LithiumAmericas

NEWS RELEASE

Western Lithium Initiates Permitting for Specialty Hectorite Commercial Clay Operation

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RENO, NEVADA--(Marketwire - Oct. 11, 2012) - Western Lithium USA Corporation ("Western Lithium", the "Company") (TSX:WLC)(OTCQX:WLCDF) is pleased to announce that it has successfully submitted the Kings Valley Clay Mine Plan of Operations and Reclamation Permit Application concurrently to the Bureau of Land Management (BLM) Winnemucca District Office and Nevada Division of Environmental Protection (NDEP). The BLM and NDEP have both acknowledged receipt and have started their review and approval process for the project. Agency approvals are expected in the first quarter of 2014, based on a 16 to 18 month review process that takes into account the extensive baseline surveys that Western Lithium has already performed for the property.

Western Lithium is investigating the establishment of the Kings Valley Clay Project as an open-pit near surface hectorite clay mine with associated facilities. It is envisioned that raw clay will be shipped directly from the mine site to a clay processing facility located in the United States or to an international facility.

"Western Lithium is looking carefully at this strategy as it would generate cash flow from selling our unique specialty hectorite products for deep drilling applications to develop new sources of natural gas and oil," said Western Lithium's CEO, Jay Chmelauskas. "The specialty clay market and other associated products to service this energy sector, have seen double digit growth over the past year, and we expect this trend to continue."

Western Lithium has been developing specialty hectorite clay products over the past year to meet American Petroleum Institute (API) standards for use as a specialty hectorite gelling clay for deep drilling applications. The Company's engineering and permitting team is located in Reno, Nevada, and has extensive operational experience including the successful permitting of dozens of mining projects throughout the State, for both metals and industrial minerals.

Western Lithium is developing the 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. The Company is also pursuing the opportunity to be a supplier of specialty hectorite clay drilling additives to the oil and gas industry, and in particular, to support the growth of deep directional drilling applications.

Cautionary Note Regarding Forward-Looking Statements: Certain disclosure in this release constitutes forward-looking statements, including in particular the timing and results of the permitting application and the development of the Company's hectorite clay for commercial sale. In making the forward-looking statements in this release, the Company has applied certain factors and assumptions that are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company. Although the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such risk factors include, among others, that actual results of the Company's development activities will be different than those expected by management and that the Company will be unable to obtain or will experience delays in obtaining any required government approvals or be unable to procure required equipment and supplies in sufficient quantities and on a timely basis. Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

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