



Western Lithium

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TSX-V: WLC

NEW Li RESOURCE ESTIMATE AT WESTERN LITHIUM'S KING'S VALLEY PROPERTY SUPPORTS THE POTENTIAL DEVELOPMENT OF LITHIUM CARBONATE PRODUCTION FOR LITHIUM ION BATTERIES

Reno, Nevada: Western Lithium Canada Corporation (“Western Lithium” or the “Company”) (TSX-V:WLC) is pleased to announce that a new National Instrument 43-101 resource estimate has been completed for the envisioned initial stage of development at the King's Valley Hectorite Clay property in Nevada. The PCD lens contains Indicated Resources of 48.1 million tonnes grading 0.27% lithium, or the lithium carbonate equivalent (LCE) of 688,000 tonnes LCE and Inferred Resources of 42.3 million tonnes grading 0.27% lithium, for an equivalent of 606,000 tonnes LCE, both at a cut-off grade of 0.20% Lithium. This resource is envisioned to potentially support Stage I production at a rate of 20,000 tonnes per year LCE at King's Valley. The independent estimate was prepared by AMEC E&C Services Inc (AMEC).

“This new lithium resource focuses on only one of five mineralized lenses, and supports work previously carried out by Chevron Resources in the 1970's and 1980's, which indicated that the King's Valley property may contain one of the largest lithium resources in the world.” said Western Lithium's President, Jay Chmelauskas. “The company is positioning itself to become a reliable and scalable, United States based strategic supplier of battery grade lithium carbonate for electric/hybrid cars and mobile electronics of the future.”

In addition to this new resource estimate, the King's Valley property hosts a historical estimate of approximately 11 million tonnes of lithium carbonate equivalent (non-compliant to NI 43-101) based on exploration work by Chevron Resources during the 1970's and 1980's. There is insufficient information on the definition of the categories used in the historical estimate to allow for a meaningful comparison to current CIM categories. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources and Western Lithium is not treating the historical estimate as current mineral resources and the resources should not be relied upon.

The Chevron exploration identified five lithium bearing hectorite clay lenses. The Stage I (PCD) lens, was chosen by Western Lithium as the lens with the greatest first stage development potential due to its close proximity to road access and power. In 2007-2008, Western Lithium drilled 37 core and 8 RC holes at the Stage I (PCD) lens to confirm previous Chevron work, to bring the resource to conformity with NI 43-101 standards, and to carry out further scoping studies. The new Stage I (PCD) resource estimate compares closely to the previous Chevron resource for the PCD lens. Further



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engineering work is now underway to determine scoping level economics, expected later this year, to process the lithium bearing clay and determine an optimal process flow sheet for development.

Environmental and Permitting Studies

The King's Valley project is located in Nevada which has a long history in the metals and industrial mineral mining industry. Approximately 50 major mines are currently in production in the state of Nevada, with several large scale gold mines in the surrounding region of King's Valley.

Western Lithium is working closely with the U.S. Bureau of Land Management and the Nevada Department of Environmental Protection towards the permitting of the King's Valley property for mining and processing of the lithium bearing clays. The project supports new energy independence policies coming from the new administration in Washington and the development of energy efficient electric/hybrid cars by domestic and international manufacturers.

Resource Modeling

AMEC has completed a review of lithium exploration work on the Kings Valley property in Humboldt County, Nevada and has developed a lithium mineral resource estimate for the Stage I (PCD) area that conforms to Canadian National Instrument 43-101, *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators. Table 1 presents the mineral resource for the PCD area, Kings Valley property, at a base case cut-off grade of 0.20% Li. AMEC is of the opinion that exploration potential exists at the Kings Valley property to increase the resource with additional drilling. The resource estimate was made from a three-dimensional (3D) block model utilizing commercial mine planning software, (MineSight®). This is the first time an electronic mine planning software package has been used for Kings Valley lithium resource estimation. The full report will be filed on SEDAR by the end of January.

