Mining District File Summary Sheet

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DISTRICT Disaster

DIST_NO 1470

COUNTY Humboldt

TITLE If not obvious Kings Valley Lithium, Nevada, USA, NI 43-101 Technical Report

AUTHOR AMEC E and C Services, Inc; Eggleston, T; Hertel, M.

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Cross-references:

QUAD_NAME Disaster Peak 15'; Thacker Pass 15'

P_M_C_NAME (mine, claim & company names) Western Lithium Canada Corporation; McDermitt Project AMEC E and C Services, Inc.; Chevron Research Company McDermitt Lithium Property; Huber Pit; South Central Lens; PCD Lens; South Lens; North Lens; North Central Lens; see back

COMMODITY If not obvious Lithium

NOTES NI 43-101 Technical Report; property report geology; location map; deposit map; drill hole locations; claim list; geologic map; geologic cross section; assays; resources; claim group map; drilling summaries

100 pgs + 2 pgs S.S. = 102

Location: Digital Only

Keep docs at about 250 pages if no oversized maps attached
(for every 1 oversized page (>11x17) with text reduce
the amount of pages by ~25)

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P-M-C

American Colloid Claim Groups; Litl Claim Group;
Neutron Claim Group; Aurora Claim Group;
J.M. Huber Corporation; Western Energy Development Corporation;
Kings Valley Lithium Project

NI 43-101 Technical Report
Kings Valley Lithium
Nevada, USA

Prepared for Western Lithium Canada Corporation by:

Ted Eggleston, Ph.D., P. Geo
Mark Hertel, P. Geo

Effective Date: 15 December 2008
Project: 160237

IMPORTANT NOTICE

This report was prepared as a National Instrument 43-101 Technical Report for Western Lithium Canada Corporation (WLCC) by AMEC E&C Services Inc. (AMEC). The quality of information, conclusions, and estimates contained herein is consistent with the level of effort involved in AMEC's services, based on: i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. This report is intended for use by WLCC subject to the terms and conditions of its contract with AMEC. This contract permits WLCC to file this report as a Technical Report with Canadian Securities Regulatory Authorities pursuant to National Instrument 43-101, *Standards of Disclosure for Mineral Projects.* Except for the purposes legislated under provincial securities laws, any other uses of this report by any third party is at that party's sole risk.

CONTENTS

TABLES

FIGURES

1.0 SUMMARY

Western Lithium Corporation ("WLC USA") requested that AMEC Mining & Metals Inc ("AMEC") provide an independent Qualified Person's Review and Technical Report ("the Report") for the McDermitt Lithium Property ("the Property") located in northern Nevada, USA, to develop a lithium mineral resource estimate conforming to Canadian National Instrument 43-101, *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators, and to provide the results of this work in a report conforming to Form 43 101F1, *Technical Report*.

1.1 Geological Setting

The Kings Valley lithium deposits occur within sedimentary and volcanosedimentary rocks in the moat of a resurgent caldera. The extent and nature of the host rocks is well documented and understood.

At the present time, five areas of significant lithium mineralization have been identified – the North Lens, North Central Lens, South Lens, South Central Lens, and PCD. In each of these areas hectorite, a lithium-bearing clay mineral occurs in thick, apparently continuous accumulations. The general continuity and geometry of the deposits has been defined by drilling in all three areas on about 500 m centers. Drilling at PCD has confirmed continuity of the mineralization to as close as 50 m.

1.2 Tenure

Based on the records provided, AMEC concludes that WLC USA has rights to the Li mineralization within the PCD lens and that all appropriate permits for exploration have been obtained. Those same documents indicate that the mineral tenure covering the other four lenses is also secure.

1.3 Deposit Type

To AMEC's knowledge, there are no analogous deposits in operation worldwide. The hectorite deposits at Hector, California have similar mineralogy, but the geological setting is significantly different.

These deposits are believed to have formed by hydrothermal alteration of layered volcaniclastic sedimentary rocks. What is not clear is whether the alteration was essentially syngenetic with deposition of the sedimentary rocks or whether the alteration is a post depositional event. During the site visit, AMEC observed textures and other evidence that suggests that the alteration was post depositional, but additional work is required to resolve the origin of these deposits.

1.4 Mineralization

Mineralization consists of layered beds of lithium-bearing clay-rich volcaniclastic sedimentary rocks. The beds exhibit very good geological lateral continuity over kilometers with drill spacings on the order of 500 m. The thickness of mineralization varies from less than a meter to more than 90 m with typical intercepts of about 30 m. The extent of mineralization is well known. At PCD, the continuity of the mineralization has been confirmed by drilling at spacings as close as 50 m. Twin holes separated by 10-15 m also show very good continuity of lithium grade.

1.5 Exploration

Exploration on WLC's lithium project consisted of geological mapping to delineate the limits of the moat volcaniclastic sedimentary rocks and drilling to determine the grade and location of mineralization. Some, if not most, of the area has been covered by airborne gamma ray spectrometry, but those data are not pertinent to exploration for lithium. Initial exploration in the region was for Uranium; however, there is no record of other exploration in the PCD area.

This report is restricted to the PCD Lens which has had sufficient drilling to produce a preliminary resource estimate. A total of 70 core, reverse circulation (RC), and rotary holes (7,770.7 m) occur in the PCD database. The record indicates that of the 70 holes in the database, 25 are rotary holes (1,040.9 m), 8 are RC holes (1,798.62 m) and 37 are core holes (4,931.16 m). Of these holes, all except the RC holes were used for the resource estimate.

Claim surveying was performed by Tyree Surveying Company, Albuquerque, New Mexico and Desert Mountain Surveying Company, Winnemucca, Nevada (Chevron, 1980). According to Chevron (1980) both companies utilized theodolites and laser source electronic distance meters to survey the claims. Records indicate that both companies surveyed drill collar locations and it is presumed that the same instrumentation was used for those locations. WLC USA is using a Trimble differential GPS to survey collar locations. These are industry standard instruments.

AMEC is not aware of any downhole surveys for the Chevron holes. All of the holes were drilled vertically and are assumed to not have deviated. WLC USA began performing downhole surveys beginning with WLC-024c. Results indicate very little deviation and support the assumption of verticality for previously drilled holes.

AMEC believes that the exploration techniques used were appropriate and that the extent and general tenor of the deposits is reasonably well known.

1.6 Drilling

In 1979, 34 rotary percussion holes were drilled to evaluate selected tailings disposal sites for anticipated uranium production. Those holes were analyzed for lithium and found to contain anomalous lithium. In 1980 and 1981, four core holes were drilled to obtain uncontaminated and undisturbed samples to more effectively determine lithium grades and coincident volcaniclastic stratigraphy. After logging and analysis of the first two core holes, a portion of the core was sent to Chevron Research Company (CRC) for metallurgical test work.

The record suggests that 213 rotary percussion and 15 core holes were drilled to test the lithium mineralization between 1980 and 1984, but that is not certain. These drill procedures were standard for the industry at that time. Rotary percussion drilling is not widely used today because of the likelihood of contamination of samples using this procedure and the difficulty of obtaining representative samples.

During the period of 1982 through 1987, Chevron drilled 223 additional holes on lithium targets and conducted extensive metallurgical testing of the hectorite deposits to determine amenability of the deposits to extraction of lithium (Section 16).

In 2007-2008, WLC USA drilled 37 core and 8 RC holes at PCD to explore that area. Assays of RC holes are biased significantly lower than assays of the core holes suggesting loss of Li to fines during the RC drilling process. Additional work is required to identify the reasons for the grade bias. RC drilling has been suspended.

At this time, AMEC believes that the drill-hole spacing is adequate to define a minerals resource estimate at PCD that complies with Canadian Institute of Mining, Metallurgy, and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (Dec. 11, 2005).

1.7 Sampling

Approximately 95% of the samples were between 1.52 m (5 ft) and 3.05 m (10 ft) in length. The maximum sample length was 10.43 m (34 ft). Sample intervals greater than 10 feet were in waste and generally not analyzed. The minimum sample interval was 0.24 m (0.8 ft). WLC USA sample intervals were limited by lithology thus the variable lengths are possible. The record provided to AMEC does not contain details of sampling methods for rotary holes. During that time period, a portion of the cuttings from rotary holes were typically captured at the collar of the hole and placed in sample bags. Samples were not captured in their entirety. This type of sampling is now generally considered to be inappropriate for mineral exploration because the likelihood of contamination and the lack of proper splitting. WLC USA has drilled three twin holes at PCD. Those holes represent 12% of the total holes. Those holes confirmed the location and tenor of the Li mineralization. Chevron grades exhibit a conditional bias relative to the WLC USA core results. Grades above 2,000 ppm Li were not biased so AMEC opted not to adjust the Chevron data.

WLC USA has sampled on nominal 1.524 m (5 ft) intervals with modification of the sample interval by geological contacts. Some longer intervals (as long as 9.1 m) are due to lithologies such as basalt that are unlikely to contain significant Li.

AMEC believes that sample intervals are acceptable for resource estimation.

1.8 Sample Preparation, Assaying, and Security

Sample Preparation

Few records of Chevron sample preparation procedures exist. Hand-written notes indicate that core was split and one-half was archived. The other half was crushed in a jaw crusher and then split “until a single representative sample bag” was obtained. The mass of the sample is not specified. The remainder of the split was retained in labeled bags. The record suggests that sample crushing, splitting, and bagging was performed by Chevron employees and that the crushed and split sample was sent to the analytical laboratory for final preparation and analysis. There is no indication in the record that company employees were involved with final sample preparation.

Sample preparation for rotary hole samples are presumed to be the same as for core samples except for splitting which would have been performed by riffle splitter.

Chip samples from rotary holes were split and one-half retained. The second split was prepared as above.

The mass or granulometry of the final analytical split (crushed sample) is not specified nor has AMEC located records of those data.

Details of crushing, splitting, and pulverization are not provided. During the time covered by this exploration Cone Geochemical Inc. (the primary analytical laboratory) routinely dried the samples at 250^{o}F (120^{o}C), crushed to 10 mesh, split 150 g minimum with a riffle splitter, and pulverized to 150 mesh with a steel ring and puck mill unless otherwise directed by their customer. There is no record of deviation from this procedure for these samples.

AMEC believes that sample preparation was typical for the period and that those procedures would be similar to current industry procedures. AMEC has no concerns about sample preparation.

WLC USA sample preparation occurs at AAL where the samples are crushed to 90% passing -10 mesh, splitting to 250 g, and pulverizing in “flying saucer” mill to 95% passing 200 mesh.

AMEC believes that sample preparation is adequate.

Assaying

Assaying for both Chevron and WLC USA was accomplished using a four acid digestion followed by determination on an AA. That was, and continues to be, a standard analytical procedure within the mineral industry.

QA-QC

There is little in the way of QA-QC in the record for the Chevron data. The few duplicate sample data suggest that precision was adequate, but too few data exist to allow any significant conclusions. Relative to current industry practices, QA-QC for the historical data for this project is substandard.

WLC USA employs standard samples, pulp duplicate analyses, blank samples, and check assays for QA-QC. Standard samples indicate adequate accuracy. Duplicate analyses indicate acceptable precision. Blanks are blank, indicating no significant contamination. Check assays at Hazen Research confirm the AAL data. AAL also analyzes each sample for Li by AA and by ICP, using different solutions. Those results are very close indicating that the accuracy is likely adequate. Standard sample results were used to identify analytical problems during the course of the program. Those problems were related to the analytical laboratory and the samples reanalyzed and new certificates issued.

Sample Security

Sample security for Chevron samples is not discussed in the project records. AMEC assumes that it was typical for that time period and did not include any secure storage or significant chain of custody protocols. Because of the reasonably high grade of the materials and the relatively low unit value, AMEC has no concerns about the integrity of the sample results. Future exploration efforts should have secure storage areas and chain of custody procedures in place to minimize the likelihood of tampering.

WLC USA periodically collects core and cuttings from the drills and transports the core and cuttings to their office in Orovada. There both sample types are stored in lockable storage facilities. AMEC believes that the security of samples is adequate.

1.9 Data Verification

AMEC compiled an assay and lithology database from physical records in the possession of WLC. Subsequent to that compilation, AMEC verified approximately 50% of the assay data by comparison to original assay certificates. Lithology data were taken from graphic logs. Collar locations were provided to AMEC by WLC USA and were verified, where possible, against original data.

