LithiumAmericas

NEWS RELEASE

Western Lithium Secures US$5,000,000 Line of Credit

12/16/2015

VANCOUVER, BRITISH COLUMBIA and TORONTO, ONTARIO--(Marketwired - Dec. 16, 2015) - Western Lithium USA Corporation ("Western Lithium", the "Company") (TSX:WLC)(OTCQX:WLCDF) - is pleased to announce that, further to its news release of November 16, 2015, it has completed the US$5,000,000 Line of Credit Agreement (the "Line of Credit Agreement") with its largest shareholder, Geologic Resource Partners LLC (the "Lender").

Pursuant to the terms of the Line of Credit Agreement, the Lender agreed to advance a US$5,000,000 line of credit (the "Line of Credit") to the Company with an interest rate of 1.25% per month, payable monthly. Upon execution, the Company paid a $75,000 execution fee. The Company may draw down on the Line of Credit from time to time in increments of US$100,000, with each draw down subject to a fee of 1.25% of the amount drawn down. Any amounts disbursed, once repaid, will no longer be available for draw down. The Line of Credit also has a standby fee equal to 1.5% of any undrawn amount, payable annually. The Company may cancel the Line of Credit at any time provided there are no outstanding obligations. The balance owing matures and falls due on December 14, 2018, and maturity accelerates if the Company closes a financing of US$10,000,000 or greater. The Line of Credit does not carry a conversion feature into common shares of the Company. The funds from the Line of Credit will be used for working capital purposes.

Concurrent with execution of the Line of Credit Agreement, Geologic assigned a beneficial interest in an aggregate US$750,000 principal amount of the Line of Credit to each of John Kanellitsas, a member of the Company's Board of Directors and Greenbrook Capital Partners Inc., a company wholly owned by Thomas Hodgson, CEO and member of the Company's Board of Directors.

John Macken, the Company's Chairman, commented: "We are very pleased to be able to secure the line of credit from our largest shareholder with the participation from the new executive team, reflecting their commitment to our business plan set for the next year. It also represents a non-dilutive funding to the Company at the time when

discussions with strategic partners are rapidly progressing to advance our two large lithium deposits, Cauchari-Olaroz in Argentina and Kings Valley in Nevada, and while our Hectatone business is advancing towards positive cash flow in 2016."

As a result of the fact that the Lender holds securities carrying more than 10% of the voting rights attached to the Company's issued and outstanding common shares and that George Ireland, a member of the Company's Board of Directors, is also CEO of the Lender, the Line of Credit is considered a "related party transaction" pursuant to Multilateral Instrument 61-101 - Protection of Minority Securityholders in Special Transactions ("MI 61-101"). The transaction is exempt from the requirements to obtain a formal valuation, pursuant to Section 5.5(a) of MI 61-101, and minority shareholder approval, pursuant to Section 5.7(a) of MI 61-101, as the fair market value of the Line of Credit and any consideration paid by the Company in connection with it will not exceed 25% of the Company's market capitalization.

The Company's Board of Directors considered and unanimously approved the Line of Credit, with the directors who have an interest in the transaction abstaining from such approval.

About Western Lithium

Western Lithium is positioning itself as a major U.S. and Argentinian based supplier to support the rising global demand for lithium that is expected from the increased use of hybrid/electric vehicles, consumer electronics, and consumer and industrial lithium battery storage applications.

At the Cauchari-Olaroz lithium project, located in Jujuy province, Argentina, a major lithium brine reserve has been defined and a definitive feasibility study has been completed. In addition, and as previously announced on August 27, 2015, a Heads of Agreement has been signed with POSCO regarding the commercialization of that project using their own proprietary technology.

The Kings Valley lithium project is being developed into a strategic, scalable and reliable source of high quality lithium products. In addition, Western Lithium is pursuing the opportunity to be a supplier of specialty drilling additives, Hectatone™ and potentially other organoclays for the oil and gas and other industries.

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Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable Canadian securities

legislation, and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively referred to as "forward-looking information"). All statements, other than statements of historical fact, may be forward-looking information. Forward looking information can be identified by the use of statements that include words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "scheduled", "implementing", "intend", "could", "might", "should", "believe" and similar words or expressions. Information provided in this news release is necessarily summarized and may not contain all available material information.

Forward-looking information in this news release includes, but is not limited to: the development and commercialization of the Cauchari and Kings Valley lithium project; potential joint venture with POSCO; the growth of the Hectatone business and completion and grant of a Line of Credit.

Forward-looking information expresses, as at the date of this news release, plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. All such forward-looking information is based on certain assumptions, estimates, expectations, analyses and opinions made by 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. Assumptions upon which such forward-looking information is based include, without limitation: no significant event occurring outside of the ordinary course of business of Western Lithium ; legislative and regulatory environment; impact of increasing competition; current technological trends; prices of lithium and potash; costs of development and production; anticipated results of exploration and development activities; Western Lithium's ability to operate in a safe and effective manner; and ability to obtain financing on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive.

Western Lithium's actual results, programs and financial position could differ materially from those anticipated in such forward-looking information as a result of numerous factors, risks and uncertainties, many of which are beyond Western Lithium's control. These include, but are not limited to: possible variations in mineral resource and reserve estimates; grade/concentration or recovery rates; lithium or potash prices; operating or capital costs; changes in project parameters as plans continue to be refined; legislative changes that impact the operations in which Western Lithium conduct business; results of exploration activities and development of mineral properties; interpretation of geological data; receipt and security of mineral property titles; failure of plant, equipment or processes to operate as anticipated; accidents; labour disputes; the inability to obtain key personnel and parts related to operations; receipt of licenses to conduct mining activities; country and political risks; civil unrest; community relations; timing and possible outcome of pending litigation; liabilities and risks, including environmental liabilities and risks inherent in the development and production of Western Lithium's properties; cost overruns or unanticipated costs and expenses; the availability of funds; currency fluctuations; general market and industry conditions; competition; the business of the companies not being integrated successfully or such

integration proving more difficult, time consuming or costly than expected; the results of demonstration plant testing for the Kings Valley Project; failure of Western Lithium to enter into an agreement with POSCO to put the Cauchari-Olaroz project into commercial production using POSCO's proprietary lithium and potash extraction technology; the fact that POSCO's extraction technology tested at the Cauchari-Olaroz project is secret and proprietary to POSCO and not subject to any independent economic study; and delays in obtaining governmental and regulatory approvals, as well as those factors more fully described under the heading "Risk Factors" in Western Lithium's annual information form and most recently filed management discussion & analysis, and described under the heading "Risk Factors" in Lithium America's annual information form, available on SEDAR. There is no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers are cautioned not to place undue reliance on forward-looking information. Western Lithium does not intend, and expressly disclaims any obligation to, update any forward-looking information whether as a result of new information, future events or otherwise, except as, and to the extent required by, applicable securities laws.

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