June 29, 2010

Western Lithium Commences Continuous Pilot Test Production of Lithium Carbonate and Infill Drilling Campaign

Reno, Nev., USA: Western Lithium USA Corporation ("Western Lithium" or the "Company", TSX-V: WLC; PK: WLCDF) is pleased to provide the following update on the development of its Kings Valley Lithium Project located in Nevada, USA.

The Company has commenced continuous pilot scale testing at an independent research facility. The program will take several weeks to complete, with planned production of approximately 1 kg of battery grade lithium carbonate. The program is intended to confirm recent findings that retention time can be significantly reduced, lowering energy consumption. In addition, larger scale testing to produce up to approximately 10 kg of battery grade lithium carbonate is targeted to commence in July at European facilities. The larger scale European pilot program will test the application of fluidized calciners, which if successful, would further reduce estimated energy consumption. Upgrade testing of the ore is on-going through the summer months, which if successful, is expected to significantly reduce overall capital and operating costs from those anticipated in Western Lithium's January 2010 Preliminary Assessment and Economic Evaluation.

The resulting lithium carbonate from the pilot tests will be run through a series of diagnostic tests in the USA to determine battery performance specifications. Samples will also be sent for analysis to select strategic groups interested in a partnership to develop the project.

"Beyond our clear advantage of having one of the largest lithium deposits in the world located in the USA, we need to continue to demonstrate our cost competitiveness," said Jay Chmelauskas, Western Lithium's President. "We are focusing our attention on process optimization and cost reduction to include in our pre-feasibility study, planned to commence this Fall. We are going to continue to make lithium carbonate at various facilities, large and small, to further refine and define our process."

"With the race to roll out electric vehicles by a multitude of manufacturers in 2010 and 2011, we believe that the market is coming close to realizing the value of a new large scale source of domestic lithium from our Nevada project," continued Mr. Chmelauskas.

In addition to pilot testing, the Company has commenced infill drilling on the Stage I clay lens. The purpose of this drilling is to further refine the geologic model with the potential of bringing the resource to the measured and indicated categories so that future feasibility studies can potentially support a reserve estimate.

Current Company plans are to drill 80 to 100 holes during the Summer and Fall of 2010 on the Stage I lens. This will bring the spacing of the drillholes to approximatey 60 metres. The recently completed Stage I development drilling consisted of 22 drill holes and was completed in the first quarter of 2010, with the results of a new geological model pending.

Western Lithium is developing the Kings Valley, Nevada lithium deposit into potentially one of the world's largest(1) strategic, scalable and reliable sources 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 mobile electronics and hybrid/electric vehicles.

For further information contact:
Western Lithium USA Corporation
Cindy Burnett, Investor Relations
Telephone: 604-331-9842
Email: info@westernlithium.com
Website: www.westernlithium.com

(1) *Western Lithium has completed National Instrument 43-101 resource estimates on two portions of the property, one of which is envisioned for the initial stage of mine development. These resources cover part of the mineralization from a historical estimate of 11 million tonnes of lithium carbonate equivalent (LCE) prepared by Chevron Resources Corp. in the 1980s that encompasses all of the King's Valley lithium lens deposits identified to date, and ranks in size behind deposits in Bolivia (47 million tonnes LCE), Chile (37 million tonnes LCE), North Carolina (14 million tonnes LCE) and the DRC (12 million tonnes LCE). Source: R. Keith Evans, 2010; Roskill Information Services Ltd., 2009; and company disclosures. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources under National Instrument 43-101, the Company is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon.*

Forward Looking Statements

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act, including the results of pilot-scale testing of lithium production and upgrade testing of the ore, the results of recent infill drilling on Stage I and of the proposed infill drill program on Stage I, as well as the anticipated costs of the drill program. 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 those described in the company's management discussion and analysis. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management. Should one or more of the 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.

The TSX Venture Exchange has neither approved nor disapproved of the contents of this press release. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.