LithiumAmericas

NEWS RELEASE

Western Lithium and Lithium Americas Announce Merger, Consolidating Strategic Lithium Deposits in North and South America

6/30/2015

VANCOUVER, BRITISH COLUMBIA and TORONTO, ONTARIO--(Marketwired - June 30, 2015) - Western Lithium USA Corporation ("Western Lithium") (TSX:WLC)(OTCQX:WLCDF) and Lithium Americas Corp. ("Lithium Americas") (TSX:LAC) are pleased to announce that they have entered into an arrangement agreement to combine their respective companies. The transaction is structured as a statutory plan of arrangement under which Western Lithium will acquire all of the outstanding shares of Lithium Americas in an all-stock transaction that values Lithium Americas at approximately C$80 million.

This strategic combination reflects the commitment of both companies to create a leading lithium development company combining expertise, technology, and two significant lithium deposits based in North America and South America. The goal of the merger is to establish market leadership and develop future lithium supply requirements in a disciplined manner to reshape the current fragmented lithium development sector.

"The merged company will hold two of the leading lithium development projects in the world. We believe this combination will also result in better liquidity, market capitalization and funding opportunities," said Western Lithium's CEO, Jay Chmelauskas. "We have been watching the progress of Lithium Americas for several years and believe that it is the right time to combine our efforts and take a leadership role in the sector, with our shared vision and commitment to develop the lithium market in a disciplined manner, and a focus on technical innovation and successful project execution."

The combined entity will control two assets that it views as globally important to support the burgeoning lithium-ion battery market. In addition to geographic diversification, having two development stage assets will enable post-merger Western Lithium to better manage development timelines to match production supply with growing market

demand. Lithium Americas has completed a NI 43-101 compliant feasibility study on its Cauchari-Olaroz lithium project in Jujuy, Argentina, in which it is reported that the project hosts approximately 2.7 million tonnes of lithium carbonate equivalent (LCE) at a lithium cut-off grade of 354 milligrams per litre and which contemplates initial commercial production at a rate of 20,000 tonnes per year of LCE. The project is also permitted for construction. In May 2014, Western Lithium published a NI 43-101 compliant pre-feasibility study for the development of its Stage I lithium deposit, which established a proven and probable reserve of 570,000 tonnes of LCE at a lithium cut-off of 0.32%. The study contemplates starting production at normalized yearly rate of 13,000 tonnes of LCE, with an expansion to 26,000 tonnes in year four, and a project life of 20 years. Western Lithium will continue its permitting process in conjunction with its lithium demonstration plant trials. Both Western Lithium and Lithium Americas have been committed to the implementation of innovative lithium extraction technologies, and believe that emerging technologies may represent the optimal development opportunities for their combined lithium assets.

John Kanellitsas, CEO of Lithium Americas, commented, "Manufacturers of lithium-ion batteries are increasingly looking for alternative sources of lithium supply, particularly as they build-out major production facilities. We are creating a combined entity that will pursue innovative process technology with a goal of producing improved lithium products than compared with traditional sources of supply. This transaction is occurring at an important inflection point for the sector, with the strong fundamentals all coming into focus from the continued growth of electrified vehicles, consumer and industrial energy storage, and consumer electronics using lithium-ion batteries."

Tom Hodgson, Executive Chairman of Lithium Americas, commented, "The battery industry is seeking near term production supply, and a long term stable supply chain that assures volume, quality and price. Through this strategic combination, we will become stewards of two major lithium resources in North and South America, and expect to develop these assets using a measured approach, consistent with market demands and technology development."

Transaction Highlights

Key highlights of the combined company include:

- Combines two large and geographically diversified lithium projects allows for an orderly development timeline that commences with Western Lithium's Hectatone™ business revenues in 2015, followed by potential revenues from Lithium America's Cauchari-Olaroz project under a contemplated two-year development timeline, and potential revenues from Western Lithium's Kings Valley project under a contemplated four-year development timeline.
- Increased market capitalization, with the combined entity having a pro-forma capitalization of over C$150 million, which should enhance trading liquidity and access to capital markets.

