LithiumAmericas

NEWS RELEASE

Western Lithium Demonstrates High Performance Results From Rechargeable Lithium Ion Battery Testing at Argonne National Laboratory and Provides Operations Update

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RENO, NEVADA--(Marketwire - April 16, 2012) - Western Lithium USA Corporation (the "Company" or "Western Lithium") (TSX:WLC)(OTCQX:WLCDF) is pleased to announce results from electrochemical performance testing by Argonne National Laboratory of US Department of Energy ("Argonne"), of lithium carbonate extracted from the Company's Kings Valley Hectorite clay lithium deposit in Nevada, USA. Several electrochemical cells were fabricated using Western Lithium's lithium carbonate that was upgraded and purified with carbon dioxide during one of its pilot testing programs. The batteries incorporated three common cathode chemistry types consisting of: lithium manganese spinel ($LiMn_2O_4$), olivine ($LiFePO_4$), and lithium nickel manganese composite oxide ($LiMn_2O_3.LiNi_{0.5}Mn_{0.5}O_2$). Each cell was duplicated to incorporate lithium carbonate obtained from an industry standard Sigma-Aldrich Co. LLC ("Sigma-Aldrich") product and compared under the same conditions with Western Lithium product. The initial test results demonstrate superior performance by Western Lithium's product for olivine chemistry, and similar or slightly better performance for the other two cathode chemistries when compared against the Sigma-Aldrich standard. As a general conclusion, the testing completed so far indicates that Western Lithium can produce high purity and high quality lithium product for use in multiple types of lithium ion battery chemistries.

"We have always believed that our Nevada deposit could produce a high quality and consistent source of lithium carbonate for what we expect will be increasing specifications required by high performance lithium ion batteries," said Jay Chmelauskas, President of Western Lithium. "The initial work at Argonne is supporting our view that we will be able to sell an acceptable product to the lithium battery market."

The Company has also been advancing a potential opportunity to sell its Hectorite clay into the growing oil and gas

drilling fluids market. Further clay testing and economic studies are currently being undertaken, and a decision is expected whether to advance the clay business in the second quarter of 2012.

The Company recently completed a NI 43-101 pre-feasibility study that was filed on January 27, 2012. Over the past several months Western Lithium has been active to complete a comprehensive Plan of Operations to submit to the Bureau of Land Management in Nevada to initiate its Environmental Impact Assessment study. The Company continues to seek a strategic partner in order to advance definitive feasibility studies and a planned demonstration plant. It is envisioned that further engineering and testing will be required in order to support the permitting process. With a current treasury of approximately $6 million and based on the current financial market conditions, the Company may begin to modify activities until financial market conditions improve and there is greater market demand for new sources of lithium supported by the adoption of electric and hybrid vehicles.

The following charts graphically demonstrate the comparison of Western Lithium's product against a Sigma-Aldrich standard lithium carbonate using multiple cathode chemistries that did not have a carbon coating. Processing and testing conditions were kept the same for samples derived from the Western Lithium and the Sigma-Aldrich lithium carbonate. Comparing the performance of the Olivine chemistry, it is evident that the capacity of the lithium carbonate prepared with Western Lithium's product demonstrated superior electrochemical performance against the Sigma-Aldrich sample. This may be due to better reaction or better mixing with the other precursor materials leading to a more optimal particle size. The results of the lithium manganese spinel demonstrated slightly better coulombic efficiencies (less capacity loss between charge and discharge) and cycling retention (less capacity loss during cycling). There were no discernible performance differences when comparisons were made using high capacity lithium nickel manganese layered oxide chemistry. The overall conclusion from these initial test results, is that Western Lithium expects at least similar performance from its Kings Valley, Nevada derived lithium carbonate as compared to industry standards.

To view the charts associated with this press release, click on the following link:
http://media3.marketwire.com/docs/w413g.pdf

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.

About Western Lithium

Western Lithium is developing the Kings Valley, Nevada lithium deposit into a strategic, scalable and reliable sources 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.

Forward-Looking Statements: This document includes forward-looking statements. Forward-looking statements include, but are not limited to: the Company's ability to sell an acceptable or premium product to the lithium market and to produce a high purity and high quality lithium product for use in multiple types of lithium ion battery chemistries. When used in this document, the words such as "plan", "estimate", "expect", "intend", "may", "likely" and similar expressions are forward-looking statements. Although the company believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements are disclosed under the heading "Risk Factors" in the Company's Annual Information Form for the year ended September 30, 2011 which is available at **www.sedar.com**.

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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