LithiumAmericas

NEWS RELEASE

Western Lithium Finalizes Agreement for Purchase of Royalties and Mineral Property Titles From Western Uranium

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RENO, NEVADA--(Marketwire - Feb. 7, 2011) - Western Lithium USA Corporation (TSX:WLC)(OTCQX:WLCDF) ("Western Lithium" or "WLC") and Western Uranium Corporation (TSX VENTURE:WUC)(PINK SHEETS:WURNF) ("Western Uranium" or "WUC") have entered into a definitive agreement for the sale by WUC to WLC, of the royalties and titles constituting substantially all of the Kings Valley mineral property holdings in Nevada, initially announced December 15, 2010.

The transaction transfers all of the lithium properties out of WUC's portfolio and eliminates the existing lease and royalty arrangements between the two companies on the Kings Valley property, including a Net Smelter Return of 1.5% and Net Profits Royalty of 3.5% on any lithium and related byproducts. WLC gains full control of the Kings Valley property claims, excluding the Albisu gold exploration target noted below and a proposed royalty to be granted to Cameco Global Exploration II Ltd. ("Cameco") solely in respect of uranium, also as described below.

Details of the Transaction

- The definitive agreement structures the transaction as an asset purchase, whereby WLC will purchase all unpatented minerals claims that constitute the property, thereby acquiring all of WUC's direct and indirect interest in the Kings Valley mineral property, including mineral titles, leases, data and royalties. The Albisu gold property, located at the northern end of the Kings Valley property is excluded from the transaction; however WLC retains lithium development rights on these claims and a right of first refusal on any future disposition by WUC of these claims.
- The purchase price will be Cdn$6.85 million, to be paid through the issue by WLC of 5,855,000 WLC common

shares at a deemed price of Cdn$1.17.

- WUC's Strategic Alliance with Cameco, related to the exploration and development of uranium properties, will be concluded as a related part of the transaction, for consideration of Cdn$2.5 million to be paid by WUC to Cameco and the grant to Cameco of a 20% gross overriding royalty over the Kings Valley mineral property solely in respect of uranium.
- As part of the transaction, WUC has agreed to dispose, in due course, of its common shares in the capital of WLC following completion of the transaction in one or more block trades or off-market transactions until it is no longer an insider (ie. holds less than 10% of outstanding shares), and until it completes such disposition to refrain from voting against management nominees to the WLC board of directors and to not vote against any arm's length third party transaction proposed by WLC's management.

The transaction is subject to stock exchange approvals and other conditions, and is expected to close by the end of February.

Western Lithium is developing the Kings Valley, Nevada lithium deposit into potentially one of the world's largest[(1)] 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.

Western Uranium Corporation is a mineral exploration company with properties in Argentina, Nevada, and New Mexico and an earn-in agreement with Renaissance Gold Inc. (formerly AuEx Ventures, Inc.) for the Baza gold-copper project in Spain. The Company has its head office in Vancouver, Canada; its executive management team is based in Reno, Nevada.

1. Western Lithium has completed National Instrument 43-101 resource estimates on two portions of the property, one of which is envisioned for the initial stage of mine development. These resources cover part of the mineralization from a historical estimate of 11 million tonnes of lithium carbonate equivalent (LCE) prepared by Chevron Resources Corp. in the 1980s that encompasses all of the King's Valley lithium lens deposits identified to date, and ranks in size behind deposits in Bolivia (47 million tonnes LCE), Chile (37 million tonnes LCE), North Carolina (14 million tonnes LCE) and the DRC (12 million tonnes LCE). Source: R. Keith Evans, 2010; Roskill Information Services Ltd., 2009; and Company disclosures. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources under National Instrument 43-101. The Company is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon. Forward-Looking Statements

Certain of the statements made and information contained herein is "forward-looking information" within the

meaning of the Ontario Securities Act, including the completion of the transaction noted above and settling of all other outstanding conditions for completion of the transaction. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including obtaining regulatory approval, and other risks and uncertainties, including those described in each management discussion and analysis. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking information. Accordingly, readers are advised not to place undue reliance on forward-looking information. The companies do not have a policy of updating forward-looking information, except to the extent required by applicable securities laws.

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