LithiumAmericas

NEWS RELEASE

Western Lithium Funded For Pre-Feasibility Study and Planned Demonstration Plant

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RENO, NEVADA--(Marketwire - May 19, 2011) - Western Lithium USA Corporation (TSX:WLC)(OTCQX:WLCDF) ("Western Lithium" or the "Company") is pleased to announce that it has received approximately C$7.9 million through the conversion of warrants during 2011. The Company has a treasury of approximately C$14.5 million and there are no remaining warrants for conversion. It is anticipated that the Company is now adequately funded to complete its two major milestones in 2011, which includes a pre-feasibility study scheduled for completion in mid-summer, and a demonstration plant scheduled for the fall of 2011.

The pre-feasibility study currently underway is an update to the Preliminary Assessment and Economic Evaluation (see PAEE, January 2010), which demonstrated a competitive capital and operating cost structure for lithium carbonate production at the Company's wholly-owned Kings Valley Lithium Project in Nevada, USA. The design capacity contemplated by the pre-feasibility study will be 13,000 tonnes of lithium carbonate per annum, which management believes is a reasonable market entry production rate, over an estimated 20-year mine life. The current study considers less than 8% of the historical resource, making the project highly scalable and establishes it as a potential major world hub for lithium production. The new study will incorporate an additional 120 new drill holes from the 2010 and 2011 infill drilling program. The pre-feasibility study will include:

- Higher lithium cut-off grades, potentially improving the average grade of the resource by 20 to 30%
- Optimization of energy costs
- Reduced start-up production rate to improve market entry dynamics and construction capital requirements

The lithium carbonate demonstration plant will establish the cost competitiveness of Western Lithium's technology and potential process control advantages of extracting lithium from the Nevada clay. Management is looking at a facility in Germany as the potential site for the demonstration plant. This facility, with much of the infrastructure

already in place, will be a cost-effective location and will expedite completion of the demonstration plant by approximately six months.

Jay Chmelauskas, President of Western Lithium commented, "Following completion of the pre-feasibility study, we will advance straight into full feasibility study work, targeting a production date inline with new lithium demand requirements expected in 2015. Additionally, the Company continues permitting activities with baseline environmental studies underway."

Mr. Chmelauskas continued, "Ford, GM, Toyota, Nissan, BMW and others are now joining the ranks of Chinese automotive manufacturers vying to lead the shift to automotive electrification. For example, this year, Toyota begins replacing their nickel metal hydride batteries in the Toyota Prius with more powerful and lighter lithium batteries. By 2014, all Toyota Prius's will have plug-in lithium ion batteries that will power the car for over 40 kilometres. In 2010, Toyota sold nearly 700,000 hybrid cars, or approximately 10% of their total sales. The fundamentals for our industry continue to demonstrate strong growth."

Following completion of the Stage I development, there is a high potential for future scalability based on the historic lithium resources at the property. Western Lithium's Kings Valley property has one of the largest known lithium deposits in the world, based on a historical resource estimate done by Chevron Resources Corp. (Chevron) of 11 million tonnes of LCE[(2)]. This additional drilling supports work previously carried out by Chevron in the 1970's and 1980's that identified five lithium bearing hectorite clay lenses.

Western Lithium is developing the Kings Valley, Nevada lithium deposit into potentially one of the world's largest[(3)]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.

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(1) Mineral resources that are not mineral reserves do not have demonstrated economic viability.
(2) A qualified person has not done sufficient work to classify the historical estimate as current mineral resources, Western Lithium is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon.The Chevron historical resource estimate of 11 million tonnes of LCE is at average grades ranging from 0.31% to 0.37% Li, March 1985.There is insufficient information regarding the categories used in the historical estimates to make a meaningful comparison to current resource categories under CIM Definition Standards of Mineral Resources and Mineral Reserves.
(3) 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 results and timing of the pre-feasibility study and pilot plant development. 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, without limitation, risks and uncertainties relating to risks inherent in mining including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding; risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations; uncertain political and economic environments; changes in laws or policies, delays or the inability to obtain necessary governmental permits; 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, the assumed long term price of lithium; appropriate equipment and sufficient labour and that the political environment where the Company operates will continue to support the development and operation of mining projects. 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 TSX has neither approved nor disapproved 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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