LithiumAmericas

NEWS RELEASE

Western Lithium Receives USA Patent for Lithium Extraction Process

5/9/2013

RENO, NEVADA--(Marketwired - May 9, 2013) - Western Lithium USA Corporation (the "Company") (TSX:WLC) (OTCQX:WLCDF) is pleased to announce that it has been awarded a Patent from the United States Government (US 8,431,005) for its lithium extraction process that was filed in June 2011. The invention relates to the separation of lithium and potassium compounds from lithium-containing materials, primarily ores such as hectorite and other lithium-rich clays. The process is summarized in Western Lithium's NI 43-101 compliant Pre-Feasibility Study that was filed on SEDAR in January 2012. The Pre-feasibility Study demonstrated a pre-tax net present value of US$552 million with an internal rate of return of 24% at an 8% discount rate. The Company believes that the patent will help to protect the intellectual property that has been developed by the Company through comprehensive engineering and pilot testing over the past several years.

A lithium demonstration plant is the next step to determine operating parameters that are commercially scalable to support the detailed design of a lithium production facility. The Company recently engaged an engineering design firm based in Denver, USA to assist in the design of the demonstration plant. The Company is also seeking technical partners and equipment manufacturers to participate in building and operating the demonstration plant. The Company has received US$11 million from first tranche of the Royalty Financing (see the Company's news release dated February 6, 2013), of which US$1 million is allocated to advance the lithium demonstration plant design. A further US$9 million second tranche of the Royalty Financing will be funded to build the demonstration plant, once certain regulatory milestones are achieved in Nevada.

Update on Hectatone™ Organoclay for Oilfield Applications

In the near term, the Company has focused its attention on developing a product line of Hectatone™ organoclay drilling products to sell into the oil and gas drilling markets. Hectatone™ is a thermally stable drilling mud additive

that can be used under high pressure and high temperature (HPHT) environments. HPHT environments are encountered for certain shale and deep offshore oil and gas deposits.

During the next week, the Company expects to place its first order for major lead-time equipment items to construct the planned 10,000 ton per year organoclay facility in Nevada. The construction of the organoclay plant is expected to be complete and ready for commissioning in early 2014. The Company recently completed pilot scale Hectatone™ production at facilities in North Carolina and St Louis during the month of April to test and refine product performance in diesel and mineral oil.

Qualified Person

Disclosure of a scientific or technical nature in this news release has been reviewed and approved by Dennis Bryan, who is considered a Qualified Person under the terms of National Instrument 43-101.

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.

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 "will", "believes" and "expected" 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 completion of the second tranche funding of the Royalty Financing and the construction and commissioning of the organoclay facility, together with the requisitioning of equipment relating thereto. 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, that the Company will be unable to meet all conditions required for funding under the Royalty Financing, 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.

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.

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