LithiumAmericas

NEWS RELEASE

Western Lithium's Hectatone(TM) Business Starts 2015 With First Shipment of Organoclay Product

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RENO, NEVADA--(Marketwired - Jan. 6, 2015) - Western Lithium USA Corporation ("Western Lithium", the "Company") (TSX:WLC)(OTCQX:WLCDF) is pleased to announce that it has shipped its first order of Hectatone™ drilling additive product on January 2, 2015, from its Hectatone™ plant in Fernley, Nevada. The montmorillonite based product is an organophilic viscosifier commonly used in the drilling industry as an efficient and economical product for viscosity control, emulsion stability, fluid loss and solids suspension in oil based drilling fluids. The product was made to specifications requested by Western Lithium's Houston based distributor Raw Materials Corporation. Production based samples have now been sent to other potential customers that have expressed an interest in the purchase of this product.

"Our team put in a significant effort over the holidays to achieve steady-state operations at our Hectatone™ plant so that we could start the new year with production," said Western Lithium's CEO, Jay Chmelauskas. "Our focus at Hectatone™ for 2015 will now turn to production, service, sales, and research."

Frank B. Wright Jr., President of Hectatone™ further stated that "Now that the plant is operational, we plan to manufacture other Hectatone™ products in the weeks and months ahead as potential customers begin to recognize Hectatone™ as a reliable supplier with a state-of-the-art facility, high performance competitive products, and service that is focused on the drilling industry."

The ramp up of the Hectatone™ plant located in Fernley, Nevada was successful during December 2014, to achieve steady state operations and to make product to industry specifications. Additional plant modifications and operational procedural improvements are still expected over the coming months to meet nameplate capacity. The plant is currently operating with a crew for one shift.

Western Lithium has re-commenced lithium demonstration plant activities in Germany starting January 5th. The lithium demonstration plant will be used to continue to test equipment and design parameters in 2015. In addition, design activities for a lithium hydroxide plant are approximately fifty percent complete to finalize the design of Western Lithium's proprietary lithium hydroxide circuit for the production of high quality lithium product. The Company expects to test its lithium hydroxide circuit as part of its lithium demonstration plant campaign in 2015.

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 that is expected from the increased use of hybrid/electric vehicles.

Forward-looking statements

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 future Hectatone™ product sales in 2015; (ii) the ramp up and successful operation of the organoclay plant; (iii) sourcing sufficient customers for Hectatone product sales at steady state production, and (iv) the timing and successful production of lithium carbonate, lithium hydroxide 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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