Collar surveying for Chevron holes is believed by AMEC to have been performed by conventional surveying techniques that were standard at the time the holes were drilled. AMEC located eight drill hole collars in the field and generally confirmed the locations of those holes. AMEC has little concern about the locations of drill holes but recommends that the holes be resurveyed and that the conversion from local to UTM coordinates be verified. WLC USA uses a Trimble GPS for surveying. This is an industry standard instrument.

AMEC collected a single large sample from the Huber Pit (mine) which was subsequently split into four subsamples and 21 samples from core from the archive. Those samples were collected, not to verify specific grades in core holes, but to generally confirm that the reported grades exist on the properties.

Historical density data are lacking from the record. Chevron used 1.8 g/cm^3 for wet clay and 2.16 g/cm^3 for dry clay but the origin of those values is not known. WLC USA performed 32 density determinations that form the basis for densities assigned to rock types in the resource model. Additional density data would be useful to refine the density values used for resource estimation.

WLC USA drilled three core holes to twin Chevron holes. Those holes confirmed the location and tenor of mineralization in the Chevron holes. AMEC requested, and received, assay data directly from AAL and compared those data to the data received from WLC. No discrepancies were noted.

1.10 Adjacent Properties

There are no adjacent properties that bear on the lithium properties and there are no nearby operating mines. Several gold mines are in operation several tens of miles to the southeast and are mentioned to illustrate that mining permits are possible in the area. In the past century, a large mercury mine operated to the northeast of the lithium properties. To the west of the lithium properties, uranium and gold were produced from small mines in the past century. Those properties are being actively explored, but there is no current production.

The Huber Pit at the north end of the lithium mineralized trend is operated sporadically and possibly a few tens of tons of material are produced per year, but production generally occurs in a short period every two or three years.

American Colloid has a small number of claims in the area of the South Lens but those claims have not produced in recent times.

1.11 Mineral Processing and Metallurgical Testing

Chevron patented a process to extract lithium from hectorite. That process was demonstrated to be effective, but was not economic at the prices of lithium in the mid-1980's. AMEC reviewed the documentation and believe that the process is viable, but concludes that both the process and operating cost estimates must be verified by additional testing. Hazen Research completed initial testwork on samples from the PCD Lens confirmed the viability of the Chevron process. Kappes Cassiday & Associates is currently performing additional process testwork.

1.11.1 Mineral Resource and Mineral Reserve Estimates

AMEC E&C Services Limited (AMEC) completed a review of lithium exploration work on the Kings Valley property in Humboldt County, Nevada and has developed lithium mineral resource estimate for the PCD area that conforms to Canadian National Instrument 43-101, *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.

Table 1-1 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 exist at the Kings Valley property to increase the resource.

Table 1-1: Kings Valley Mineral Resources PCD Area

Kings Valley Mineral Resources*			
Category	Tons	Li %	Contained Lbs Li
Indicated	53,019,000	0.269	284,000,000
Inferred	46,645,000	0.269	252,000,000

***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 ft^3/ton tonnage factor used; Economic assumptions for cutoff grade, $3.50 Lithium Carbonate USD/lb, 60% metallurgical recovery, $45 USD/ton processing, $2 USD/ton Mining;**
Rounding errors may exist

1.11.2 Marketing

AMEC briefly reviewed the possibility of marketing Li and Li-bearing clays. Li would most likely be marked as Li_2CO_3 which is used in batteries, lubricants, cosmetics, and myriad other products. According to Roskill (2007), the market has been expanding in recent years and will likely continue to expand. Recent price increases suggest that supply is not keeping pace with demand. This suggests that lithium produced from this project would be marketable.

Hectorite is used for high-temperature drilling fluids and other specialty clay applications. It has a relatively high value per tonne, but it is marketable in small quantities.

WLC USA has performed a number of marketing studies, most of which are confidential, and have concluded that there is a market for Li and Li-bearing products.

AMEC concludes that markets exist for the commodities that could be produced from these properties.

1.12 Recommendations

1.13 Drilling

Additional infill drilling will be required for prefeasibility-level resource estimation. Drilling is adequate for estimation of resources at PCD and for a preliminary economic assessment of those resources once more information is available regarding process flow sheets and process operating costs.

1.14 Database verification

AMEC recommends that additional dry density data be acquired to better refine density estimates for each rock type. Those data should be determined using a wax-coat, immersion procedure.

1.15 Processing

AMEC recommends that metallurgical testwork continue in order to finalize the process flowsheet and to quantify estimated process operating costs. This work is in progress at both Hazen Research, Golden, Colorado, and Kappes Cassiday & Associates, Reno, Nevada.

1.16 Marketing Study

AMEC recommends that WLC USA continue to investigate the lithium carbonate market and lithium clays.

1.17 Additional Exploration

At the present time, exploration at the PCD deposit is sufficient to produce a mineral resource estimate that complies with CIM Definition Standards. Upon completion of the resource estimate and a positive marketing study, a preliminary economic assessment of the PCD resource (termed a Preliminary Assessment under NI 43-101) would be the next step with the currently available drilling information. A Preliminary Assessment may be followed by additional drilling, metallurgy and preliminary engineering designs to bring the project to prefeasibility level. Additional drilling may be required to fill gaps in the drill pattern to upgrade the resource to Indicated.

1.18 Proposed Budget

Table 1-2 presents a proposed budget that would advance the project to the stage of Prefeasibility assessment. Additional engineering studies may follow the successful completion of a Prefeasibility Assessment but AMEC has not proposed a budget for these because the characteristics of the project for more advanced engineering studies will not be determined until a Prefeasibility Assessment is completed.

Table 1-2: Proposed Budget

Proposed Budget	**Number**	**Total**	**Cost (,000 US$)**
Drilling	20 holes	6,000 m	450
Assaying	2,000 ea		40
Metallurgical Testing			400
Resource Estimate			15
Marketing Study			10
Prefeasibility Assessment			20
Engineering Study			100
Total			**1,035**

2.0 INTRODUCTION

2.1 Introduction

Western Lithium Corporation (WLC) commissioned AMEC E&C Services Limited (AMEC) to review exploration work completed on the Kings Valley property (the Property) in Humboldt County, Nevada USA (Figure 2-1), to develop a lithium mineral resource estimate conforming to Canadian National Instrument 43-101, *Standards of Disclosure for Mineral Projects*, and to provide the results of this work in a report conforming to Form 43 101F1, *Technical Report*. WLC is a Canadian based resource company listed on the TSX Venture Exchange and operates in the United States as WLC USA.

AMEC understands that this report may be filed by WLC with Canadian securities regulators. One of the purposes of this report is to develop and report a NI 43-101 compliant Lithium mineral resource estimate on the Kings Valley project that will be suitable to support a future Preliminary Assessment as defined under NI 43-101.

Information for the Technical Report was obtained from work completed by AMEC at the project site, at WLC's offices in Reno, Nevada; at AMEC's offices in Phoenix, Arizona and Sparks, Nevada; materials provided by, and discussions with, WLC USA personnel; and from previous technical reports on the Kings Valley property.

Sections of the Technical Report on history, geologic setting, deposit types, mineralization, and exploration were in part derived from a previous NI 43-101 technical report on the Kings Valley property.

The Qualified Persons responsible for preparation of the Technical Report include Mark Hertel, PG, MAusIMM, AMEC Principal Geologist and Ted Eggleston, Ph.D., P.Geo, AMEC Principal Geologist. Mr. Hertel reviewed the property geology and mineralization, generated the geologic model, performed the mineral resource estimate, and developed resource classification criteria. Mr. Hertel is the Qualified Person for Section 17 of the Technical Report. Dr. Eggleston served as the Qualified Person responsible for the preparation of all other Sections. Dr. Eggleston and Mr. Hertel both contributed to portions of the summary, conclusions and interpretation and recommendations chapters that pertain to those Sections of the Technical Report in compliance with National Instrument 43-101, Standards of Disclosure for Mineral Projects.

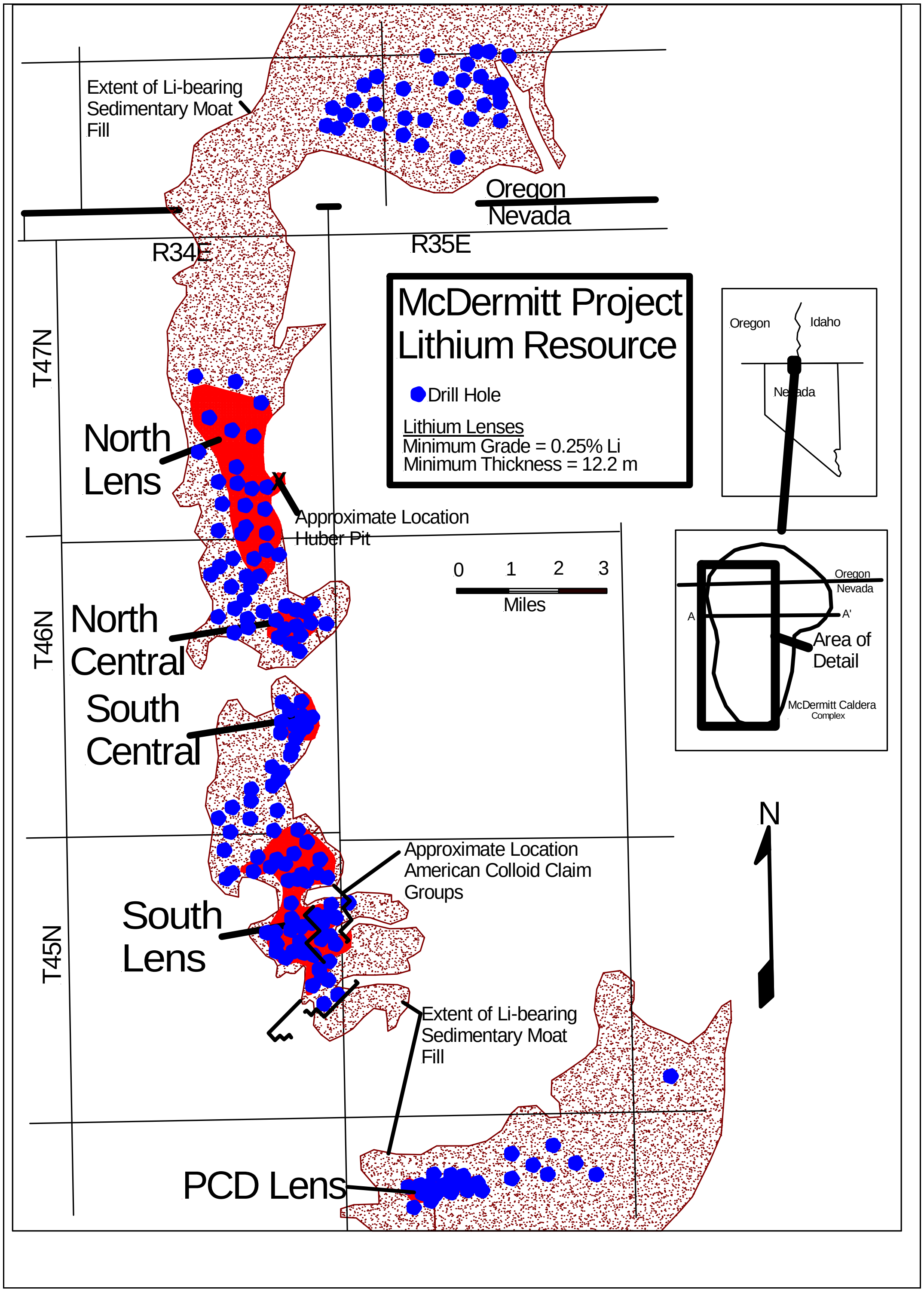
Dr. Harry Parker, AMEC Technical Director provided assistance in the areas of project design, and resource estimation. Mr. Larry Smith, PG, Vice President Consulting, provided senior level peer review of the project and Technical Report.

AMEC is independent from WLC USA or of any associated company.

The effective date of this report is 15 December 2008, which represents the cut-off date for information used in the report.

Unless stated otherwise, all quantities are in US Commercial Imperial units and currencies are expressed in constant 2007 US dollars. To convert numbers from imperial to metric please refer to Section 2.6.3.