Resources are summarized by Inferred Mineral Resource and Indicated Mineral Resource categories. To support an assessment of reasonable prospects of economic extraction, conceptual economic assumptions were used to generate an economic cone using Datamine® NPV Scheduler and all resources are within the cone.



Western Lithium

The PCD lens is the southernmost mineralized lens on the property and appears to be one of the smallest of the known mineralized areas. The PCD lens comprises relatively unaltered volcanoclastic sandstone and claystones which are the dominant rock types. Lithium-rich beds are generally 1 to 10 m thick with some areas as much as 60 m thick. Colluvium as thick as 10 m covers much of the area. Recent drilling by Western Lithium shows that the average thickness of Li mineralization is much thicker than indicated by Chevron data because many of the Chevron holes stopped in mineralization.

Table 1: King's Valley Stage I (PCD) Lens Mineral Resources

Kings Valley PCD Area Indicated Mineral Resources, 0.20% Li Cutoff					
Cutoff Li %	Metric Tonnes	Imperial Tons	Li %	Contained Pounds Li	LCE Contained Metric Tonnes
0.025	77,887,000	85,856,000	0.226	388,583,000	938,000
0.050	77,618,000	85,559,000	0.227	388,439,000	938,000
0.075	76,951,000	84,824,000	0.228	387,475,000	936,000
0.100	75,671,000	83,413,000	0.231	385,033,000	929,000
0.125	73,153,000	80,637,000	0.235	378,671,000	914,000
0.150	68,306,000	75,294,000	0.242	363,822,000	878,000
0.175	59,584,000	65,681,000	0.253	332,475,000	803,000
0.200	48,098,000	53,019,000	0.269	284,924,000	688,000
0.225	35,682,000	39,332,000	0.288	226,868,000	548,000
0.250	25,770,000	28,406,000	0.308	175,095,000	423,000
0.275	18,237,000	20,103,000	0.327	131,635,000	318,000
0.300	12,422,000	13,693,000	0.346	94,840,000	229,000
0.325	8,004,000	8,823,000	0.365	64,446,000	156,000
0.350	4,696,000	5,176,000	0.385	39,897,000	96,000
0.375	2,349,000	2,589,000	0.410	21,207,000	51,000
Kings Valley PCD Area Inferred Mineral Resources, 0.20% Li Cutoff					
Cutoff Li %	Metric Tonnes	Imperial Tons	Li %	Contained Pounds Li	LCE Contained Metric Tonnes
0.025	75,030,000	82,706,000	0.216	357,786,000	864,000
0.050	72,665,000	80,100,000	0.222	355,802,000	859,000
0.075	71,565,000	78,887,000	0.225	354,359,000	855,000
0.100	70,003,000	77,165,000	0.228	351,255,000	848,000
0.125	66,820,000	73,656,000	0.233	343,384,000	829,000
0.150	62,406,000	68,791,000	0.240	329,923,000	796,000
0.175	53,947,000	59,466,000	0.252	299,233,000	723,000
0.200	42,315,000	46,645,000	0.269	251,041,000	606,000
0.225	30,364,000	33,471,000	0.291	195,069,000	471,000
0.250	20,932,000	23,074,000	0.317	146,105,000	353,000
0.275	15,884,000	17,509,000	0.334	116,962,000	282,000
0.300	10,349,000	11,407,000	0.358	81,746,000	197,000
0.325	6,971,000	7,684,000	0.381	58,520,000	141,000
0.350	4,295,000	4,735,000	0.408	38,672,000	93,000
0.375	2,861,000	3,154,000	0.432	27,225,000	66,000

*Inferred tons within 700 ft. of nearest drill hole, Indicated tons 2 drill holes within 660 ft., 1 within 470 ft.;

Contained metal does not allow for mine and metallurgical recovery; 17.8 ft³/ton tonnage factor used;

