

Western Lithium Advances Nevada Lithium Supply With Demonstration Plant Startup

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RENO, NEVADA--(Marketwired - Sept. 8, 2014) - Western Lithium USA Corporation ("Western Lithium", the "Company") (TSX:WLC)(OTCQX:WLCDF) is pleased to announce that it has commenced calcination of its lithium clays in the first of three planned campaigns to demonstrate the viability of extracting lithium on a large scale from its lithium-rich clay deposit in Nevada. The calcination is the first step to turn the lithium bearing clay into water soluble lithium sulphates, so that a brine can be produced through leaching. The 12 tons per day calcination plant is now operational, while the downstream leaching, crystallization and precipitation process is still under construction and expected to be operational in November 2014. The planned production of lithium compounds will continue through the fall and into the spring of 2015 to determine engineering parameters and equipment selection to complete a definitive feasibility study for the Company's US patented extraction process. Western Lithium will include a lithium hydroxide circuit, in addition to planned production of lithium carbonate, to meet potential new industry requirements.

The Company estimates that its planned annual production of up to 26,000 tonnes per year of lithium carbonate equivalent (LCE) would meet lithium demand for between 500,000 to over 1 million electric cars, depending on the size of the automotive lithium-ion batteries. Furthermore, Western Lithium's property hosts inferred and historical lithium resources that extend for over 20 miles across Federal mining lithium claims in Nevada. This mineralization has not been included in mine planning to date creating the potential, subject to upgrading of the resource confidence levels of the material and development studies, for production expansion.

"With dozens of automotive and consumer electronics companies now planning product expansions using lithium-ion batteries, there is a basic requirement for incremental production of non-substitutable lithium molecules," said Jay Chmelauskas, CEO of Western Lithium. "We see the potential for Nevada to become a major international hub for lithium production. Recently announced plans to develop the world's largest lithium-ion battery manufacturing

facility within the State of Nevada, provides possible synergies between our businesses. The State has an opportunity to capture the innovation and invention that is taking place across the lithium sector, and our demonstration plant is the next step to establish new technology and to create another significant new business in Nevada."

Approximately 165 tonnes of lithium clay will be calcined with a mix of anhydrite and dolomite, all shipped from Nevada, at a rate of 12 tonnes per day to a facility in Weimar, Germany. The calciner is 1 meter in diameter by 12 meters long and instrumented and operated by experts in thermal technology. The crystallization and precipitation plant is under construction at a facility that was previously used for lithium pilot testing in Sondershausen, Germany, and is expected to be operational in November 2014. The Company has spent the last several years advancing its lithium project to be ready for a demonstration campaign. Starting in 2011, large diameter (0.9 meter) drillholes were completed through the center of its Nevada lithium deposit to secure large bulk representative ore samples. In 2012, the Company completed a pre-feasibility study that supported the economic basis for production that could make Nevada into a major new supply source for lithium. A detailed design for a lithium demonstration facility was completed in 2013, and procurement, construction and commissioning of the lithium demonstration plant is on-going through November, 2014, with lithium compound production expected by the end of 2014.

The Company is also commissioning its Hectatone™ organoclay plant, located in Fernley, Nevada that is expected to begin imminent production of specialty drilling fluid additives. Mechanical commissioning of the plant is underway and first production is expected by November 2014, based on current startup progress.

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 compounds. The Company is positioning itself as a major U.S.-based supplier to support the rising global demand for lithium that is expected from the increased use of hybrid/plug-in and electric vehicles.

The scientific and technical information in this release has been reviewed and approved by Dennis Bryan, Senior Vice President of Development, a Qualified Person under the terms of NI 43-101. For further information about the pre-feasibility study on the King's Valley Project and the reserves and production plans contemplated thereunder, please refer to the Technical Report entitled Kings Valley Technical Report, Humboldt County dated May 9, 2014 filed on the Sedar profile of the Company.

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 completion of relevant construction and the commencement of precipitation and calcination testing; (ii) the installation and testing of a lithium hydroxide circuit; (iii) the potential for production expansion; (iv) the development of battery manufacturing capacity in Nevada and synergies of such capacity with the Company's proposed operations; (v) the timing and success of demonstration plant testing; and (vi) the 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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