LithiumAmericas

NEWS RELEASE

Western Lithium Receives Environmental Approvals to Commence Hectorite Clay Mining

5/22/2014

RENO, NEVADA--(Marketwired - May 22, 2014) - Western Lithium USA Corporation ("Western Lithium" or the "Company") (TSX:WLC)(OTCQX:WLCDF) is pleased to announce that it has received all required local, State of Nevada, and Federal permits necessary to initiate mining associated with the Kings Valley Clay Mine Project, located in Humboldt County, Nevada.

In May 2014, in accordance with 43 CFR 3809 Surface Management Regulations, the Bureau of Land Management Winnemucca District Office authorized Western Lithium to proceed with mining operations associated with the Kings Valley Clay Mine Project, as detailed in the Company's Final Plan of Operations and Reclamation Plan. In April 2014, the State of Nevada, Division of Environmental Protection, Bureau of Mining Regulation and Reclamation (concurrently approved Western Lithium's Final Plan of Operations and issued the Project's Final Reclamation Permit. Also in April 2014, the Mine Safety and Health Administration (MSHA) assigned the Kings Valley Clay Mine operation an MSHA Mine Identification Number, and the Humboldt County Regional Planning Commission unanimously approved Western Lithium's Conditional Use Permit, allowing the development of an open pit clay mine and associated mine-related operations. With all required environmental permits successfully obtained, Hectorite clay can now be selectively excavated from two open pits at the Company's Kings Valley property, and ultimately hauled to its Hectatone™ organoclay manufacturing plant located in Fernley, Nevada.

The Hectatone™ organoclay plant is on schedule to begin manufacturing specialty drilling fluid additives in the fall of 2014.

"Although we can now go ahead and extract Hectorite from our Nevada property, we currently have approximately 3,000 tons of excavated Hectorite clay that is stockpiled and ready for the commissioning of our Fernley Hectatone™ manufacturing facility," said Jay Chmelauskas, CEO of Western Lithium. "Once the Hectatone™ plant

construction is completed by the end of summer, a gradual production ramp-up is expected in the fall to match our planned product sales."

In addition, Western Lithium is also pursuing the development of a planned Lithium Demonstration Plant, located in Germany (see April 28, 2014 Press Release). The Lithium Demonstration Plant is on schedule to be operational in the fall of 2014.

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/plug-in and electric vehicles.

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

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 "expected," "planned", "forecast", "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™ product sales in the fall; (ii) the completion of and the commencement of operations at the Lithium Demonstration Plant; and (iii) the completion of construction of the organoclay 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. Readers are cautioned not to place undue reliance on forward-looking information or statements.

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