

Western Lithium Hectatone(TM) Organoclay Plant Scheduled for Commissioning Summer, 2014

1/22/2014

RENO, NEVADA--(Marketwired - Jan. 22, 2014) - Western Lithium USA Corporation ("Western Lithium", or the "Company") (TSX:WLC)(OTCQX:WLCDF) is pleased to announce that it has contracted Phoenix Industrial Inc. ("Phoenix"), based in Vancouver, Washington as the general contractor for its Hectatone™ organoclay plant that is under construction in Fernley, Nevada. Phoenix's scope includes a two-phase approach: (i) Phase I, currently underway, will complete earthwork, concrete and building modifications; and (ii) Phase II is expected to commence in March, and will enable completion and commissioning of the Hectatone™ organoclay plant by summer. Phoenix has expertise with projects of a similar size and scope as the Company's Fernley facility and has completed several successful projects in Nevada.

North America and other parts of the world continue to drill for and discover new sources of oil and gas using organoclay-based directional drilling and fracturing technology that is shifting the global energy supply balance. In addition to continuing to develop its lithium carbonate project, Western Lithium is focused on emerging as an energy services company to supply the growing shale fracturing and offshore drilling markets with specialty Hectatone™ drilling mud products. Hectatone™ products are designed to clean out drill cuttings, provide lubrication and maintain well pressure in challenging oil-based drilling environments such as high pressure, high temperature systems. The Company plans to use a dry processing method that is expected to provide a cost advantage over certain other wet processed competitor products. Our product descriptions can be found at www.hectatone.com.

"The Company can now provide guidance to potential customers about the expected supply of products in the latter half of 2014," said Western Lithium's CEO, Jay Chmelauskas. "We are pleased to be breaking ground en route to become a commercial operator in 2014, with the prospect of supplying the growing oil field market with drilling mud solutions for increasingly challenging drilling environments."

The Company has also seconded an experienced project manager, Tom Payne, with 40 years of field experience on project construction sites. Mr. Payne has worked with Western Lithium's management in the past on other chemical plant projects and will provide cost control, reporting and in-field construction management services. All major permits for the Fernley site have been received (see press release dated December 20, 2013) and site preparation has been ongoing throughout December and January. Currently, building upgrades are underway, and foundations to support major pieces of equipment have been excavated in preparation for concrete and steel footings. Recent construction photos are displayed on our website at www.westernlithium.com. The Company will continue to post progress photographs during the construction period.

In addition, during the month of December, Western Lithium completed several pilot scale tests at facilities in North Carolina and Missouri. Representative sample products are currently being sent to numerous potential customers that have expressed interest in testing and purchasing Hectatone™ products. Further testing and product development will continue at our facilities in Nevada and at pilot facilities in the eastern USA. The Company is targeting the spring to secure sales agreements for various products that it is currently marketing to oil service providers.

About the Company

Western Lithium is pursuing the opportunity to be a supplier of a 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 carbonate that is expected from the increased use of hybrid/electric vehicles.

Forward-looking statements

Statements in this release that are forward-looking statements 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", "scheduled", "targeting" and similar expressions are forward-looking statements. 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 completion, or timing of, the Phase I earthwork, concrete and building modifications; (ii) the commencement and completion of Phase II construction of the organoclay plant; (iii) the costs of using dry a processing method in the production of Hectatone™ and any relative advantage resulting from same; and (iv) the commencement of

Hectatone™ production and sales in 2014.

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. Readers are cautioned not to place undue reliance on forward-looking information or statements.

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