LithiumAmericas

NEWS RELEASE

Western Lithium's Demonstration Plant to Operate in Fall of 2014 to Show Lithium Extraction From Its Nevada Deposit

4/28/2014

RENO, NEVADA--(Marketwired - April 25, 2014) - Western Lithium USA Corporation ("Western Lithium" or the "Company") (TSX:WLC)(OTCQX:WLCDF) is pleased to announce that it has received the remaining payment of US$4 million pursuant to the US$22-million Royalty Purchase Agreement with Orion Mine Finance (Master) Fund I LP ("Orion"), a major private equity mining investment fund. The funds will be used towards the planned Lithium Demonstration Plant expected to be operational in the fourth quarter of 2014.

The purpose of the demonstration plant is to produce lithium carbonate and byproduct samples on pilot scale equipment for strategic investors and potential off-take partners to witness, and to complete a Feasibility Study showing the commercial viability of the project using Western Lithium's patented technology, in order to attract engineering and construction capital.

"As the world continues to adopt lithium ion battery technology in everything from garden tools to electrified vehicles and energy storage, new stable supplies of lithium are becoming increasingly important," said Western Lithium CEO, Jay Chmelauskas. "Our Nevada deposit is well positioned to serve potential new USA battery manufacturing as well as established Asian markets."

Mr. Chmelauskas added that, "In addition to our lithium strategy, our HECTATONE™ Organoclay Plant in Nevada is on schedule to begin manufacturing specialty drilling fluid additives in the fall, 2014."

Procurement for lithium demonstration plant equipment is underway on a fixed timeline to meet commissioning in the fall of 2014. Building modifications and steel erection is now complete. Utilities are 60% complete and procurement is 35% complete. Equipment and electrical installations are scheduled to commence in May and June.

First calcination of our lithium ore is scheduled to commence in July, and the lithium plant is scheduled to be operational for potential strategic investors to visit in October and November, 2014. The plant will likely continue trials into early 2015.

Basic engineering for the Lithium Demonstration Plant was completed by URS Corporation (Denver, USA) and K-UTEC AG Salt Technologies (Germany) in conjunction with IBU-TEC Advanced Materials AG (Germany). Based on existing equipment availability and specialized technical expertise, the demonstration plant will operate in Germany and will cost approximately $5.5M. The Company has received a US patent for its proprietary process for separating lithium and potassium byproduct compounds from lithium-rich clays (see news release dated May 9, 2013). Based on its NI 43-101 Prefeasibility Study, the Project is forecast to have a comparably low first-quartile cost structure against new and incumbent lithium producers, and to generate a pre-tax net present value of US$552 million at a discount rate of 8% (see SEDAR filing dated January 27, 2012).

About the Company

Western Lithium is pursuing the opportunity to be a supplier of specialty drilling additive, HECTATONE™ and potentially other organoclays 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/plug-in and electric vehicles.

The scientific and technical information in this release has been reviewed and approved by Dennis Bryan, Senior Vice President of Development, a Qualified Person under the terms of NI 43-101. The Company has prepared a NI 43-101 compliant technical report for the Kings Valley project, entitled "Preliminary Feasibility Study Kings Valley Lithium Project Humboldt County, Nevada", dated January 27, 2012, which is available under the Company's SEDAR profile at **www.sedar.com**.

Forward-looking statements

Statements in this release that are forward-looking statements 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 ""expected," "planned", "forecast", "scheduled" "targeting" and similar expressions are forward-looking statements. 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 completion of and the commencement of operations at the Lithium Demonstration Plant; ii) the commencement of HECTATONE™ product sales in the fall; (iii) the completion of construction of the organoclay plant; and (iv) securing additional financing required for the completion, start-up and operation of both organoclay plant and 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. Readers are cautioned not to place undue reliance on forward-looking information or statements.

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