Figure 2-1: Kings Valley Lithium Project Location Map



Units of Measure

a	Annum (year)
%	Percent
°	Degrees
°C	Degrees Celsius
cm	Centimetres
g	Grams
g/cm^3	Grams per cubic centimeter
h	Hour(s)
ha	Hectares (10,000 square meters)
HP	Horsepower
kg	Kilograms
km	Kilometers
km^2	Square kilometers
M	Millions
m	Meters
m^3	Cubic meters
masl	Meters above sea level
mm	Millimeters
M st	Million short tons
Mt/a	Million dry tonnes per year
ppm	Parts per million
st	Short tons
t	Tonnes (metric)
Cdn$ M	Million Canadian Dollars
US$ M	Million US dollars
$/t	Canadian dollars per tonne
US$/t	US dollars per tonne
US$/T	US dollars per short ton
wt %	Weight percent

3.0 RELIANCE ON OTHER EXPERTS

AMEC has relied upon the following experts for Sections 4.1 and 4.2 and disclaims responsibility for the information provided by these Other Experts as is allowed under NI 43-101. AMEC relied on the following experts for parts of Section 4.1 and 4.2:

AMEC was provided with a copy of the property lease agreement which was prepared by T. Erwin, attorney at law. That lease provides the basis for mineral tenure on the property by WLC. AMEC summarized the salient points which were then reviewed by Erwin.

Thomas P. Erwin, Attorney at Law, of Erwin & Thompson, Reno, Nevada, provided the review of the validity of the Lith and Neutron claims discussed in Section 4 in a letter to Pamela Klessig, President of Western Energy Development Corporation and others entitled *Kings Valley Project, Humboldt County, Nevada; Second Supplement to Mineral Status Report* dated 31 July 2007.

Thomas P. Erwin, Attorney at Law, of Erwin & Thompson, Reno, Nevada, reviewed the contents of Sections 4.1 and 4.2 and in an email to Ted Eggleston dated 21 Dec 2007, indicates that Sections 4.1 and 4.2 accurately reflect the terms of the lease and the status of the claims.

Western Energy provided AMEC with documents relating to permits for the lithium exploration discussed in Section 4.3. AMEC reviewed the following documents:

Notice of Intent to conduct lithium exploration on federal lands submitted to the Winnemucca Field Office of the U.S. Bureau of Land Management (dated 29 May 2007; signed by Pamela Klessig, President Western Energy Development Corporation).

Letter response from the U.S. Bureau of Land Management, Winnemucca Field Office, dated 26 June 2007, signed by Dave Hayes, Assistant Field Manager Nonrenewable Resources, acknowledging completion and acceptance of the Notice of Intent granting conditional permission to proceed.

Letter of acknowledgement of completion of the cultural survey from the U.S. Bureau of Land Management, Winnemucca Field Office, dated 3 October 2007 signed by Dave Hayes, Assistant Field Manager Nonrenewable Resources granting conditional permission to proceed.

Letter of acknowledgement of receipt of bond requirements from the State of Nevada Commission on Mineral Resources Division of Minerals dated 5 September 2007 addressed to Western Energy Development Corporation signed by Doug Dresner, Deputy Administrator for Alan R. Coyner, Administrator confirming that the required security bond has been paid and Receipt No. 02020 for the amount of the bond. The letter indicates that the information was forwarded to Scot R. Richey, U.S. Bureau of Land Management, Winnemucca Field Office.

United States Department of the Interior, Bureau of Land Management, Surface Management Personal Bond Rider, Form OMB No. 1004-0194, which provides the details of Surface Management Bond No NVB-000493 on behalf of Western Energy Development Corporation.

AMEC has relied upon the following experts for Section 19.1 and disclaims responsibility for the information provided by these Other Experts as is allowed under NI 43-101. AMEC relied on the following experts for parts of Section 19.1:

William J. Miles, Ph.D., Miles Industrial Mineral Research, 1244 Columbine Street, Denver, Colorado, provided market research for lithium-bearing clay minerals discussed in Section 19.1. The report, to Pamela Klessig, President of Western Energy Development Corp. is titled: *Miles, W.J., 2005, Summary report concerning hectorite clay at McDermitt Caldera; 28 September 2005, Miles Industrial Mineral Research Report to Pamela Klessig of Western Energy Development corp. 9p*. Dr. Miles is a recognized expert in the field of industrial minerals.

John Rice, Vice President of Western Energy Development Corp. and Edwin Benson, Consultant, produced a confidential, internal marketing study for lithium carbonate. That report entitled: *Kings Valley PCD Lithium Pod Summary Report* is dated December 2007.

Roskill, 2006, The Economics of Lithium, Tenth Edition; London, Roskill Information Services Ltd. 195 p for information in Section 19.1. Roskill is an internationally known market research group that periodically publishes reports on market research for a variety of commodities. Those reports are available for purchase.

AMEC utilized some of the confidential information produced by an industrial minerals market consultant (December 2007) who reviewed the lithium carbonate (and derivative) market for WLC. That consultant is internationally known and has more than 40 years of industrial mineral experience. This consultant is not named here because of the confidential nature of the work.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 Mineral Tenure

WLC USA has leased the Lith and Neutron Claims from Western Energy Development Corporation for the purpose of lithium exploration and exploitation. Figure 4-1 shows the location of the Lith and Neutron Claims which cover the prospective lithium areas. The claims are detailed in Table 4-1. The PCD Lens is entirely included within the Neutron Claims, 320 claims covering an area of 6,400 acres. The Lith claims, 1,049 claims, cover an area of 20,980 acres.

The lease agreement, signed on 20 Dec 2007, grants WLC USA exclusive rights to explore for develop, and mine or otherwise produce, any and all lithium deposits discovered on the claims subject to royalty payments described below. Lithium deposits include, but are not limited to, deposits of amblygonite, eucryptite, hectorite, lepidolite, petalite, spodumene, and bentonitic clays which are all lithium-bearing minerals. Rights to all other mineral types, including base and precious metals, uranium, vanadium, and uranium or vanadium-bearing materials or ores are expressly reserved by Western Energy Development Corp. The term of the lease agreement is 30 years. There are no known economically significant base and precious metals, uranium vanadium, and uranium or vanadium-bearing materials coincident with the Li deposits on the Lith and Neutron claims based on recent exploration performed by WLC USA.

Under the terms of the lease, WLC USA will pay Western Energy Development Corporation the Minimum Payments summarized in Table 4-2.

The foregoing minimum payments will constitute advance payments of the royalty which shall be cumulatively credited in WLC's favor against its royalty payment obligations. WLC USA is required to pay Western Energy Development Corporation a production royalty for the production of minerals from the property. The royalty shall consist of a net smelter returns royalty equal to one and one-half percent (1.5%) of the net smelter returns and a net profits royalty equal to three and one-half percent (3.5%) of the net profits from the production.

The lease grants WLC USA the exclusive right to purchase the unpatented mining claims which comprise a designated discovery, subject to the royalty and other rights reserved by Western Energy Development Corporation and subject to WLC's obligations under the deed executed and delivered by Western Energy Development Corporation on the closing of the option.

WLC USA is obligated by the lease agreement to perform all work and to pay any and all fees required for maintenance of the claims under U.S. mining law beginning with the annual assessment work period of September 1, 2008, to September 1, 2009. All required legal filings are the responsibility of WLC.

4.2 Claim Status

A letter from Erwin & Thompson LLP dated 31 July 2007 to Pamela Klessig, President of Western Energy Development Corporation and others, on the status of the claims concludes that the Federal annual claim maintenance fees for the annual assessment year from September 1, 2006 to September 1, 2007 were properly paid and that no legal actions were pending in the courts against the owners of the property.

4.3 Permitting

Western Energy provided AMEC with all documents relating to permitting for the lithium exploration AMEC reviewed Western Energy's Notice of Intent to conduct lithium exploration on federal lands submitted to the Winnemucca Field Office of the U.S. Bureau of Land Management (dated 29 May 2007). The letter response from the U.S. Bureau of Land Management, dated 26 June, 2007, and signed by Dave Hayes, Assistant Field Manager Nonrenewable Resources, Winnemucca Field Office, indicated that the Notice of Intent was complete and that other permits were not required because the area of disturbance is less than 5 acres. That letter required that Western Energy have a cultural resources study performed and acknowledgement that the required financial guarantee was accepted for the project prior to beginning work on the project. A letter from the U.S. Bureau of Land Management dated 3 October 2007 signed by Dave Hayes, Assistant Field Manager Nonrenewable Resources, Winnemucca Field Office, acknowledged receipt and acceptance of the cultural survey and permitted operations as soon as the financial security was received. Financial security was acknowledged in a letter from the State of Nevada Commission on Mineral Resources Division of Minerals dated 5 September 2007 signed by Doug Driesner, Deputy Administrator, for Alan R. Conyer, Administrator. The letter indicates that copies were sent to the appropriate U.S. BLM Field Offices. AMEC was also provided with the Surface Management Personal Bond Rider form OMB No.1004-0194 detailing Surface Management Bond No. NVB-000493, and a receipt for the total amount of the bond.

4.4 Conclusions

AMEC has reviewed the lease and Erwin & Thompson documents and concludes, based on the lease agreement and the expert findings in the Erwin & Thompson letter that these documents provide a reasonable basis to support WLC USA's statements on their legal right to explore for and exploit any and all lithium deposits discovered on the Lith and Neutron claims and WLC USA's statement that those claims are in force under the U.S. mining law. AMEC's review of the permitting documents supports WLC USA's statements that they have all of the required permits for exploration.

Figure 4-1: Location of Lith and Neutron Claims Covered by the Lease Agreement

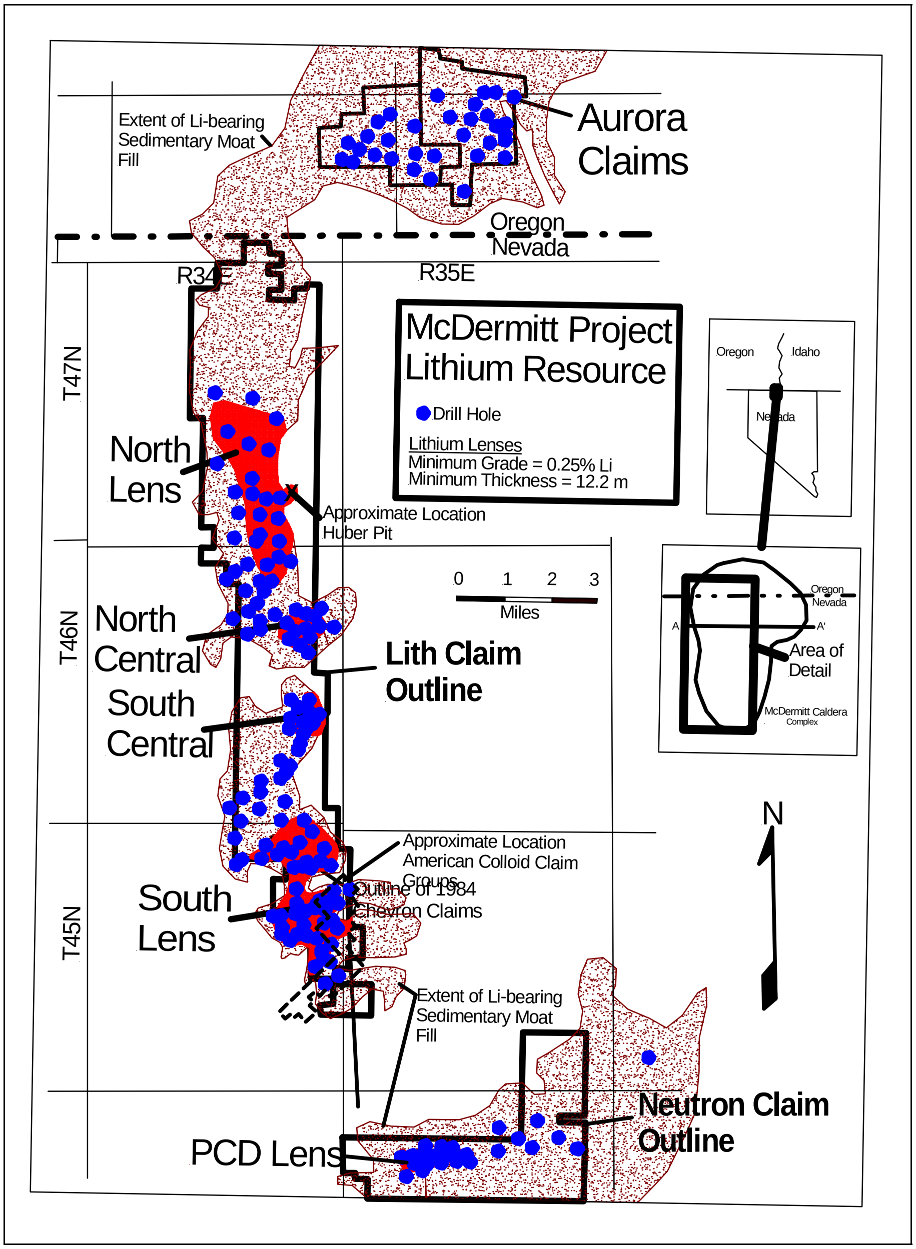


Table 4-1: Kings Valley Project Unpatented Mining Claims, Humboldt County, Nevada Owned by Western Energy Development Corp. and Leased by WLC USA

