LithiumAmericas

NEWS RELEASE

Western Lithium to Ramp Up Production for Initial Hectatone(TM) Sales

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RENO, NEVADA--(Marketwired - Dec. 3, 2014) - Western Lithium USA Corporation ("Western Lithium", the "Company") (TSX:WLC)(OTCQX:WLCDF) is pleased to announce that it has recently completed all safety inspections at its Fernley, Nevada, Hectatone™ organo-clay plant and received its Business License on December 2nd, 2014, to enable the start of operations. The plant is expected to have a gradual ramp up in December and the Company expects to make its first commercial product by the end of the year. The Company has obtained a commitment for the sale of its initial Hectatone product run, as well as strong expressions of interest for the purchase of Hectatone™ products from potential customers with a view to satisfying full capacity production. The Company believes that once steady state production is achieved in the coming months, Hectatone Inc. will become recognized as a reliable new supplier of multiple drilling additive products, attracting more customer orders for its line of drilling additive solutions.

The Company expects that the directional drilling industry will focus on efficiencies over the next several years to compete in a lower energy price environment. The Company is targeting its line of Hectatone™ products to provide solutions for the drilling industry to improve drilling performance and competitiveness through a variety of metrics including improved rate of penetration and the drilling of longer laterals. The Hectatone business is focused on meeting these industry challenges with cost effective Hectatone™ products to drill faster, farther and deeper.

"With safety inspections complete and the receipt of our Business License, we can now focus on a smooth operational ramp up for the Fernley plant," said Hectatone President, Frank B. Wright Jr. "We are monitoring the current downturn in the energy market and its impact on traditional organo-clay demand. Our target products are being presented as cost effective alternatives to products currently available in the market which should be well received in a sector concentrating on improving efficiency."

The Company's lithium demonstration plant in Germany has been commissioned and start-up operations have been underway since mid-October to confirm equipment performance at design conditions. In September the calcination section of the plant successfully produced enough feed for the extraction plant to operate until mid-December. A second calcination is scheduled for the first half of January 2015 (see Company press release September 8, 2014). The lithium extraction plant is currently processing the calcine produced in September and initial indications confirm design recoveries. The crystallizer to concentrate lithium and obtain glaserite salt is also operational. The Company is taking steps to have its first lithium carbonate batch by the end of the year, 2014 or in January, 2015.

The Company continues to have discussions with major industrial groups and financial institutions who are interested in a strategic partnership to support the Company through its next stages of Hectatone™ production and lithium business development.

About the Company

Western Lithium is pursuing the opportunity to be a supplier of specialty drilling additive, Hectatone™ 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.

Forward-looking information

Statements in this release that are forward-looking information 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 "expect," "believe," "scheduled," "targeting" and similar expressions is forward-looking information. 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 2014 and 2015; (ii) the ramp up and successful operation of the organoclay plant; (iii) the successful use of Hectatone™ products to improve drilling performance and their position as a cost-effective alternative to existing products, (iv) sourcing sufficient customers for Hectatone product sales at steady state production, (v) the directional drilling industry's focus on efficiencies and cost-savings in the coming years, and (vi) the timing and successful production of lithium carbonate and other byproducts from the lithium demonstration 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. The Company does not intend, and expressly disclaims any obligation to, update or revise the forward-looking information contained in this news release, except as required by law. Readers are cautioned not to place undue reliance on forward-looking information or statements.

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