LithiumAmericas

NEWS RELEASE

Organoclay Industry Veteran Frank B. Wright Jr. Joins Western Lithium as President of Hectatone Inc. and the Company Appoints Edward Flood as Co-Chairman

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RENO, NEVADA--(Marketwired - July 31, 2014) - Western Lithium USA Corporation ("Western Lithium", the "Company") (TSX:WLC)(OTCQX:WLCDF) is pleased to announce that Frank B. Wright, Jr., has accepted the position of President of the Company's wholly-owned subsidiary Hectatone Inc. effective August 1, 2014. Frank brings approximately 40 years of clay industry experience to the Company that includes:

- President of American Colloid Company, one of the world's leading producers of bentonite clay;
- Vice President of AMCOL International Corp. (now Mineral Technologies), a leading producer and marketer of diverse specialty materials with 2013 reported sales of over US$1 billion;
- President & CEO of Bentonite Performance Minerals, LLC (now subsidiary of Halliburton Company), a company with significant market share in markets for Wyoming bentonite;
- President of Volclay International, where he led strategic initiatives to open new plant operations in China, India, and Thailand;
- Plant operations manager, product development, and quality assurance manager with Baroid Fluids (now subsidiary of Halliburton Company).

Since 2008, as Director of Business Development for Egypt-based Rasheed Performance Minerals, Frank has been involved with the development of a startup organoclay producer, IDIC Specialty Drilling Chemicals, that is now a leading international and US supplier of organoclay and organolignite products for the drilling industry. Frank brings senior executive and operational experience to the Company's organoclay business in both domestic and international operations.

"As a recognized leader in the drilling additives industry, Frank will direct the Company's operations, sales, safety,

and other strategic initiatives," said Western Lithium's CEO, Jay Chmelauskas. "Frank joins us as we launch our drilling additive business at a time when the US has demonstrated major exploration and development success with directional drilling technology. The US has increased domestic oil and gas production to near record levels, and the rest of the world, notably China, is now starting to use directional drilling and organoclay technology to realize vast shale and tight oil production opportunities. Our modern Hectatone™ plant is the newest organoclay plant built in the US in decades. Construction is effectively complete, mechanical commissioning has started, and we are on schedule for production and sales of our Hectatone™ organoclay product line in fall, 2014."

Ed Flood, the founder and a director of Western Lithium, has been appointed to join John Macken as Co-Chairman of the Board. Mr. Flood first recognized the potential paradigm shift towards lithium batteries and the electrification of vehicles when the Company was formed, and he is pleased to help lead Western Lithium through the next important stages of finance and development.

"We are delighted to welcome Ed as Co-Chairman of our Board," said the current Chairman of Western Lithium, John Macken. "Ed's experience in the financial markets and the mining industry provide valuable insight for our Company, as we transition into production."

The Hectatone™ organoclay plant is located in Fernley, Nevada to service the domestic and international oil and gas market. Construction of the plant is now effectively completed. Mechanical commissioning has commenced, with planned production and sales starting in fall, 2014.

In addition, the Company is building a lithium demonstration plant in Germany to showcase its patented lithium extraction technology to potential strategic investors. The lithium demonstration plant is scheduled to be operational, also in fall, 2014.

About the Company

Western Lithium is pursuing the opportunity to be a supplier of specialty drilling additive, HECTATONE™ and potentially other organoclays for the oil and gas industry, and in particular, to support the growth of high pressure high temperature, deep directional drilling applications. The Company is also developing its Kings Valley, Nevada lithium deposit into a strategic, scalable and reliable source of high quality lithium carbonate. The Company is positioning itself as a major U.S.-based supplier to support the rising global demand for lithium carbonate that is expected from the increased use of hybrid/plug-in and electric vehicles.

Forward-looking statements

Statements in this release that are forward-looking statements are subject to various risks and uncertainties

concerning the specific factors disclosed here and elsewhere in the Company's periodic filings with Canadian securities regulators. When used in this document, the words such as "expected" and "planning"and similar expressions are forward-looking statements. Information provided in this document is necessarily summarized and may not contain all available material information.

Statements in this release that constitute forward-looking statements or information include, but are not limited to (i) the commencement of HECTATONE™ product sales in the fall; (ii) the completion of and the commencement of operations at the Lithium Demonstration Plant; and (iii) the completion of construction, commissioning and production of the Hectatone™ plant.

All such forward-looking information and statements are based on certain assumptions and analyses made by Western Lithium management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements include those described under the heading "Risks Factors" in the Company's most recently filed MD&A. Readers are cautioned not to place undue reliance on forward-looking information or statements.

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