- Re-affirms commitment to establishing a first mover advantage in alternative processing and purification technologies, consistent with the end market demands and uses of lithium ion batteries.
- Creates a combined management team with a strong record of success and complementary skill sets, especially in the areas of project development and funding, and technology development.
- Establishes a shared commitment to corporate responsibility and sustainability. Both Western Lithium and Lithium Americas are strongly committed to sustainable practices. The shared values and experience in this area will be a competitive advantage in creating long-term value for shareholders.
- Reduces costs associated with general and administrative expenses to the operation of one public company.

Pursuant to the Arrangement Agreement, all of the Lithium Americas issued and outstanding common shares will be exchanged on the basis of one share of Lithium Americas for 0.789 of a common share of Western Lithium (the "Exchange Ratio"). Western Lithium will also settle all of Lithium America's in-the-money options and warrants, as well as certain change of control payments otherwise payable in cash, using the same Exchange Ratio calculation. Upon completion of the transaction, existing Western Lithium shareholders and Lithium Americas security holders will own approximately 50.05% and 49.95% of the combined company, respectively.

Based on the closing price of Western Lithium's common shares on the Toronto Stock Exchange (the "TSX") of C$0.64 on June 29, 2015, the offer implies consideration of C$0.50 per Lithium Americas common share which represents a premium of 36% to the closing price of Lithium Americas common shares of C$0.37 on the TSX on June 29, 2015 and a premium of 58% based on the volume weighted average prices of each respective company on the TSX for the 20-day period ending on June 29, 2015.

Board of Directors and Management

Western Lithium will continue to be led by CEO Jay Chmelauskas. Lithium Americas executives Tom Hodgson, John Kanellitsas and Franco Mignacco will join the Western Lithium Board of Directors. Franco Mignacco will continue in his role as President of Lithium America's subsidiary Minera Exar S.A. and Tom Hodgson and John Kanellitsas have agreed to be engaged as consultants for Western Lithium under a six-month term and become members of a Western Lithium integration team established to execute initiatives related to corporate development, strategy and capital raising. Each of Messrs Hodgson, Kanellitsas and Mignacco have executed agreements by which they have agreed to settle change of control payments for common shares of Western Lithium and to a six-month lock-up on all securities held following the effective date of the merger.

The new Board of Directors will consist of nine members:

John Macken, Co-Chairman
Edward Flood, Co-Chairman
Tom Hodgson
John Kanellitsas
Jay Chmelauskas
William Haldane
Terry Krepiakevich
Matthew Hornor
Franco Mignacco

Business Combination Summary

The proposed business combination will be effected by way of a Plan of Arrangement completed under the Business Corporations Act (Ontario). The transaction will require approval by at least 66 2/3% of the votes cast by the common shareholders (as well as the approval of the holder of sole outstanding special share, voting separately as a class) of Lithium Americas at a special meeting of Lithium Americas shareholders. Geologic Resources Partners LLC and Symatec Inc., a subsidiary of Magna International Inc., as well as executive officers and directors of Lithium Americas, representing an aggregate of over 43% of the Lithium Americas currently outstanding common shares, have entered into voting support agreements, pursuant to which they have agreed, among other things, to vote their common shares held in favor of the business combination. The transaction is also subject to obtaining approval by a simple majority of votes cast by the shareholders of Western Lithium at a special meeting of Western Lithium. Executive officers and directors of Western Lithium, have entered into voting support agreements, pursuant to which they have agreed, among other things, to vote their common shares held in favor of the transaction. In addition to shareholder and court approvals, the transaction is subject to applicable third party and regulatory approvals and the satisfaction of certain other closing conditions customary in transactions of this nature.

The Arrangement Agreement includes customary deal-protection provisions including non-solicitation provisions, a right to match competing offers and a C$3.2 million termination fee payable to by either party under certain circumstances.

