LithiumAmericas

NEWS RELEASE

Western Lithium Completes Royalty Financing

2/6/2013

RENO, NEVADA--(Marketwire - Feb. 6, 2013) - USA: Western Lithium USA Corporation ("Western Lithium", the "Company") (TSX:WLC)(OTCQX:WLCDF) is pleased to announce that it has today, received US$11 million on the closing of the initial tranche of its previously announced royalty financing with RK Mine Finance (Master) Fund II L.P. ("Red Kite") pursuant to a Royalty Purchase Agreement with Red Kite ("Purchase Agreement").

Under the Purchase Agreement, Red Kite has agreed to deliver to Western Lithium up to US$20 million in two tranches, the first US$11 million having been paid today and a second of US$9 million, being conditional upon certain prerequisites. In exchange for the financing amounts, the Company has granted a gross revenue royalty at the Kings Valley Project as described in the Company's news release dated February 5, 2013.

About Red Kite

Red Kite provides mining companies with project financing and metal off-take agreements for initiation or expansion of mine production and is part of the Red Kite group. Red Kite operates across the global metals industry from offices in Bermuda, Denver, Hong Kong, London, New York, Shanghai and Sydney. Investors in Red Kite funds include college endowments, foundations, family offices, pensions and other institutional investors.

Western Lithium is developing the 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/electric vehicles. The Company is also pursuing the opportunity to be a supplier of specialty hectorite clay drilling additives to the oil and gas industry, and in particular, to support the growth of deep directional drilling applications in high temperature and high pressure environments.

Cautionary Note Regarding Forward Looking Statements and Information: Certain disclosure in this release

constitutes forward-looking statements and information. When used in this release, the words "will", "expected" and comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this release include, among others, the completion of the second tranche of the Purchase Agreement, the Company's development of the Kings Valley deposit, the future markets for lithium and/or hectorite clay drilling additives, and the Company's share of such markets. Such statements and information involve the application of certain factors and assumptions by the Company that are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company. Although the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements and information. Such risk factors include, among others, that actual results of the Company's development activities will be different than those expected by management, that the Company will be unable to obtain or will experience delays in obtaining any required government approvals, that the Company will be unable to meet all conditions required for funding under the Purchase Agreement, the market for the Company's future production, if any, and the conditions of the markets generally. Readers are cautioned not to place undue reliance on forward-looking statements and information. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements and information whether as a result of new information, future events or otherwise, except as required by law.

The TSX has neither approved nor disapproved of the contents of this press release. Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this press release.

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