Claim Name	BLM NMC Nos.	Claim Name	BLM NMC Nos.
Lith 1-708	900830-901537		
Lith 713-732	901538-901557		
Lith 734-1054	901558-901878		
Neutron 25-30	894397-894402	Neutron 262	894634
Neutron 31-45	919267-919281	Neutron 264	894636
Neutron 70-75	894442-894447	Neutron 268	894640
Neutron 76-135	919282-919341	Neutron 270	894642
Neutron 160-165	894532-894537	Neutron 272	894644
Neutron 166-189	919342-919365	Neutron 274	894646
Neutron 190	894562	Neutron 276	894648
Neutron 192	894564	Neutron 278	894650
Neutron 194-199	894566-894571	Neutron 280	894652
Neutron 200-225	919366-919391	Neutron 282	894654
Neutron 238-240	894610-894612	Neutron 284-288	894656-894660
Neutron 242	894614	Neutron 344	894716
Neutron 244	894616	Neutron 346-348	894718-894720
Neutron 246	894618	Neutron 353-366	900226-900239
Neutron 248	894620	Neutron 379-402	900252-900275
Neutron 250	894622	Neutron 427-450	900300-900323
Neutron 252	894624	Neutron 475-498	900348-900371
Neutron 254	894626	Neutron 523-546	900396-900419
Neutron 256	894628	Neutron 555-574	900428-900447
Neutron 258	894630	Neutron 579-585	900452-900458
Neutron 260	894632		

Table 4-2: WLC USA Minimum Payments

Date	Payment Amount
Execution Date of the Effective Date	$ 25,000.00
First anniversary of the Effective Date	$ 50,000.00
Second through fourth anniversaries	$ 75,000.00
Fifth through tenth anniversaries of the Effective Date	$100,000.00
Eleventh through twentieth anniversaries of Effective Date	$150,000.00
Twentieth through thirtieth anniversaries of the Effective Date	$200,000.00

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The WLC USA's Kings Valley lithium project is located in Humboldt County in remote northern Nevada, approximately 100 km north-northwest of Winnemucca and 40 km west-northwest of Orovada, Nevada. The area is sparsely populated ranching land. Some of the property is very near the border with Oregon. Access to the project is via paved road (U.S. Highway 95) north from Winnemucca to Orovada and then west on paved state highway 293 to the project area. Local access is via numerous gravel and dirt roads.

Northern Nevada has a high desert climate with cold winters and hot summers. Elevations are 1,225 to 2,150 m (4,000 to 7,000 feet). Snow is expected from October to May, although it may melt quickly. Nearby mining operations operate continuously through the winter. Vegetation consists of sagebrush and grasslands at all elevations.

Because of the large-scale gold mining industry in the Winnemucca area, local resources include all of the amenities required for large-scale mining. The area is about 50 km north of the now depleted Sleeper gold mine and 100 km northwest of Twin Creeks, Turquoise Ridge, and Getchell gold mines. Several other gold and copper mines are in the area providing an experienced work force and adequate support for mining operations. Although the workforce in the area is knowledgeable about mining, most of the workers may have to be sourced in Winnemucca because of the sparse population in the project area.

Adequate electrical power is available, but power lines may need to be added and/or upgraded to provide power to the project site. Roads are in generally good repair and are all season roads but may be closed for short periods due to extreme weather in the winter. The nearest railroad access is in Winnemucca.

6.0 HISTORY

The following history to 1980 is taken from Glanzman and Winsor (1982). Post 1980 history is taken largely from the data provided to AMEC. AMEC is not aware of any reports that discuss the post-1980 history of the project that are specific to lithium exploration and development. MDA (2005) mentions the lithium prospects in passing.

Chevron began exploration for uranium in the McDermitt caldera area in 1975. In September 1977, personnel of the U.S. Geological Survey alerted Chevron to the presence of anomalous concentrations of lithium associated with volcaniclastic moat sediments within the McDermitt caldera. In September and October of that same year, 418 additional lode claims were staked over the mapped extent of moat sediments that paralleled Chevron's original uranium claim block. Drill cuttings from rotary percussion drill holes drilled in September on radiometric anomalies were also analyzed for lithium. One hundred and forty feet of hole number MJB-7-4 averaged 0.278% Li; eighty five feet of MJB-7-5 averaged 0.236% Li. These results confirmed the presence of significant lithium hosted by a massive, green claystone within the moat sediment section.

In 1978, Chevron's activities focused on the uranium resource hosted by volcanic rocks in the caldera. In 1979, 34 rotary percussion holes were drilled to evaluate selected tailings disposal sites for anticipated uranium production (Table 6-1). Those holes were drilled to test the thickness of the clays, to obtain samples of the clay for engineering analysis, and to further investigate the lithium resource potential. Results were encouraging with respect to the level and consistency of the lithium contained by the clays.

Table 6-1: Summary of Drilling (Chevron) by Year

Year	Number of Holes	Holes with Data	Meterage
No Date	39	24	2697.33
1979	34	34	4629.91
1980	2	2	184.10
1982	38	33	2,848.05
1983	38	38	2112.87
1984	71	63	3287.27
1987	6	0	289.60
Totals	228	194	16,049.13

In 1980 and 1981, four core holes were drilled to obtain uncontaminated and undisturbed samples to more effectively determine lithium grades and coincident volcaniclastic stratigraphy. After logging and analysis of the first two core holes, a portion of the core was sent to Chevron Research Company (CRC). CRC was charged with finding an economic process for extracting lithium from the clays.

During the period of 1982 through 1987, Chevron drilled an additional 223 holes on lithium targets and conducted extensive metallurgical testing of the hectorite ores to determine amenability of the ores to extraction of lithium (Section 16). Approximately 370 auger holes were drilled during the project (Table 6-2). From the record, the holes are 1 to 3 m deep and each was sampled only once. Each of these holes was drilled and analyzed for lithium in 1982, based on the assay certificates. These holes appear to have been drilled for geochemical exploration purposes, since there is no record of the reason that these holes were drilled.

Table 6-2: Auger Holes

Area	Number of Holes	Total Meterage
JJ	10	20.7
MJB	2	4.9
FJ	8	14.3
DIS	37	90.2
Sage	214	564.8
MCD	100	207.6
Total	370	902.5

In 1985, Chevron produced polygonal estimates of the Li resources on their properties at Kings Valley (Table 6-3). A cutoff grade of 0.25% Li, minimum thickness of 5 feet (1.52 m), and a minimum 9.0 ft% Grade x Thickness (GT) were used for the estimate. The tonnage factor used was 17.8 ft^3/short ton (1.8 g/cm^3). ***This estimate is not compliant with CIM Definition Standards for Mineral Resources and Mineral Reserves (2005) as required by NI 43-101 and is included here for historical purposes only.*** Because of the lack of documentation of criteria used to classify the historical estimate, AMEC is unable to compare the categories used by Chevron to current CIM Definition Standards and has thus not reported the tons and grade of the deposits in this report. Table 6-3 summarizes the parameters used for the estimate.

Table 6-3: Summary of 1985 Chevron Resources at McDermitt Caldera (M st = million short tons)

Lens	Number of Holes	Area (Acres)	Deposit Thickness (ft)	Deposit Thickness (m)	Waste Thickness (ft)	Waste Thickness (m)	Average Grade (%Li)
PCD	6	332	59	18.0	56	17.1	34

Chevron leased many of the claims that comprised the lithium project to the J. M. Huber Corporation (Huber) in 1986. From the record, it appears that not all of the claims were leased. In 1991, Chevron, U.S.A., sold their interest in the claims to Cyprus Gold Exploration Corporation. In 1992, Huber terminated the lease. In 1992, it appears that Cyprus Gold Exploration Corporation allowed the claims to lapse and provided much of the exploration data to Jim LaBret, one of the claim owners from which they had leased claims.

From 1992 to 2005, there is no record of any activities on the project.

Western Energy Development Corp., a Nevada corporation, leased LaBret's claims in 2005 at which time, LaBret provided Western Energy Development Corp. access to the Chevron data and to core and other samples that were available. In 2005, Western Energy Development Corp. staked 1634 federal lode claims covering the area that are prospective for Li and subsequently dropped 320 claims over the area with 1314 claims remaining active. Those claims cover much the same area as the original Chevron Claims. Western Energy Development Corp. compiled the Chevron exploration data and undertook preliminary marketing studies during 2007.

In 2007, Western Lithium Corp. ("WLC USA"), a Nevada corporation, was incorporated for the purpose of lithium exploration and exploitation. Western Energy Development Corp. provided the Chevron exploration data and access to available geological materials to WLC USA as part of a lease agreement for the properties described in Section 4 between the two companies. Those data form the basis for this report.

From late 2007 to May 2008, WLC USA completed 37 core holes (4,861.98 m) and 8 reverse circulation (RC) (1,798.63 m) holes in the PCD lens (Table 6-4). WLC USA also began additional metallurgical testing at Hazen Research. The metallurgical testing has not been completed at the time of this report however; an interim report confirms the technical feasibility of the Chevron process. WLC USA performed a mineralogical study of the mineralization in 2008 (Hudson, 2008). That study confirmed the presence of hectorite as well as bitumen in the deposit. WLC USA determined the density of six samples from the PCD lens.

Table 6-4: WLC USA Drill Summary by Year

Year	Core Holes	Meterage	RC Holes	Meterage
2007	13	1,904.12	3	402.34
2008	24	2,957.86	5	1,396.29
Totals	37	4,861.98	8	1,798.63

7.0 GEOLOGICAL SETTING

7.1 Regional Geological Setting

The Kings Valley lithium project is located in the McDermitt Caldera, a well preserved Miocene collapse structure in north-western Nevada and southern Oregon (Figure 7-1; Glanzman and Winsor, 1982). Because of the good exposures and preservation of the caldera complex, the area has been the focus of significant research activity over several decades by the U.S. Geological Survey (USGS). The USGS has produced a number of maps and other reports on the area. Some of those reports were used in preparation of this report (Glanzman, et al, 1978; Rytuba and Glanzman, 1979). The author is personally acquainted with Rytuba and others from the USGS that worked in the area and believes that the reports are of sufficient quality to be used as a basis for discussion of the geological setting of the area.

Volcanic activity began approximately 27 million years ago with eruption of interlayered basaltic, andesitic, and dacitic flows and tuffs. The volcanic units were deposited on basement of Cretaceous granitic rocks with significant topographical relief. Explosive rhyolitic volcanism began approximately 18.7 million years ago and resulted in formation of a number of extensive ignimbrites (ash flow tuffs) and resultant, nested calderas. The rhyolites of the McDermitt caldera are anomalous in Li and Hg and slightly anomalous in U when compared to average rhyolite. Li reaches 300 ppm in both ignimbrites and glassy tuffs, approximately six times greater than average rhyolite. Volcanic activity concluded by resurgence of the central part of the caldera, intrusion of rhyolite into the ring fracture zones around the caldera, and formation of a “moat” between the topographic wall of the caldera and resurgent dome in the center of the caldera. This moat then filled with volcaniclastic sedimentary rocks in a lacustrine environment.

