

VANCOUVER, BRITISH COLUMBIA and TORONTO, ONTARIO--(Marketwired - Dec 17, 2015) - [Western Lithium USA Corp.](#) ("Western Lithium", the "Company") (TSX:WLC)(OTCQX:WLCDF) will host a conference call with new CEO Tom Hodgson and the Company's management on Monday December 21st at 11AM ET. The Company is also pleased to provide an update on the progress of its' three projects, and to discuss its plans for the coming year:

- Cauchari-Olaroz lithium project ("Cauchari-Olaroz"), the third largest¹ known lithium brine resource in the world, located in Jujuy province, Argentina, in which the Company continues to advance a potential joint venture with POSCO that could be the catalyst for near term production on the project and make Western Lithium the next lithium producer;
- Kings Valley lithium project, in which the Company continues towards a Feasibility Study and permitting, with the objective of becoming a mid-term domestic source of lithium supply in Nevada, USA;
- Hectatone organoclay business, in which the Company's business objective for 2016 is to commence commercial production and become cash flow positive.

Cauchari-Olaroz Lithium Project, Jujuy Province, Argentina

As previously reported by [Lithium Americas Corp.](#), prior to the merger close with Western Lithium, in a press release dated August 27, 2015, a Heads of Agreement ("HOA") was executed with POSCO regarding the commercialization of the Company's Cauchari-Olaroz lithium project. POSCO and Western Lithium's intention to develop a commercial project at the Cauchari-Olaroz follows on the successful results from the operation during 2015 of POSCO's large-scale lithium extraction demonstration plant.

POSCO, South Korea's largest steel company, has stated its intent to enter the lithium business as it pursues high growth opportunities within the advanced metals and materials industries. The HOA, legally non-binding and non-exclusive, provides the basic framework and conditions to establish a Joint Venture Company that will produce lithium carbonate and lithium hydroxide. Both parties are now in the process of completing final technical, financial and legal due diligence. The current negotiating framework includes the potential for initial production of lithium products in early 2017. Further details on business terms such as capital investment, operating costs, product mix, economic ownership and financing responsibilities are expected to be finalized in early 2016.

In the HOA, the parties have stated that POSCO will contribute to the joint venture its proprietary lithium extraction technologies for the production of lithium carbonate and lithium hydroxide, while Western Lithium will contribute lithium-rich brine from its Cauchari-Olaroz project. The parties contemplate that the first stage of the plant would produce up to 2,500 tonnes of lithium carbonate equivalent ("LCE") per annum, with the project ramping up to 20,000 tonnes of LCE per annum.

Commenting on the status of negotiations, the Company's CEO, Tom Hodgson, stated: "Our objective for the commencement of Cauchari-Olaroz's production coincides with the timing of a major positive transformation in Argentina, which now has a new government that we believe will seek to attract global investment capital. Our discussions with POSCO are advancing during a time of positive global market conditions for lithium, and positive political and economic changes for Argentina. It is prudent that we carefully plan our path to production as we make long-term decisions and commitments to our joint business plan. We now expect to have a new Co-operation Agreement announced early in 2016 that will further define the parameters for commercialization of Cauchari-Olaroz. The lithium market needs new sources of supply and we are excited to rapidly advance our project and to play an important role in the new energy storage economy."

Kings Valley Lithium Project, Nevada, USA

The Company is also pleased to provide an update for the ongoing large-scale lithium extraction testing programs underway in Germany using the Company's proprietary patented process. The campaign commenced on November 10th and is expected to run until mid-December.

A test program has been completed to establish the handling characteristics of the calcined feed and leached tailings. Nearly 40 tons of near surface oxidized clay were granulated and calcined, and are being processed at the Company's lithium demonstration plant to produce lithium carbonate and potassium and sodium sulphates. The processing campaigns have been designed to provide operating criteria for a commercial scale facility.

In the New Year, the Company is planning to run approximately 50 to 100 tons of representative unoxidized clay, which is intended to serve as the final testing program to support design criteria for a Definitive Feasibility Study. This final campaign is expected to conclude the demonstration plant operations so that detailed project engineering can commence in parallel with project permitting and further engineering around a lithium hydroxide conversion circuit.