The transaction has been approved by the boards of directors of both Western Lithium and Lithium Americas. An independent committee of Lithium Americas' board of directors, as part of the process, engaged Cormark Securities Inc. as its independent financial advisor. The independent committee of Lithium Americas' board of directors, received fairness opinions from each of Deloitte Corporate Finance Inc. and Cormark Securities Inc., that the consideration payable to Lithium Americas' shareholders is fair, from a financial point of view, to the shareholders of Lithium Americas. Dundee Capital Markets has acted as an independent financial advisor to Western Lithium and provided a fairness opinion to the board of directors of Western Lithium.

Timing

Full details of the transaction will be included in the management information circular of Lithium Americas, which is expected to be mailed to Lithium Americas shareholders in late July, 2015 and in the management information circular of Western Lithium, which is expected to be mailed to Western Lithium shareholders in late July 2015. It is anticipated that the special meetings will be held in late August 2015. Closing of the transaction is expected to take place in early September 2015.

Qualified Person

The scientific and technical information regarding Western Lithium contained in this news release has been approved by Dennis Bryan, Western Lithium's Senior Vice President of Development who is a non-independent Qualified Person as defined in National Instrument 43-101 ("NI 43-101").

The scientific and technical information regarding Lithium Americas contained in this news release has been approved by Roger Kelley (Chem.Eng.), who is a Qualified Person as defined in NI 43-101.

About Lithium Americas

Lithium Americas is developing one of the world's largest and lowest cost lithium operations. The company has defined a major lithium brine resource, and a completed definitive feasibility study identified that Lithium Americas' operating cost per tonne of lithium carbonate is expected to be one of the lowest in the industry.

The reserve and resource estimate for the Cauchari-Olaroz Lithium Project is summarized in the tables below for both lithium and potassium. The reserve and resource estimates are expressed relative to a lithium grade cut-off of ≥ 354 milligrams per litre ("mg/L"), which was identified as a brine processing constraint.

Lithium Reserve and Resource Summary as of July 11, 2012

Description	mg/L	Lithium (tonnes)	Lithium Carbonate (tonnes)	Brine (m^3)
Proven Reserves	679	37,000	197,000	5.50×10^7
Probable Reserves	665	477,000	2,517,000	7.16×10^8
Updated Measured Resource	630	576,000	3,039,000	9.14×10^8
Updated Indicated Resource	570	1,650,000	8,713,000	2.89×10^9

Potassium Reserve and Resource Summary

Description	mg/L	Potassium (tonnes)	Potash (tonnes)	Brine (m^3)
Proven Reserves	5,483	302,000	576,000	5.50×10^7
Probable Reserves	5,395	3,863,000	7,378,000	7.16×10^8
Updated Measured Resource	5,156	4,714,000	9,003,000	9.14×10^8
Updated Indicated Resource	4,753	13,755,000	26,271,000	2.89×10^9

For further information about the Cauchari-Olaroz Project, including a description of the reserves thereunder and applicable data verification matters, please refer to the NI 43-101 technical report of Lithium Americas dated July 11, 2012 and entitled "Feasibility Study – Reserve Estimation and Lithium Carbonate and Potash Production at the Cauchari-Olaroz Salars, Jujuy Province, Argentina", available on SEDAR under the profile of Lithium Americas.

About Western Lithium

Western Lithium is developing its Kings Valley, Nevada, lithium deposit into a strategic, scalable and reliable source of high quality lithium products. The Company is positioning itself as a major U.S.-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. In addition, Western Lithium is pursuing the opportunity to be a supplier of specialty drilling additive, Hectatone™ and potentially other organoclays for the oil and gas and other industries.

The following reserve estimates for Kings Valley project are effective as of December 14, 2011:

Mineral Reserve for 13,000 tpa Proven Ore Tonnes (000's)		12,153	
Proven Average %Li	0.405	Proven Tonnes (000's) LCE	262
Proven Average %K	3.83	Proven Tonnes (000's) K	465
Proven Average %Na	1.46	Proven Tonnes (000's) Na	177
Probable Ore Tonnes (000's)		1,796	
Probable Average %Li	0.396	Probable Tonnes (000's) LCE	38
Probable Average %K	3.77	Probable Tonnes (000's) K	68
Probable Average %Na	1.45	Probable Tonnes (000's) Na	26
Proven+Probable Ore Tonnes (000's)		13,949	
Proven+Probable Average %Li	0.404	Proven+Probable Tonnes (000's) LCE	300
Proven+Probable Average %K	3.82	Proven+Probable Tonnes (000's) K	533
Proven+Probable Average %Na	1.46	Proven+Probable Tonnes (000's) Na	203
Mineral Reserve for expansion to 26,000 tpa Proven Ore Tonnes (000's)		14,937	
Proven Average %Li	0.400	Proven Tonnes (000's) LCE	318
Proven Average %K	3.85	Proven Tonnes (000's) K	575
Proven Average %Na	1.37	Proven Tonnes (000's) Na	204
Probable Ore Tonnes (000's)		12,198	
Probable Average %Li	0.388	Probable Tonnes (000's) LCE	252
Probable Average %K	3.93	Probable Tonnes (000's) K	479
Probable Average %Na	1.36	Probable Tonnes (000's) Na	165
Proven+Probable Ore Tonnes (000's)		27,135	
Proven+Probable Average %Li	0.395	Proven+Probable Tonnes (000's) LCE	570
Proven+Probable Average %K	3.88	Proven+Probable Tonnes (000's) K	1054
Proven+Probable Average %Na	1.36	Proven+Probable Tonnes (000's) Na	369

Note:
(1) Ore tonnes and grade will not match exactly with detailed schedule because variable cutoffs were used during the first few years of operation. For further information see the Amended and Restated Technical Report.
(2) Summary of Dry Ore Tonnes for Proven + Probable.
(3) Cutoff = 0.320 %Li.
(4) 95% Mine Recovery Factor Applied.

For further information about the Kings Valley project and the reserves thereunder, please refer to the NI 43-101 technical report of Western Lithium dated May 9, 2014 and entitled "Updated NI 43-101 Technical Report on the Kings Valley Property, Humboldt County, Nevada", available on SEDAR under the profile of Western Lithium.

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: information concerning the proposed business combination between Western Lithium and Lithium Americas; the business, operations and financial performance and condition of the combined company; synergies and the financial impact of the business combination; potential benefits of the business combination and the development potential of the properties of Western Lithium and Lithium Americas; expected completion and implementation of the business combination; the nature of Western Lithium's operations and Western Lithium's business outlook following completion of the business combination; plans and objectives of management for future operations; the potential to become a supplier of lithium products to battery manufacturers and a supplier of specialty drilling additive, Hectatone™ and potentially other organoclays for the oil and gas and other industries; timing and amount of future production; future cash costs of production, capital and operating and exploration expenditures; cash flow estimates; estimation of mineral resources and mineral reserves; development of deposits (including expansion of mineralization), mineral resources and mineral reserves; treatment under regulatory regimes; ability to realize

value from Lithium America's core assets; work plans and development plans; and optimizing operating performance and costs, the effect of new technology on lithium fast production costs.

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: that shareholders of Western Lithium and Lithium Americas will approve the business combination; that all required third party, regulatory and governmental approvals to the business combination will be obtained and all other conditions to completion of the business combination will be satisfied or waived; the business combination will be completed; no significant event occurring outside of the ordinary course of business of Western Lithium and Lithium Americas; 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 and/or Lithium America'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 and Lithium America'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 and Lithium America'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 and Lithium Americas 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 and Lithium America'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; failure of Lithium Americas 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; risk of putting a project into production

without first completing a feasibility study; and delays in obtaining shareholder, 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 and Lithium Americas do not intend, and expressly disclaim 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.

Contact Information:

Western Lithium USA Corporation
Investor Relations
778-656-5820
info@westernlithium.com
www.westernlithium.com

Western Lithium USA Corporation
1100 - 355 Burrard Street
Vancouver, BC, V6C 2G8

Lithium Americas Corp.
John Kanellitsas
President and CEO
208-309-2728
john.kanellitsas@lithiumamericas.com
www.lithiumamericas.com

Lithium Americas Corp.
Suite 1710 - 390 Bay Street
Toronto, Ontario, M5H 2Y2