LithiumAmericas

NEWS RELEASE

Western Lithium Purchases Established Industrial Site in Fernley, Nevada, to Operate its Hectatone(TM) Organoclay Plant

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RENO, NEVADA--(Marketwired - July 10, 2013) - Western Lithium USA Corporation ("Western Lithium", the "Company") (TSX:WLC)(OTCQX:WLCDF) is pleased to announce that it has purchased an industrial complex in the City of Fernley to be the production site for its Organoclay Plant, where the Company plans to produce its line of Hectatone™ specialty drilling mud products for the oil and gas industry. The City of Fernley has a population of approximately 19,000 people and has attracted a diversified industrial base including Nevada Cement, Amazon.com and Sherwin-Williams paint manufacturer. The City is located approximately thirty miles from Reno and Sparks, and approximately one hundred and eighty miles from the Company's Kings Valley Hectorite clay mining property in Humboldt County, Nevada. Western Lithium expects to benefit from a strong local work force in Fernley to secure long term employees for its manufacturing business. The City of Fernley supports Western Lithium's new investment and has begun assisting the Company through the permitting process.

"As a diversified business community, Fernley has established itself as home to several Fortune 500 businesses, and we welcome Western Lithium's new manufacturing facility that will create new jobs and support the oil and gas service industry," said the Mayor of Fernley, LeRoy Goodman.

"Our confidence to invest in Fernley was bolstered by the support of the Mayor and his team who met with us during our initial site reconnaissance," Jay Chmelauskas, CEO of Western Lithium stated. "The existing buildings and infrastructure are well suited for our Hectatone™ manufacturing plant. Our lead-time equipment is scheduled to start to arrive in October, and we will begin our hiring and training programs in the fall."

The site consists of three existing structures totalling 59,300 square feet, including a warehouse, a covered metal storage area to house the organoclay process plant, and an office/laboratory building. The 5.47 acre property has a

paved yard and is located next to an interstate highway, nearby railway, and is serviced by municipal water, sewage, natural gas and power. The property is being purchased for US$1,575,000, of which US$236,250 is due at the close of the transaction in July, and the remaining balance of US$1,338,750 is financed by the seller with a ten-year promissory note payable in monthly installments. The promissory note will bear interest equal to the current US prime rate plus 2% (estimated 5.25%) for the first five years, and then at a reset rate of between 5.5% to 7.5% for the final five years, depending on the prime rate at the time of reset. The note is secured by the purchased property.

Western Lithium is pursuing the opportunity to be a supplier of specialty drilling additive, hectorite clay 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.

The TSX has neither approved nor disapproved of 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.

Cautionary Note Regarding Forward-Looking Statements and Information: Certain disclosure in this release constitutes forward-looking statements and information. When used in this release, the words "expects", "expected", "scheduled", "will" and "anticipated" or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this release include, among others, the benefits to be derived from the local Fernley work force; and the expected timing of the permitting for the Fernley facility. Such statements and information involve the application of certain factors and assumptions by the Company 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 and information. Such risk factors include, among others, that actual results of the Company's development activities will be different than those expected by management, that the Company will be unable to obtain or will experience delays in obtaining any required government approvals, the ability to procure required infrastructure, equipment and supplies in sufficient quantities and on a timely basis and the conditions of the markets generally. Readers are cautioned not to place undue reliance on forward-looking statements and information. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements and

information whether as a result of new information, future events or otherwise, except as required by law.

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