Rytuba and Glanzman (1979) provide the following summary of the geology of the McDermitt Caldera:

> *“The caldera complex is developed on a terrane of Mesozoic granodiorite and Cenozoic basalt, andesite and dacite flows. The mafic and intermediate lavas were erupted 24 to 18 m.y. ago and have a total thickness of 420 m in the northern part of the complex. Rocks of equivalent age in the south are dominantly dacite and andesite with a total thickness of greater than 150 m. Reconstruction of the Miocene surface in relation to eruption of flows at the end of volcanic activity shows that a structural depression existed in the area now occupied by the complex. This depression may have formed because of the large volume of erupted*

> *magma; within this basin, local deposits of clastic and tuffaceous rock accumulated."*
>
> *"Explosive rhyolitic volcanism began with eruptions of a large-volume ash-flow tuff sheet. The sheet is a simple cooling unit with a maximum thickness of 230 m in the Double-H Mountains. To the north, the unit thins to 70 m in the vicinity of Hoppin Peaks and is absent in the Oregon portion of the complex. "*

Chemical analysis of the unit showed that it is peralkaline rhyolite. Between 18 and 15.8 Ma, four additional large-volume ash-flow tuff sheets were erupted. Most were peralkaline rhyolites with a total thickness of approximately 560 m. Each of these ash-flow tuff eruptions caused caldera collapse which formed a complex of nested calderas. The best preserved caldera is located in the extreme southern part of the complex and is informally known as the Calavera caldera which is nearly circular and approximately 18 km across. The Long Ridge caldera (informal name) is another well-preserved caldera is located in the northernmost part of the complex. This caldera is approximately 27 km across. Each of these calderas resurged so that a resurgent dome formed within the caldera. This caused a general uplift of the center of the complex (Figure 7-2) which, in turn, formed a depression (moat) between the resurgent dome and the topographic wall of the caldera. That moat then filled with volcaniclastic sedimentary rocks and some volcanic rocks. Hydrothermal alteration of the volcaniclastic sedimentary rocks or other processes produced hectorite and possibly other lithium-bearing minerals within the moat sediments.

Figure 7-1: **Generalized Geology of the McDermitt Caldera**

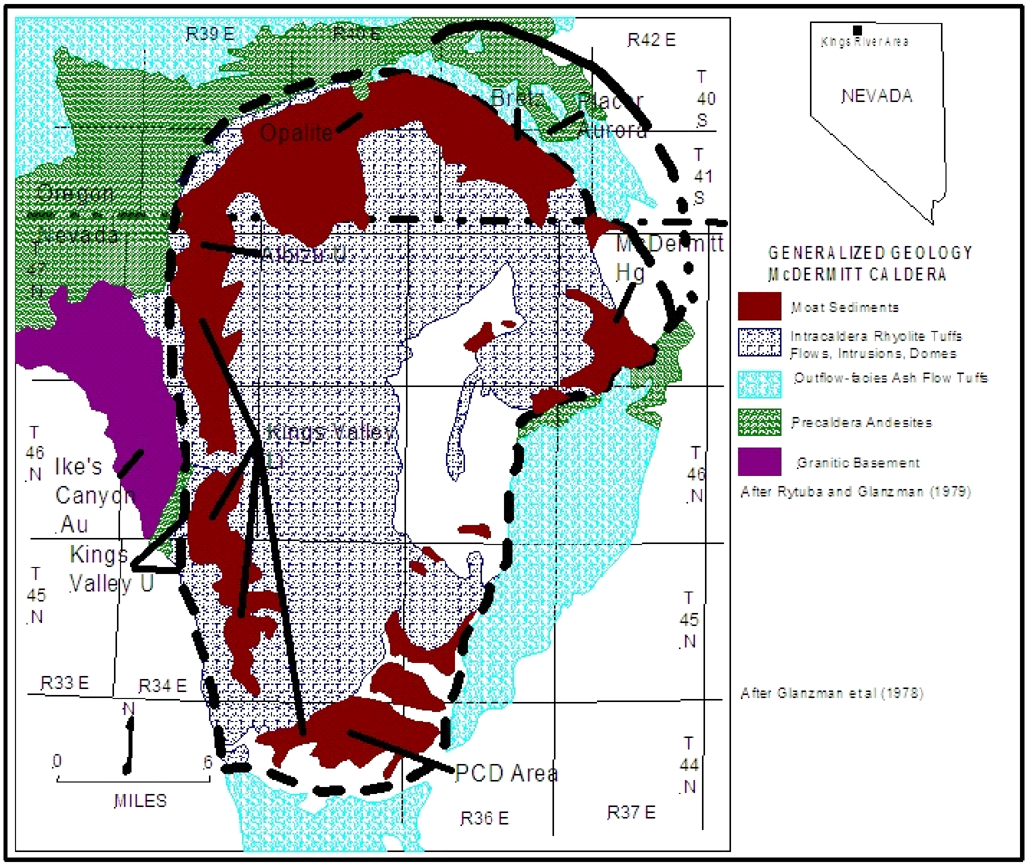
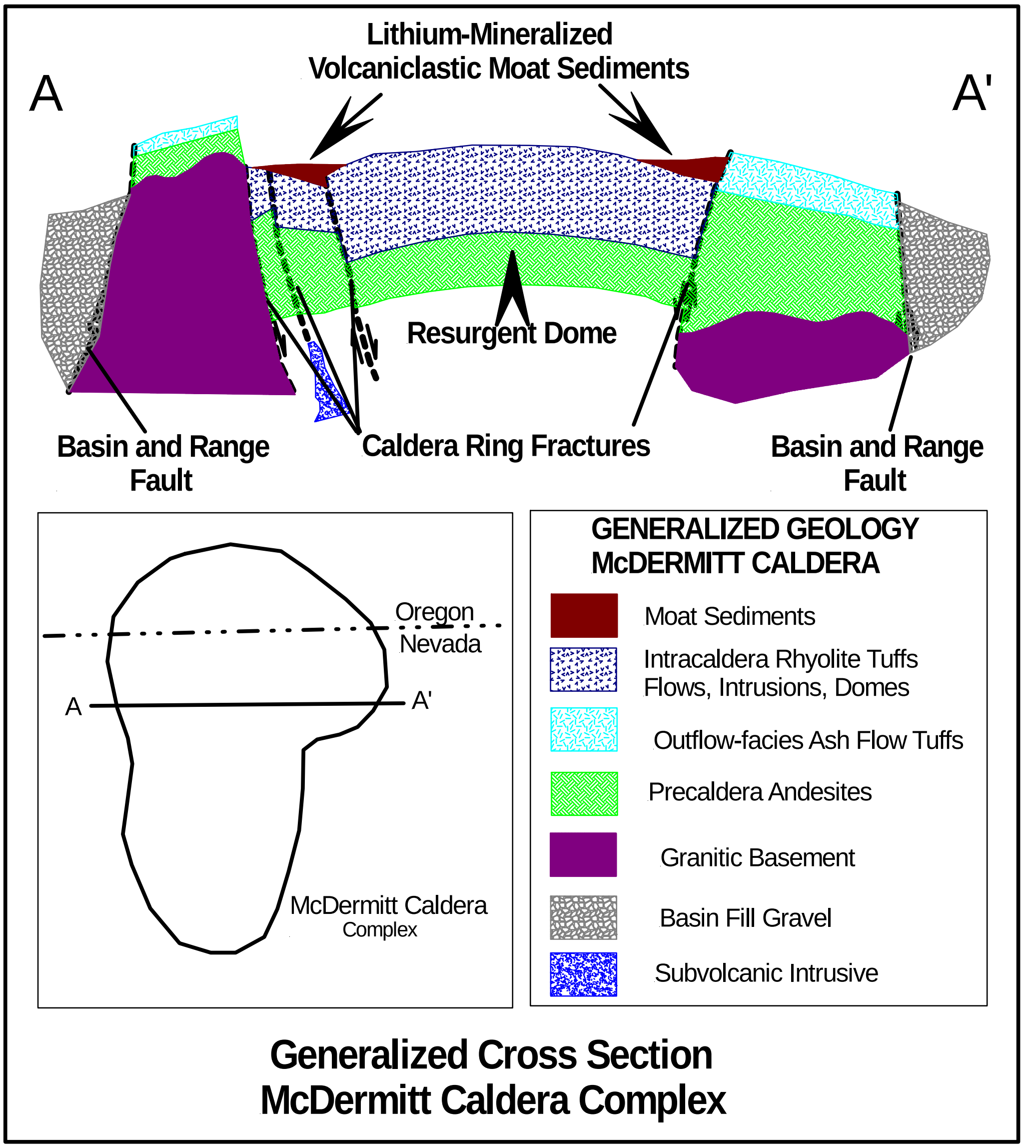


Figure 7-2: Generalized Geological Cross Section of the McDermitt Caldera Complex



7.2 Local Geological Setting

WLC USA's Kings Valley lithium project is divided into five general areas, the North Lens, North Central Lens, South Lens, South Central Lens, and PCD areas (Figure 7-3). Only the PCD Lens is of consequence for this report. The important rock type is a lithium-rich claystone that may be the product of intense hydrothermal alteration of volcaniclastic rocks or the product of clay formation in the bottom of an alkaline lake (See section 8 for a more complete description of origin).

7.2.1 PCD Lens

The PCD lens is the southernmost mineralized lens in the area and appears to be the smallest of the known mineralized areas. The PCD lens comprises relatively unaltered volcaniclastic sandstone and siltstones which are the dominant rock types (Figure 7-4) Lithium-rich beds are generally 1 to 10 m thick with some areas (holes PC-84-21 and PC-84-24) where the mineralization is more than 60 m thick at economically interesting grades. Colluvium as thick as 10 m covers much of the area. Recent drilling by WLC USA 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. A zone of mineralization greater than 50 m thick trends southwest-northeast across the area (Figure 7-5).

7.2.2 Discussion

The regional geological setting of these deposits is quite well known and very well understood. The local geological setting and degree of local lithium grade variations are adequately known for the PCD area to allow preliminary resource estimation.

Figure 7-3: Location of Lithium Mineralized Areas in the Western Part of the McDermitt Caldera Complex

