

Western Lithium to Purchase Royalties and Mineral Property Titles From Western Uranium

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Reno, Nevada -- (Marketwire) -- 12/15/10 -- [Western Lithium USA Corporation](#) ('Western Lithium' or 'WLC') (TSX VENTURE: WLC) (PINKSHEETS: WLCDF) and [Western Uranium Corporation](#) ('Western Uranium' or 'WUC') (TSX VENTURE: WUC) (PINKSHEETS: WURNF) have reached an agreement in principle for the purchase, by WLC, of Western Energy Development Corporation ('WEDC'), a wholly-owned subsidiary of WUC that holds royalties and titles for substantially all of the Kings Valley mineral property holdings in Nevada. The parties have agreed that WLC will pay to WUC Cdn\$6.85 million in WLC shares as consideration for the transfer of WEDC.

The transaction is designed to transfer all of the lithium properties out of WUC's portfolio, and represents the culmination of a spin-out process that started when WLC was initially formed as a subsidiary of WUC. WUC will now be able to focus more fully on growth through acquisitions and mergers, investments, and exploration globally and with more of a diversified commodities approach.

As a result of this transaction, the existing lease and royalty arrangements between the two companies on the King's Valley property, including a Net Smelter Return of 1.5% and Net Profits Royalty of 3.5% on any lithium project that WLC developed, are eliminated. WLC gains full control of the Kings Valley property claims, excluding the Albisu gold exploration target noted below and a proposed royalty to be granted to Cameco Global Exploration II Ltd. ('Cameco') solely in respect of uranium as described below, thereby improving the corporate structure for WLC to develop its Stage I lithium deposit. The agreement also eliminates the need for continuing future lease payments by WLC of US\$4 million.

Details of the Transaction

-- WLC will purchase 100% of the issued and outstanding shares of WEDC, thereby acquiring all of WUC's direct and indirect interest in the Kings Valley mineral property, including mineral titles, leases, data and royalties. The Albisu gold property, located at the northern end of the Kings Valley property, and the Treeline Uranium exploration project, located in New Mexico, both of which are currently held by WEDC, will be transferred out of WEDC before completion of the transaction.

-- The purchase price will be Cdn\$6.85 million, to be paid through the issue by WLC of 5,855,000 WLC common shares at a deemed price of Cdn\$1.17.

-- WUC's Strategic Alliance with Cameco, related to the exploration and development of uranium properties, will be concluded as a related part of the transaction with WLC, for consideration of Cdn\$2.5 million to be paid by WUC to Cameco and the grant to Cameco of a 20% gross overriding royalty over the Kings Valley mineral property solely in respect of uranium.

-- As part of the transaction, WUC has agreed to dispose, in due course, of its common shares in the capital of WLC following completion of the transaction in one or more block trades or off-market transactions until it is no longer an insider (ie. holds less than 10% of outstanding shares), and until it completes such disposition to refrain from voting against management nominees to the WLC board of directors and to vote in favour of any arm's length third party change of control transaction proposed by WLC's management.

The transaction is subject to negotiation and settlement of definitive agreements, the termination of the Strategic Alliance Agreement, completion of due diligence by WLC and all requisite third party approvals, including stock exchange and securities approvals.

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 hybrid/electric vehicles.

Western Uranium Corporation is a mineral exploration company with properties in Argentina, Nevada, and New Mexico and an earn-in agreement with Renaissance Gold Inc. (formerly AuEx Ventures, Inc.) for the

Baza gold-copper project in Spain. The Company has its head office in Vancouver, Canada; its executive management team is based in Reno, Nevada.

(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 completion of definitive agreements governing the transaction noted above and settling of all other outstanding conditions for completion of the transaction. 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 obtaining regulatory approval, the relevant parties settling all terms and conditions for applicable definitive agreements 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. 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. The companies do not have a policy of updating forward looking information, except to the extent required by applicable securities laws.

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.

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