

Western Lithium Significantly Upgrades Its Kings Valley Lithium Resource in Nevada, USA

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RENO, NEVADA--(Marketwire - July 14, 2011) - Western Lithium USA Corporation (TSX:WLC)(OTCQX:WLCDF) ("Western Lithium" or the "Company") is pleased to announce that the 2010 and 2011 drill program has resulted in a significant increase to the project's resource size. The resource for Stage I is now defined by approximately 200 drill holes that have all intersected lithium bearing clays. It is expected that the new resource will provide for increased feedstock grade to the proposed lithium carbonate process plant.

In addition, the Company is advancing permitting activities for the Kings Valley Project. Recently, the necessary permits were received to bulk sample 100 tonnes of clay which will be used to feed a demonstration plant planned for later this year. The technical team is continuing baseline environmental studies, including wildlife, vegetation, ground water and air quality. To lead these important environmental initiatives, the Company recently hired an Environmental Director, Catherine Clark. Ms. Clark has over twenty-four years of experience as an environmental professional, focusing on local, state, and federal permitting within the mining industry. Specifically, Ms. Clark has three years of experience in government, and over twenty-one years as an environmental consultant. She has an M.S. Degree in Environmental Resource Management and has been involved in all facets of mine development.

Jay Chmelauskas, President of Western Lithium stated, "The recent lithium carbonate price increases of up to 25% indicate strong growth in lithium demand that would support new supply requirements. Additionally, with the introduction of several new congressional bills, including the Critical Minerals Policy Act, United States politicians are turning their attention towards developing secure, competitive mineral supply sources."

Mr. Chmelauskas continued, "We welcome Catherine to our strong team of developers and operators in Nevada as we transition the Company towards becoming a major lithium producer in a strong and growing lithium market."

The drilling program completed earlier this year indicates sufficient lithium resources to potentially increase the mining grade used in the 2010 Preliminary Assessment and Economic Evaluation (PAEE), which demonstrated strong economics. At an expected average cut-off grade of 0.35% lithium, the upgraded measured and indicated resource for Stage I now totals 37.3 million tonnes with an average grade of 0.40% lithium. At this higher cut-off, total measured and indicated tonnes have the potential for a 25+ year mine life. The Company is now optimizing mine scheduling to determine higher grade feed for the start-up years of production.

Kings Valley Stage I measured and indicated resources⁽¹⁾, as of June 28, 2011, are tabulated below:

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Kings Valley Stage I Resources As at June 28, 2011 At 0.35% lithium cut-off				
Category	Tonnes (thousands)	Lithium (%)	Lithium Oxide (%)	LCE (tonnes)
Measured	13,100	0.420	0.90	293,000
Indicated	24,200	0.395	0.85	508,000
Total	37,300	0.404	0.87	801,000
Inferred	24,200	0.386	0.83	498,000

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* Measured tonnes minimum 3 drill holes within 75 x 100m with at least 5 composites used in the estimation; Indicated tonnes minimum 2 drill holes within 150x200m with at least 4 composites used in the estimation, Inferred tonnes one drill hole within 225x300m with at least 3 composites used in the estimation. Contained metal does not allow for mine and metallurgical recovery. 1.8 tonnes/m³ tonnage factor used. Reasonable prospects of economic extraction by open pit mining established using: \$3.00 lithium carbonate/lb, 92% metallurgical recovery, \$69/tonne processing, \$2.35 USD/tonne mining. To convert Lithium (Li) to Lithium Carbonate (Li₂CO₃) multiply Li by 5.323. Rounding errors may exist.

Pilot-scale lithium studies have now been completed at a specialized facility in Germany. The results will be incorporated in the Prefeasibility Study that has been underway since the beginning of the year and expected to be complete by the fall of 2011. The work to-date continues to support and optimize the 2010 PAEE Study to position the Company as a very competitive and scalable new lithium producer located in the USA.

A demonstration plant is planned for the end of 2011. The Company will commence bulk sampling of approximately 100 tonnes of lithium ore starting in mid-July at the Kings Valley site. Alternatives are being considered for the size and location of the demonstration plant with a decision expected during the summer.

Qualified Person

The resource estimate was calculated by Timothy J. Carew, P. Geo., Principal, Reserva International LLC, an independent Qualified Person as defined by NI 43-101. Timothy Carew is the Qualified Person that has approved the scientific and technical data in this news release and has verified the data relevant to such disclosure in the course of preparation of the resource estimate.

Western Lithium is developing the Kings Valley, Nevada lithium deposit into potentially one of the world's largest⁽²⁾ strategic, scalable and reliable sources 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.

(1) Mineral resources that are not mineral reserves do not have demonstrated economic viability.

(2) 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.

Forward Looking Statements

Certain of the statements made and information contained herein, including the timing and results of a pre-feasibility study, the size and scope of any potential mine plan on Stage I of the King's Valley Property, the timing and results of pilot scale testing and a demonstration plant is "forward-looking information" within the meaning of the Ontario Securities Act,. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, risks and uncertainties relating to commodity price fluctuations; uncertain political and economic environments; changes in laws or policies, delays or the inability to obtain necessary governmental permits, risks inherent in mine planning and development such as cost overruns, metallurgical and recovery factors and financing risks; risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses,; and other risks and uncertainties, including those described in each

management discussion and analysis. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of lithium; appropriate equipment and sufficient labour and that the political environment where the Company operates will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking information. Accordingly, readers are advised not to place undue reliance on forward-looking information.

The TSX has neither approved nor disapproved 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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