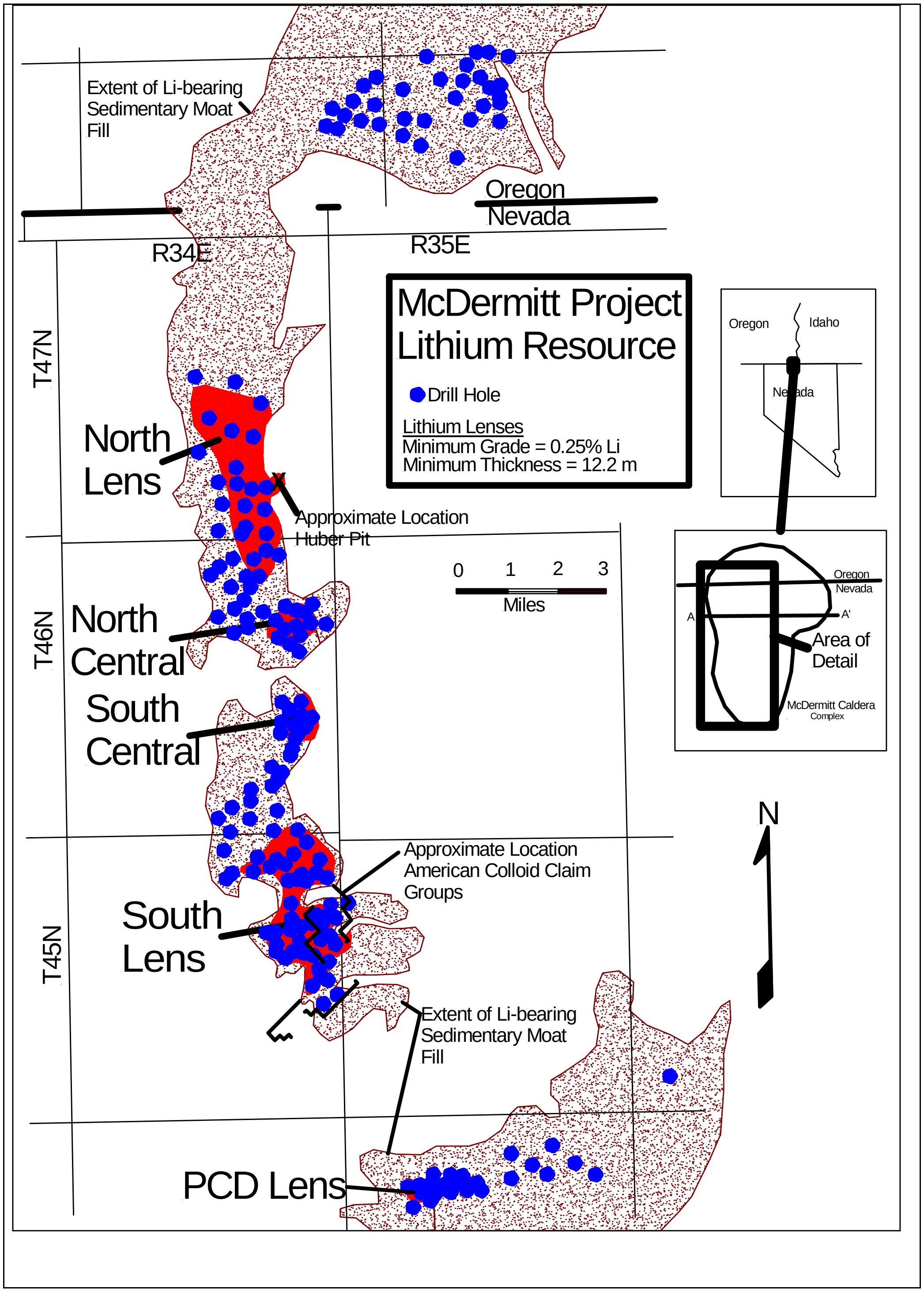


Figure 7-4: Sample Log for Hole PC-84-17 in the PCD Lens

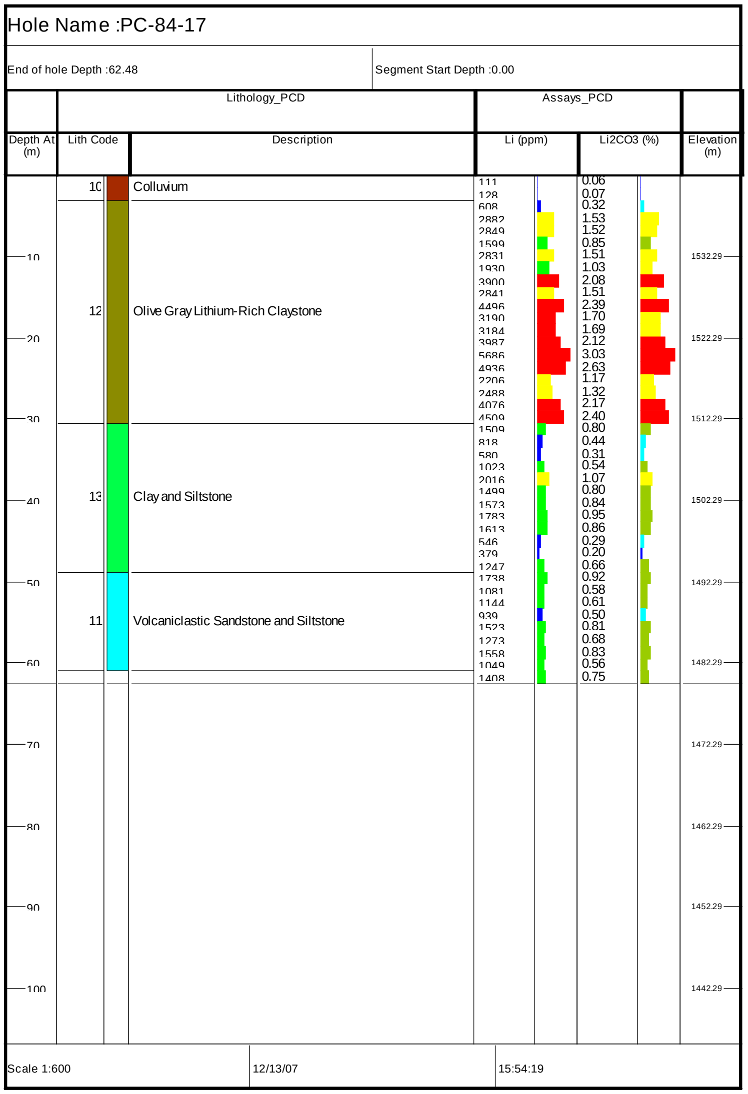
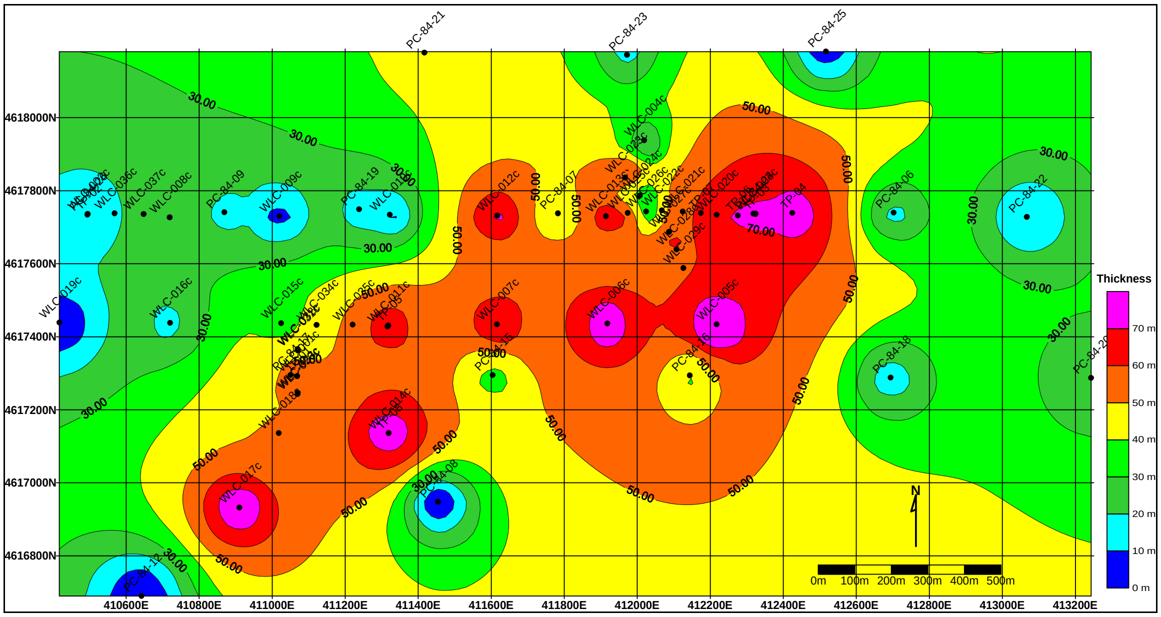


Figure 7-5: Thickness of Mineralization at PCD (1000 Li ppm minimum grade)



8.0 DEPOSIT TYPES

The Kings Valley lithium deposits are part of a small group of deposits of a Li-rich clay mineral known as hectorite. Hectorite was named for its first known source, the Hector Mine, 34 miles (55 km) east of Barstow in San Bernardino California. This is the only hectorite deposit currently known to be in production; however, other small producers may sporadically mine hectorite. The production is used primarily for specialty clay products. Lithium is not extracted from the clays from Hector.

The Hector deposit occurs along a northwest-trending fault zone for about 5 miles (8 km). It overlies a series of andesitic volcanic rocks of presumed Pliocene age (Harben and Bates, 1984). This volcanic sequence consists of lava flows with interbedded agglomerate and tuff.

Hectorite is the dominant clay mineral in an altered series of volcanic ash beds interbedded with lake sediments and a series of hot springs deposited cherty travertines (Sweet, 1980). These vitric tuff beds were deposited in and along a travertine ridge crest and in the northwest trending shallow trough parallel with a fault-terrace shoreline bordering the lake to the northeast. The tuff beds in the upper series of lake sediments are interbedded with mudstones and claystones and have been altered to clay minerals or zeolites. To the northeast and adjacent to the deposit, significant amounts of colemanite (borates) exist at depth in an evaporite section consisting of rhythmic laminations of anhydrite, clay, and calcite, and beds of claystone.

The hectorite-rich beds are 1.8 to 2.4 m (6 to 8 ft) in thickness.

The Hector deposit parallels an active major northwest-trending strike-slip fault zone. Mudstones and claystones overlying the deposit were partially eroded during a period of post-depositional faulting and warping. This exposed the more resistant travertine limestone beds as a ridge-like outcrop that is higher than the alluvial gravels overlying the lake sediments. A recent olivine basalt flow parallels the limestone ridge, fills a fault zone trough for approximately seven miles, and almost completely covers the hectorite deposit.

Harben and Bates (1984) suggest that the Hector deposits were formed when Pliocene (?) tuff and volcanic ash were deposited in a restricted alkaline lake environment on and adjacent to travertine which was forming by hot springs emanating along the fault. The tuff was initially converted to clinoptilolite which, in turn, was altered to hectorite by hot springs waters rich in Li and F.

AMEC is aware of one or two similar, but poorly documented, hectorite deposits in California and Nevada. AMEC is not aware of any Li production from any of these deposits.

Although no work has been reported on the genesis of the Kings Valley deposits, the geology suggests that the deposits occur over the ring fracture zone of the caldera complex. Post volcanic intrusions along those fractures likely powered hydrothermal cells that formed the deposits. Hydrothermal solutions ascended through the volcanic section along the ring fractures and other faults and passed through the volcanic section and into the lacustrine environment of the moat. These ascending fluids extracted lithium from the rhyolitic ash flow tuffs and the volcaniclastic sediments that immediately overlie the rhyolites. Glanzman and Winsor (1982) suggest that the fluids were deposited into the moat where a lithium-rich gel formed within the lake and precipitated as a statabound, massive layer of Li-rich claystone. Thin intervals of volcaniclastic sediments were deposited below, within, and above this claystone. Another possibility is that the Li-bearing clays were the product of alteration of in situ, clay-rich horizons by the hydrothermal fluids as they traversed the geological column.

Additional work is required to determine the origin of these deposits, but AMEC logged core from holes FJ-81-1c and FJ-81-2c and found armored and accretionary lapilli in both holes, especially FJ-81-1c. Armored and accretionary lapilli indicate that the rocks are the product of nearby explosive volcanic eruptions, and that they have not been significantly transported by sedimentary processes. These rocks are altered and locally contain elevated Li which suggest to AMEC that the rocks were deposited and then altered by hydrothermal fluids. The timing of the alteration is an open question; did it occur during and immediately after deposition or was there a significant time interval after deposition before alteration commenced? Fine-grained volcanic and volcaniclastic material was converted to hectorite-bearing clay beds by that hydrothermal event.

9.0 MINERALIZATION

9.1 Introduction

The primary mineral of interest is hectorite; a trioctahedral smectite clay, that contains variable amounts of lithium. The general formula is $Na_{0.3}(Mg, Li)_3Si_4O_{10}(F,OH)_2$ where Li substitutes for Mg in the lattice. Hectorite is associated with calcite ($CaCO_3$), dolomite ($CaMg(CO_3)_2$) and analcime (a zeolite group mineral ($NaAlSi_2O_6{\cdot}(H_2O)$)). The clay in which the hectorite occurs is generally light- to dark-green or brown depending on the oxidation state of the iron in the clay (Glanzman et al, 1978). The clay that occurs in the tuffaceous sediments is chiefly montmorillonite. No other clays have been identified by whole rock X-ray diffraction. Hectorite and montmorillonite are both considered to be "bentonite" which expands significantly when it is exposed to water. Hectorite is used in applications where high temperatures are encountered because it is more stable at high temperatures than montmorillonite.

In the McDermitt Caldera complex, Glanzman et al (1989) state that hectorite is associated with three distinct zeolite alteration assemblages: relatively unaltered volcanic glass, clinoptilolite-feldspar, and analcime-K-feldspar. These zones correspond, in a general way, to the amount of lithium enrichment in the clays. Clay in the glassy sediments generally contains the least amount of lithium, clinoptilolite-feldspar contains an intermediate amount, and analcime-K-feldspar contains the highest concentrations. Analysis of unaltered rocks indicates an original average Li concentration of 230 ppm (Rytuba and Glanzman, 1979). During zeolitization of the rocks, lithium was depleted in the alteration zones of erionite, clinoptilolite, and mordenite and concentrated in the alteration zones of analcime and K-feldspar.

Clay beds in the volcanic glass are generally thin with an aggregate thickness of less than 0.3 m. The volcanic glass is generally white to gray and many meters thick. Lithium is generally less than 0.07%, but is as high as 0.34% locally. The most abundant glassy sediments are along the southern limit of the caldera.

