on Stage I of the King's Valley Property, the timing

and results of pilot scale testing and a demonstration plant is "forward-looking information" within the meaning of the Ontario Securities Act. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, risks and uncertainties relating to commodity price fluctuations; uncertain political and economic environments; changes in laws or policies, delays or the inability to obtain necessary governmental permits, risks inherent in mine planning and development such as cost overruns, metallurgical and recovery factors and financing risks; risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; and other risks and uncertainties, including those described in each management discussion and analysis. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of lithium; appropriate equipment and sufficient labor and that the political environment where the Company operates will continue to support the development and operation of mining projects. Readers should also refer to the section entitled "Risk Factors" in the company's MD&A, Annual Information Form and other periodic filings. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking information. Accordingly, readers are advised not to place undue reliance on forward-looking information.

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