

# Western Lithium Arranges Convertible Security Financing

5/1/2015

RENO, NEVADA--(Marketwired - May 1, 2015) - Western Lithium USA Corporation ("Western Lithium", the "Company") (TSX:WLC)(OTCQX:WLCDF) is pleased to announce that it has entered into a convertible security funding agreement with an entity managed by The Lind Partners, a New York based asset management firm (together, "Lind"). An initial US\$2.8 million will be funded pursuant to the issuance of an initial convertible security ("Convertible Security"), which is expected to occur by May 4, 2015 (the "First Tranche"). Lind can increase the funding under that Convertible Security by an additional US\$600,000 during its two year term. The agreement also provides for the issuance of a second Convertible Security on mutual agreement of the Company and Lind, in which Lind would fund another US\$2.8 million (that can also be increased by US\$600,000) (the "Second Tranche").

Western Lithium's CEO, Jay Chmelauskas, said "We have a good opportunity to work with The Lind Partners to secure funding while the Company continues to advance discussions with potential strategic partners to develop our lithium project in Nevada. In addition, the funding will support product sales from our new Hectatone™ facility in Nevada."

Jeff Easton, Founder and a Managing Partner of The Lind Partners commented "We have been following the progress of Western Lithium for several years and we are pleased to become stakeholders at a time when crucial inflection points can be achieved, along with a significantly improved outlook for the lithium sector."

Each Convertible Security has a two year term from the date of issue and will incur a simple interest rate obligation of 10% on the amount funded that is prepaid and attributed to its face value upon the issuance of each Convertible Security. The Company has also agreed to pay a fee of US\$140,000 for each of the First Tranche and Second Tranche (if any) that is also attributed to the face value of the Convertible Security upon issue. Lind will be entitled to convert the Convertible Securities in monthly installments over the term. Conversion will be at the higher of (a)

85% of the five day trailing VWAP of the common shares (the "Shares") prior to the date of conversion and (b) the five day trailing VWAP of the Shares prior to the date of conversion, less the maximum discount allowable in accordance with TSX rules; however, any Shares acquired upon conversion will not be tradable through the TSX until completion of a four-month hold period. Lind will also be entitled to accelerate its conversion right to the full amount of the face value or demand repayment of the face value in cash upon a default and other designated events. To the extent that the full face value has not been converted at maturity the balance of the face value is to be paid in cash at the end of the two year term.

In addition, in respect of the First Tranche, the Company has agreed to issue 3.125 million warrants, exercisable into Shares for a period of three years at an exercise price of \$0.8464 per Share. In respect of the Second Tranche (if any), the Company has agreed to issue warrants under a formula based on the amount funded and the prevailing five day VWAP prior to the date of issue ((US\$2.8 million/VWAP per Share during the five trading days immediately prior to the Second Tranche closing) X 0.50), exercisable into Shares for a period of three years, at an exercise price of 120% of the VWAP per Share for the five trading days before the Second Tranche closing.

The Company has agreed to grant security over the Company's Nevada Hectatone™ plant and equipment. In addition, finder's fees of US\$70,000 will be paid in connection with this transaction.

RK Equity Advisors, LLC acted as financial advisor in connection with this transaction, with broker-dealer services provided through Pickwick Capital Partners, LLC.

## 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 that is expected from the increased use of hybrid/electric vehicles.

## About The Lind Partners

The Lind Partners is a New York-based asset management firm that manages several institutional investment funds focused on small- and mid-cap companies publicly traded in Australia, the United Kingdom and Canada in mining, oil & gas, biotech, technology and clean-tech. Lind utilizes a multi-strategy investment approach: direct investments of new capital (equity, debt and hybrid); participation in syndicated placements; and selective stock trades on the open market. Since 2009, our team has completed over 50 direct investments totaling over \$500 million in

transaction value. For more on Lind: [www.thelindpartners.com](http://www.thelindpartners.com) or [contact@thelindpartners.com](mailto:contact@thelindpartners.com).

#### Forward-looking statements

Statements in this release that are forward-looking information 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 "expect," "believe," "scheduled," "targeting" and similar expressions is forward-looking information. 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 Company's ability to successfully complete strategic partner discussions; (ii) the successful closing of the First Tranche and the Second Tranche (if any); and; (iii) product sales from Hectatone™ and the outlook for the lithium sector..

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. The Company does not intend, and expressly disclaims any obligation to, update or revise the forward-looking information contained in this news release, except as required by law. Readers are cautioned not to place undue reliance on forward-looking information or statements.

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