Hectatone Organoclay Business, Nevada, USA

Hectatone has recently completed a business plan for 2016, focused on achieving a level of sales required to become cash flow

positive by the end of 2016.

Important milestones and progress achieved by Hectatone in 2015 will further contribute to 2016 results and include:

- Sale of first organophilic clay into the drilling industry in Q1 2015, which was used in drilling operations in South America;
- Achieving certified supplier status with nine leading oilfield service companies, including two major companies;
- Sales of Hectabind[®]; animal feed additive to markets in S. Korea, China, Brazil, Saudi Arabia, and Mexico which began in Q3 2015;
- Hectasorb[®]; organophilic bentonite granules manufactured at pilot scale have received positive results from a North American customer for use in geosynthetic clay liner applications. Samples will be submitted to customers in Q1, 2016. Additionally, Hectasorb[®] samples have been submitted to a European customer to confirm performance in the application of recycling engine radiator coolant fluids and aircraft de-icing fluids;
- Hectaflow[®]; lab manufactured samples tested by a European customer as a rheology additive in solvent borne unsaturated, epoxy, and vinyl polyester resins coatings completed in Q4 2015 with positive results. Pilot scale manufacturing was completed in Q4 2015 and production samples will be submitted by early 2016.

During 2016, Hectatone is targeting four market segments for the commercialization of its organophilic clay products. Hectatone will seek to expand its business beyond oilfield and develop new products that target opportunities in markets to include Coating & Building Product Applications, Animal Feed Industry, and Environmental Application Products. The Company intends to leverage the declining cost environment for raw materials, manufacturing supplies and transportation to produce high quality cost competitive products that meets market needs.

Hectatone President Frank Wright commented, "Hectatone's new plant is a world-class production facility with an annual practical capacity of 24,000 tons per year. Hectatone has achieved several foundational milestones in its first year of operation. The company has achieved certified vendor status for its standard organophilic bentonite product, Hectatone[®] B91, with several oilfield service companies including two of the majors."

Conference Call Details

Tom Hodgson, CEO of Western Lithium will address the investors during a conference call hosted by the Company at 11:00 AM (EST) on Monday Dec 21st. The call will be moderated by Chris Berry of House Mountain Partners, a leading consultancy in energy metals, co-publisher of The Disruptive Discoveries Journal. Dial in details are as follows:

Toll Free Dial-In: 1-888-231-8191

International Dial-In: 1-647-427-7450

A recorded "Encore" version of the conference call will be available shortly after the event until January 18, 2016. Please visit the "Upcoming Events" page on our website <http://www.westernlithium.com/investors/upcoming-events/> for details.

About Western Lithium

Western Lithium is positioning itself as a major U.S. and Argentinian 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.

At the Cauchari-Olaroz lithium project, located in Jujuy province, Argentina, a major lithium brine reserve has been defined and a definitive feasibility study has been completed. In addition and as previously announced on August 27, 2015, a Heads of Agreement has been signed with POSCO regarding the commercialization of that project using their own proprietary technology.

The Kings Valley lithium project is being developed into a strategic, scalable and reliable source of high quality lithium products. In addition, Western Lithium is pursuing the opportunity to be a supplier of specialty drilling additives, Hectatone[®]; and potentially other organoclays for the oil and gas and other industries.

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", "plan", "continue", "expect", "will", "targeting", "intend", "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: the development and commercialization of the

Cauchari and Kings Valley lithium project; potential joint venture with POSCO and the growth of the Hectatone business.

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: no significant event occurring outside of the ordinary course of business of Western Lithium ; 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 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 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 control.

These include, but are not limited to: the ability to successfully market and sell Hectabind®; Hectasorb®; and Hectaflow® products, including the timing of production of its first shipment of Hectabind®, Hectasorb®; and Hectaflow® ; the timing and ability of the company to develop clay and organoclay based products for other non-drilling markets; the further qualification of its organoclay drilling additive products as authorized products approved for use by industry participants; and; future product sales of Hectatone®; and the outlook for the drilling additive sector; 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 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 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; the results of demonstration plant testing for the Kings Valley Project; failure of Western Lithium 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; and delays in obtaining 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 does not intend, and expressly disclaims 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.

¹ Source: Roskill Information Services, 12th Edition, 2013

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