The clinoptilolite-feldspar zone occurs in the fluviatile-lacustrine series principally on the northern rim of the caldera. Clay beds in these sediments are generally thicker than clay beds in the volcanic glass, commonly as thick as 0.6 m. The clay is dark brown or green in color and is thinly laminated to massive. Grades are commonly on the order of 0.1 to 0.2% Li with local areas to 0.4% Li.

Near the western edge of the caldera, the clinoptilolite-feldspar zone and the analcime-K-feldspar zone overlap. This zone produces grades on the order of 0.1 to 0.2% Li.

The analcime-K-feldspar zone occurs along the western edge of the caldera. Here clay beds are as much as 30 m or more thick and contain as much as 0.65% Li. This is the area under consideration by WLC USA. Here the rocks consist of multiple Li-bearing clay beds. These beds are reasonably well indurated and uniformly light to dark green. Calcite and gypsum form veinlets, clots, and nodules. Box-form vugs may be casts of halite crystals.

Petrography indicates that K-feldspar pseudomorphically replaces analcime and that the rock was initially altered to analcime and then to K-feldspar. Pyrite is a ubiquitous gangue mineral and secondary quartz is common.

The age of the Li deposits is likely about 15.7 Ma which is the date obtained for the mercury mineralization at the McDermitt Mine by Noble et al (1988).

9.1.1 PCD Lens

The PCD Lens is the southernmost lens in the area of interest. The mineralized area is about three km east-west and 2 km north south (4109000 to 413000 E; 4616500 to 4618500N) (Figure 9-2). The mineralization is continuous over significant areas and appears to be thicker than other areas based on recent drilling (see Figure 7-5). Three to twelve meters of colluvium cover much of the deposit. Drill density is about 250 m (Figure 9-3), with local areas where drill spacings are about 50 m. Recent drilling confirms hole-to-hole and section-to-section correlations. According to the available records, five of the 26 Chevron holes in this area did not penetrate past the colluvium, thus there are significant questions about the presence of mineralization in the area represented by the holes that did not penetrate the colluvium. All WLC USA holes encountered mineralization and most penetrated through the mineralization. The average grade for intercepts greater than 1,000 ppm is about 2,300 ppm with maximum grades in excess of 5,000 ppm Li.

9.1.2 Discussion

Mineralization at PCD consists of hectorite replacing volcaniclastic sedimentary rocks. The South Lens is the highest grade and possibly the most continuously mineralized area with the North Lens being the largest, but lowest grade deposit. PCD is the smallest area of the five identified by Chevron and is locally covered by colluvium. PCD contains significant shallow, high-grade (>3,500 ppm Li) mineralization in zones that appear to correlate well from hole-to-hole and section-to-section. Assuming that Li can be extracted economically, the PCD area would likely be the best area to begin production because of the grade, low strip ratio, and proximity to infrastructure.

Figure 9-1: **Alteration Patterns in the McDermitt Caldera Complex**

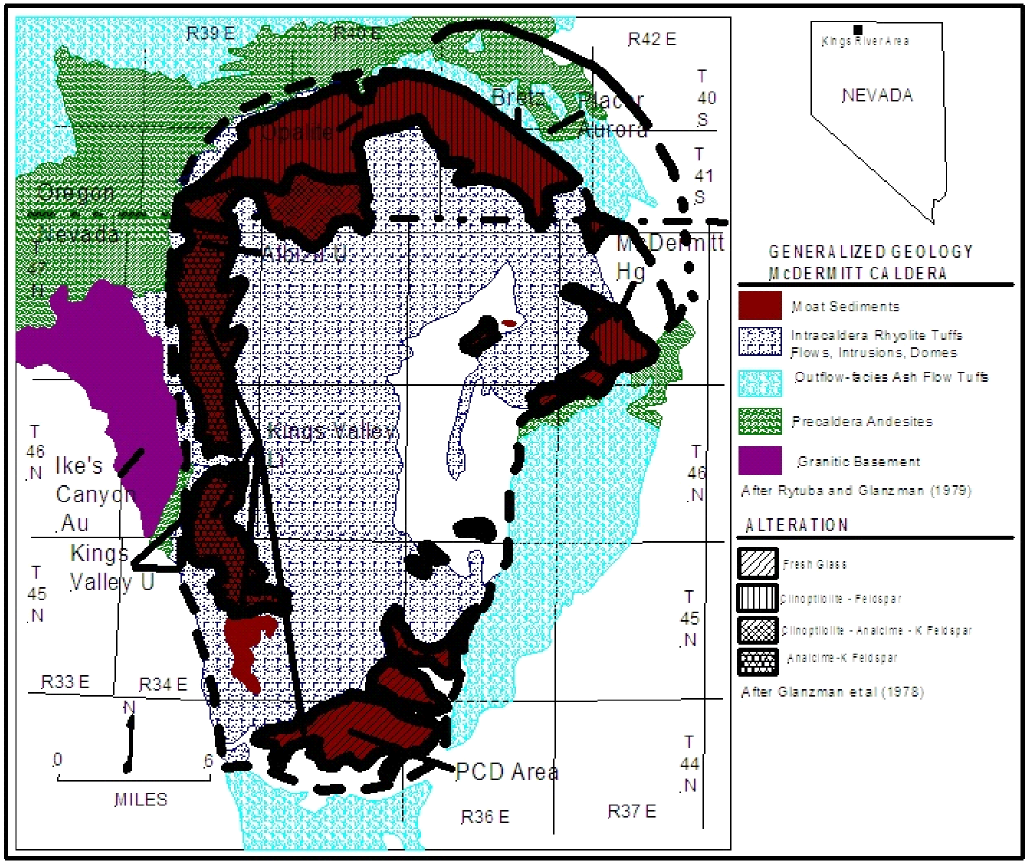


Figure 9-2: PCD Area Cross Section 4617750N (5x vertical exaggeration)

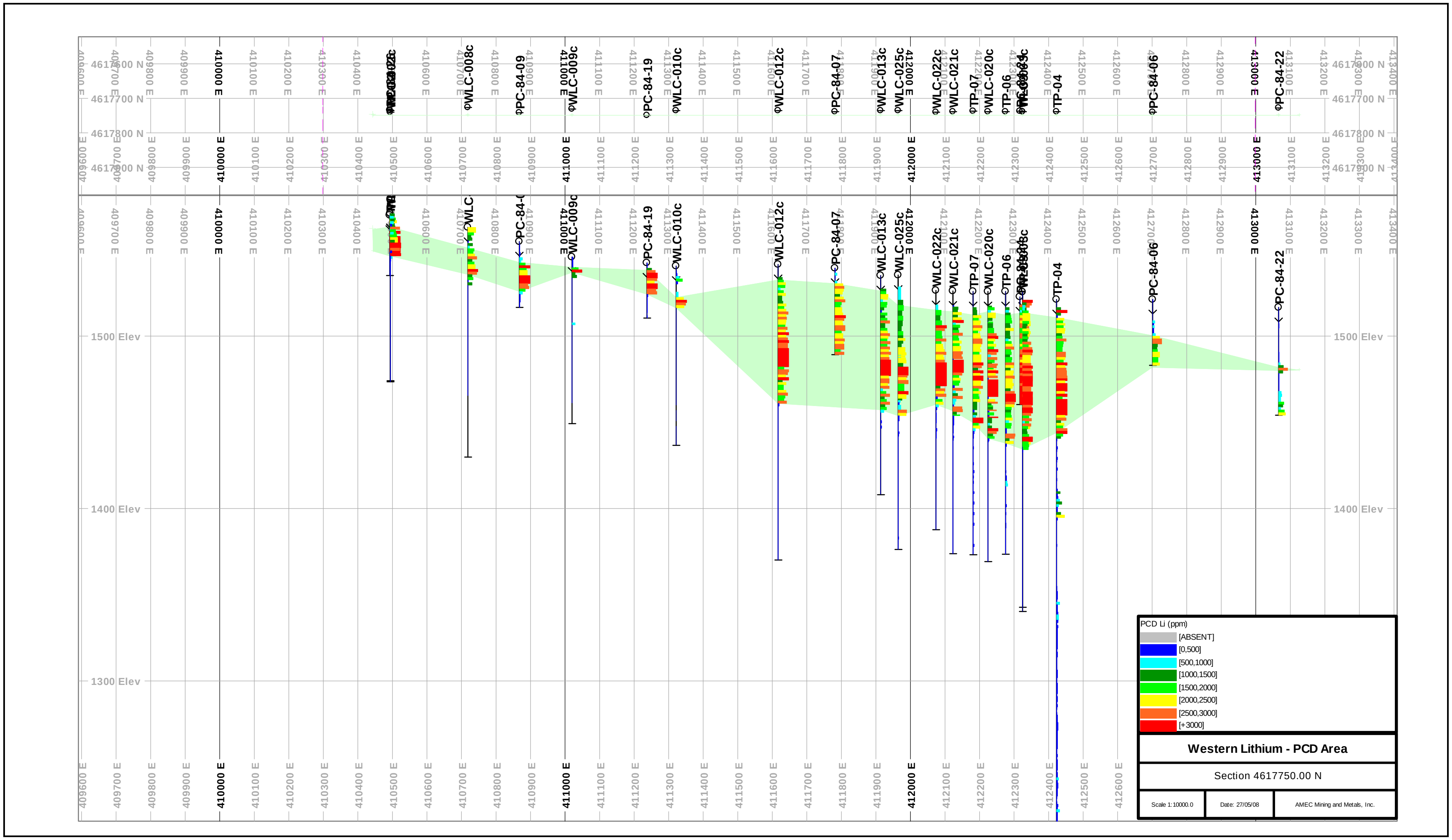
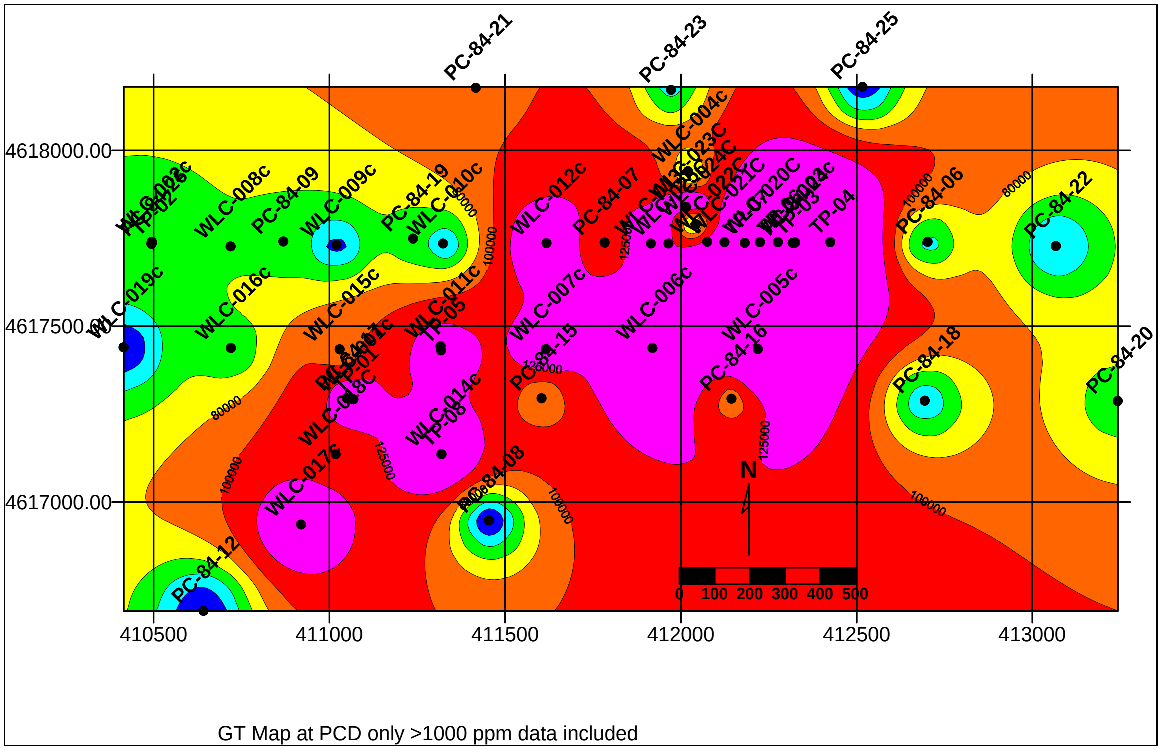


Figure 9-3: **PCD Area GT Map (Li (ppm) x thickness (ft))**



10.0 EXPLORATION

Exploration on WLC USA's lithium project has consisted of geological mapping to delineate the limits of the moat volcaniclastic sedimentary rocks and drilling to determine the grade and location of mineralization. Some, if not most, of the area has been covered by airborne gamma ray spectrometry, but those data are not pertinent to exploration for lithium. There is no record of other exploration in the area.

