LithiumAmericas

NEWS RELEASE

Western Lithium Hosts Ceremonial Opening of Its Hectatone Organoclay Plant in Fernley, Nevada

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RENO, NEVADA--(Marketwired - Oct. 10, 2014) - Western Lithium USA Corporation ("Western Lithium", the "Company") (TSX:WLC)(OTCQX:WLCDF) is pleased to announce that on October 8th it hosted a ceremonial opening to mark the completion of construction of its Hectatone organoclay plant in Fernley, Nevada. The Hectatone plant is expected to commence production of its proprietary product line of Hectatone drilling fluid viscosifiers over the next several weeks. The ceremony was well attended by dignitaries from local communities and the State of Nevada and included Congressman, Mark Amodei; City of Fernley Mayor, LeRoy Goodman; City of Fernley City Manager, Chris Good; Assemblyman, Tom Grady; Humboldt Commissioners, Marlene Brissenden; and Mike Wurm, Executive Director of the boys and girls club of Truckee Meadows, among other community leaders, partners and stakeholders.

"The startup of the plant is progressing according to plan. We expect to begin shipping Hectatone finished products in November to meet initial customer orders", said Hectatone President, Frank B. Wright, Jr. Wright further stated "our entire Hectatone™ team is ready to launch a full line of unique organophilic hectorite and other organophilic clay products, that offer solutions to new drilling industry opportunities."

"Hectatone is our first chemical plant investment in the State of Nevada." said Western Lithium CEO, Jay Chmelauskas. "As the US continues to develop its domestic reserves of oil and natural gas using directional drilling technology, followed by the rest of the world, we see tremendous opportunities for our Hectatone business. Our next major chemical plant investment in Nevada is focussed on advancing our lithium carbonate and hydroxide projects to support the growth of the lithium ion battery manufacturing sector that is developing in Nevada and internationally."

The Hectatone™ business has been developed by Western Lithium to provide viscosifier technology to the

directional drilling industry. Directional drilling is the technology that has successfully tapped vast reserves of oil and gas in the US and globally. The construction of the Hectatone™ plant is now complete. Mechanical commissioning and safety inspections are near complete. The plant is expected to commence semi-continuous operations in the coming weeks.

Western Lithium is also commissioning a lithium demonstration plant in Germany. First trial production of lithium carbonate is expected in November. The Company plans to run several campaigns of lithium production to produce lithium carbonate and lithium hydroxide for lithium-ion battery applications. The Company is currently in discussions with potential partners in order to accelerate its lithium development activities in Nevada.

About the Company

Western Lithium is pursuing the opportunity to be a supplier of 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 commencement of Hectatone™ production and product sales in 2014; (ii) the completion of pilot program production of lithium carbonate and lithium hydroxide at its pilot plant; and (iii) potential strategic partners for its lithium business operations..

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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