

Western Lithium Produces First High Purity Lithium in Germany

2/24/2015

RENO, NEVADA--(Marketwired - Feb. 24, 2015) - Western Lithium USA Corporation ("Western Lithium", the "Company") (TSX:WLC)(OTCQX:WLCDF) is pleased to announce that it has produced 99.8% high quality lithium carbonate in its first trial run while commissioning its demonstration plant in Germany. The Company has previously tested its high purity lithium product in battery tests with Argonne National Laboratory, a leading lithium-ion battery laboratory in the United States, that demonstrated satisfactory performance in cycle testing of lithium-ion battery cells (see news release April 16, 2012). Initial results regarding its demonstration plant indicate that lithium extraction and brine concentration are in line with design parameters established in the Company's NI 43-101 Technical Report filed May 9, 2014. Western Lithium intends to be a new supplier of lithium for the lithium-ion battery market that is experiencing strong growth from electrified vehicles, energy storage applications and consumer electronics. Permitting and engineering work is planned to accelerate in 2015 based on current discussions with several strategic partners that have indicated interest to partner with the Company.

"Over the past 18 months, Western Lithium has completed the permitting, construction, and first product sales of our Hectatone™ business (www.hectatone.com) located in Nevada. The lithium market now appears ready for Western Lithium to accelerate the development of its Nevada lithium deposit as a new major supply source. Nevada is emerging as the world's largest lithium battery manufacturing center and provides potential synergies for Western Lithium to establish its business locally and to become integrated with the global battery supply chain," said Western Lithium CEO, Jay Chmelauskas.

In addition, lithium hydroxide studies have been advanced to finalize the design of Western Lithium's lithium hydroxide circuit for production. The Company expects to test its lithium hydroxide circuit in pilot tests in 2015.

Western Lithium has processed 75 tons of material, using oxidized ores from its Nevada property, through a

calcination plant in Weimar, Germany, at a rate of 12 tons per day. The lithium calcine produced in the Company's proprietary process has been further treated at its leaching and crystallization facility in Sondershausen, Germany, at a rate of 5 tons/day. This pilot facility, which has been commissioning since October 2014, has been designed to produce 72 kg/day of high purity lithium carbonate that equates to over 20 tons/year, if operated continuously. The Company expects to produce several tons of lithium products in 2015 during several campaigns to verify equipment selection and to provide production run samples for potential off-take sales. Lithium extraction recovery was measured at 85-90% with tailings containing 200-300 parts per million lithium. These values are in line with our commercial design criteria. The operating plant will continue to be optimized prior to the run of the next production campaign, which will include the production of byproducts potassium sulphate and sodium sulphate. The Company plans to granulate, calcine, and process approximately 250 tons of additional lithium feed (a mix of lithium clay, anhydrite and dolomite). The plant is being modified based on the results of the first trial run to now include, for example, an automatic feed system and dust collection units at the granulation/calcination facility and improvements to the leaching circuit to increase performance.

Western Lithium's Kings Valley lithium deposit is one of the largest known lithium deposits in the world, based on a historical resource estimate done by Chevron Resources Corp. of 11 million tonnes of LCE⁽¹⁾. Western Lithium is positioned to play a major role in the lithium battery supply chain that is under development in the USA and globally. The Company anticipates that an integrated lithium-ion battery supply chain will continue to emerge in North America.

(1) Mineral resources that are not mineral reserves do not have demonstrated economic viability. 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. 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. For further information see the May 9, 2014 Technical Report of the Company filed on

Sedar at www.sedar.com.

Qualified Person

The scientific and technical information in this release has been reviewed and approved by Dennis Bryan, the Company's Senior Vice President of Development, a non-independent Qualified Person under the terms of NI 43-101.

About the Company

Western Lithium is a supplier of specialty drilling additive, Hectatone™ and 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 lithium supplier to support the rising global demand for lithium that is expected from the increased use of hybrid/electric vehicles, energy storage applications and consumer electronics.

Forward-looking statements

Statements in this release that are forward-looking information 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," "believe," "scheduled," "targeting" and similar expressions is forward-looking information. 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 Company's ability to establish a strategic partner or to raise sufficient funding for its planned development of its Kings Valley Project and planned operation of the lithium pilot plant; (ii) the successful operation of the Hectatone business; (iii) future growth in the lithium-ion battery industry and market conditions for the new sources of lithium; (iv) the successful permitting and development of the company's Kings Valley Project, and (iv) the timing and successful production of lithium carbonate, lithium hydroxide and other byproducts from the lithium demonstration plant.

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. The Company does not intend, and expressly disclaims any obligation to, update or revise the forward-looking information contained in this news release, except as required by law. Readers are cautioned not to place undue reliance on forward-looking information or statements.

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