Economic assumptions for base-case cutoff grade (high-lighted), \$3.50 Lithium Carbonate USD/lb, 60% metallurgical recovery,

\$45 USD/ton processing, \$2 USD/ton Mining;

Rounding errors may exist



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Ownership

Western Lithium has leased claims from Western Uranium Corporation for the purpose of lithium exploration and exploitation. The lease agreement, signed on December 20th 2007, grants Western Lithium exclusive rights to explore for, develop, and mine or otherwise produce, any and all lithium deposits discovered on the claims subject to a net smelter returns royalty equal to one and one-half percent (1.5%) of the net smelter returns, a net profits royalty equal to three and one-half percent (3.5%) of the net profits from the production, and a schedule of payments ranging from USD \$75,000 to \$200,000 per year over the 30 year lease term totaling USD \$4.4 million (USD \$75,000 paid to date).

Quality Assurance and Quality Control Program

Quality assurance-quality control by Western Lithium consists of standard samples, blank analyses, duplicate analyses and check assays. Duplicate analyses were performed on pulp samples at American Assay Laboratories (AAL). Those samples were prepared and analyzed in the same batch as the original sample. Check assays were performed two ways. A portion of the samples were sent to Hazen Research in Golden, Colorado for analysis and all samples were analyzed by both AA and ICP at AAL.

Qualified Person

Mark Hertel, P. Geo. and Ted Eggleston Ph.D., P.Geo. both Independent Qualified persons as defined by National Instrument 43-101 prepared the Technical Report, titled *Kings Valley Lithium Project, Humboldt County, Nevada, USA NI 43-101 Technical Report*, dated 15 December 2008, for the Kings Valley Lithium Property as of 15 December 2008. The effective date of the mineral resource is December 15th 2008, which represents the cut-off date of the drill data used in the mineral resource. Dennis Byran, Vice President of Corporate Development for Western Lithium, is the Qualified Person that reviewed the technical data in this press release.

for further information contact:

Western Lithium Canada Corporation

Jay Chmelauskas, President

Telephone: 604-639-2144

Email: info@westernlithium.com

Website: www.westernlithium.com



Western Lithium

The TSX Venture Exchange has neither approved or disapproved of the contents of this press release.

Western Lithium Corporation is a mineral exploration and development company with a focus on lithium. The company has an exploration property in King's Valley, Nevada through a lease option agreement with affiliate Western Uranium Corporation.

Forward Looking Statements

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, risks and uncertainties relating to foreign currency fluctuations; risks inherent in mining including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding; risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain necessary governmental permits; and other risks and uncertainties, including those described in each management discussion and analysis. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of lithium; that the Company can access financing, appropriate equipment and sufficient labour and that the political environment where the Company operates will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking information. Accordingly, readers are advised not to place undue reliance on forward-looking information.

Cautionary Notes to Investors - Reserve and Resource Estimates

In accordance with applicable Canadian securities regulatory requirements, all mineral reserve and mineral resource estimates of the Company disclosed in this release have been prepared in accordance with Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), classified in accordance with Canadian Institute of Mining Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves Definitions and Guidelines" (the "CIM Guidelines").

The Company uses the terms "mineral resources", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources". While those terms are recognized by Canadian securities regulatory authorities, they are not recognized by the United States Securities and Exchange Commission (the "SEC") and the SEC does not permit U.S. companies to disclose resources in their filings with the SEC.

Pursuant to the CIM Guidelines, mineral resources have a higher degree of uncertainty than mineral reserves as to their existence as well as their economic and legal feasibility. Inferred mineral resources, when compared with measured or indicated mineral resources, have the least certainty as to their existence, and it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. Pursuant to NI 43-101, inferred mineral resources may not form the basis of any economic analysis, including any feasibility study. Accordingly, readers are cautioned not to assume that all or any part of a mineral resource exists, will ever be converted into a mineral reserve, or is or will ever be economically or legally mineable or recovered.