Section 6 History discusses the drilling in detail. A total of 283 core, RC, and rotary holes (25,781.8 m) occur in the database. Records indicate that 268 holes were drilled specifically to evaluate the lithium mineralization. The record is not entirely clear, but it appears that of the 283 holes in the database, 223 are rotary holes (18,136.2 m), 52 are core holes (5,731.11 m) based on the "c" suffix on drill hole names, and 8 are reverse circulation holes (1,798.62 m). In addition to those holes, 370 auger holes (902.5 m) were drilled. The reason for the auger holes is yet to be discovered.

Claim surveying for the Chevron holes was performed by Tyree Surveying Company, Albuquerque, New Mexico and Desert Mountain Surveying Company, Winnemucca, Nevada (Chevron, 1980). According to Chevron (1980) both companies utilized theodolites and laser source electronic distance meters to survey the claims. Records indicate that both companies surveyed drill collar locations and it is presumed that the same instrumentation was used for those locations. The reported error was within 0.5 ft horizontally and 1.0 ft vertically.

Collar surveying for the 2007-2008 drill program was conducted by WLC USA using a Trimble GPS. The NAD 83 global reference system is used. WLC USA compared the locations of several points surveyed by Chevron and found that the easting and northing coordinates were more or less identical. The elevation; however, was found to have a systematic difference of 10.2 feet (3.11 m). As a result, 10.2 feet (3.11 m) was subtracted from the GPS elevations to conform to the older surveys.

Beginning with hole WLC-024c, WLC USA performed downhole surveys on all holes. Those data indicate that there is little deviation of the holes from vertical supporting the assumption of verticality of previously drilled holes.

AMEC believes that the exploration techniques used were appropriate and that the extent and tenor of the deposits is reasonably well known. The data are adequate at this time to support inferred and indicated mineral resource categories, but additional drilling may be required to adequately define the local stratigraphy and grade of the deposits in order to improve the confidence of the mineral resource estimate.

11.0 DRILLING

11.1 Drilling

Cuttings from rotary percussion drill holes drilled in September, 1977, on radiometric anomalies were analyzed for lithium. That work revealed that 43.9 m (144 ft) of hole MJB-7-4 averaged 0.28% Li and that 25.9 m (85 ft) of MJB-7-5 averaged 0.24% Li. These results confirmed the presence of economically interesting grades of lithium hosted by a massive, green claystone within the moat sediment section.

In 1979, 34 rotary percussion holes were drilled to evaluate selected tailings disposal sites for anticipated uranium production (Table 6-1). Those holes were drilled to test the thickness of the clays, to obtain samples of the clay for engineering analysis, and to further investigate the lithium resource potential. Results were encouraging with respect to the level and consistency of the lithium contained by the clays.

In 1980 and 1981, four core holes were drilled to obtain uncontaminated and undisturbed samples to more effectively determine lithium grades and coincident volcaniclastic stratigraphy. After logging and analysis of the first two core holes, a portion of the core was sent to Chevron Research Company (CRC) for metallurgical test work.

During the period of 1982 through 1987, Chevron drilled 223 additional holes on lithium targets and conducted extensive metallurgical testing of the hectorite deposits to determine amenability of the ores to extraction of lithium (Section 16). Approximately 370 auger holes were drilled sometime during the project (Table 6-2). The holes are 1 to 3 m deep and each was sampled only once. Assay certificates indicate that these holes were analyzed for lithium in 1982. They were likely drilled during 1982. These holes appear to have been drilled for geochemical exploration purposes, but there is no record of the reason that these holes were drilled.

A total of 283 holes appear in the database and 227 have lithium assay data. There are indications that an additional six holes were drilled, but there are no locations for those holes. The record indicates that 213 rotary percussion and 15 core holes were drilled to test the lithium mineralization between 1980 and 1984. These drill procedures were standard for the industry at that time. A total of 37 core and 8 RC holes have been drilled by WLC USA in the PCD area during 2007-2008 (Figure 11-1).

Rotary percussion drilling has been found to be somewhat problematical where samples are to be collected from the cuttings and subsequently geochemically analyzed. Contamination is a problem that can not be confidently overcome. In this case, there is little chance that significant contamination of samples will occur during the drilling process. The grades of the material and the fact that it appears to be uniformly distributed throughout the mineralized interval suggest that contamination may not be a problem. Twin holes should be drilled to investigate the possibility of contamination. Drilling is in progress on the PCD Lens and three of the 26 holes have been twinned.

For most deposits, core drilling provides superior geological information and quality of sample over percussion methods. Core drilling is recommended by AMEC for these deposits. Although reverse circulation (RC) drilling can reduce drilling costs, at PCD, RC drilling has been shown to produce biased assay results. WLC USA has suspended RC drilling. The core reviewed by AMEC was HQ (63.5 mm) diameter.

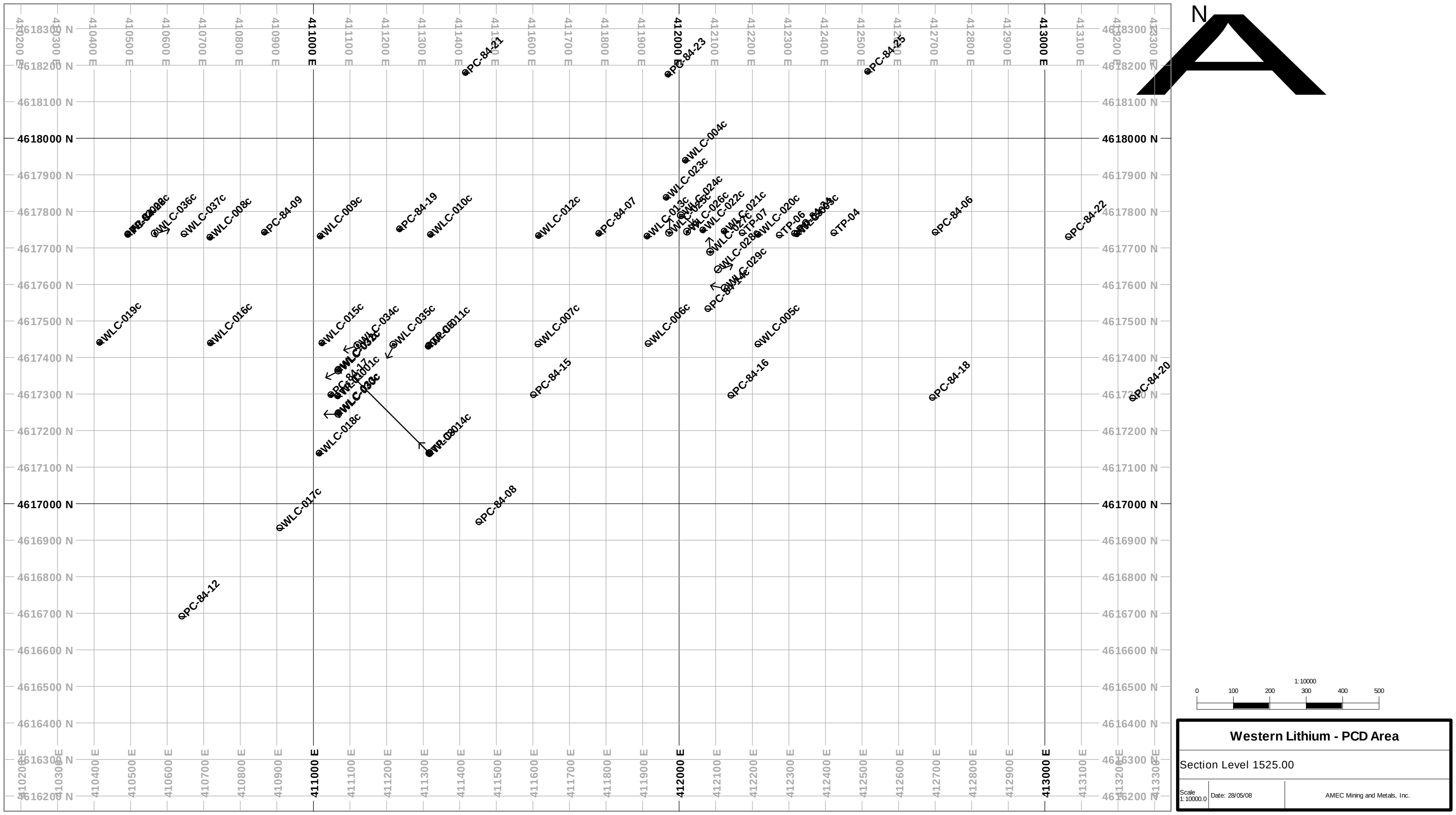
WLC USA has recovered some of the historical core and has been in the process of re-logging that core. The core was stored at a local prospector's home (Jim LaBret) and the total amount of core that is preserved is not known at this time. AMEC reviewed two holes that were drilled in the North Lens. In those holes, half of the core is retained except for the very high-grade zones which were consumed by Chevron and the U.S. Geological Survey for metallurgical and other testing.

11.2 Logging

Chevron core was collected from the drills twice a day and descriptively logged by geologists at Chevron's field camp. Chip samples from rotary drills were logged at the drill. Two composite samples were collected every five feet and bagged. The geologist logging the hole made a chip board at the drill site. The chip boards consisted of drill cuttings glued to a 1" x 4" board whose vertical scale was 1 in = 10 ft. Lithological logging of both core and chip samples stressed lithologic units, their contacts, mineralization, alteration and brecciation.

WLC USA core is collected at the end of each shift and transported back to the Orovada field office. Core is cleaned and logged for lithology, oxidation, alteration, and core recovery. All core samples are stored in a lockable steel storage container.

Figure 11-1: PCD Drill Hole Location Map



12.0 SAMPLING METHOD AND APPROACH

Table 12-1 summarizes the sample lengths at PCD. Approximately 95% of the samples were between 1.52 m (5 ft) and 3.05 m (10 ft) in length. The maximum sample length was 10.43 m (34 ft). Sample intervals greater than 10 feet were in waste and generally not analyzed. The minimum sample interval was 0.24 m (0.8 ft). WLC USA sample intervals were limited by lithology thus the variable lengths are possible.

Table 12-1: Summary of Sample Lengths at Kings Valley Li

Length (m)	Length (ft)	n	%
<0.3	<1	2	0.04
0.30 <1.52	1 <5	198	3.95
1.52 <3.05	5 <10	4,737	94.53
3.05 <6.1	10 <20	61	1.22
>6.1	>20	13	0.26
Total		5,011	100.00

The documentation provided to AMEC does not contain details of sampling methods for rotary holes. During that time period, a portion of the cuttings from rotary holes were typically captured at the collar of the hole and placed in sample bags. Samples were not captured in their entirety. Contamination was likely. The samples were then sent to the sample preparation facility. This type of sampling is now generally considered to be inappropriate for mineral exploration other than uranium because the likelihood of contamination and the lack of proper splitting. Open hole rotary drilling is appropriate for uranium because downhole spectrometers are typically used to determine uranium grades.

Chevron samples were apparently collected on nominal 5 ft (1.52 m) intervals regardless of the lithology. This is an appropriate sample length and philosophy for this type of deposit which, if developed, would most likely be mined as an open pit with bench heights of 10 to 20 feet (3 to 6 m). Core was split, the details of which are not specified, and one-half was sent to the sample preparation and analytical laboratory.

Current WLC USA drilling on the PCD Lens is utilizing nominal 5 ft (1.5 m) sample lengths which AMEC considers optimum. Those sample lengths are modified to match geological contacts where necessary with a maximum sample length of 30 ft (9.1 m) (only 207 of 5,011 samples are longer than 5 ft (1.55 m)). Longer intervals were in areas where core recovery was poor or where lithologies such as basalt were intercepted.

AMEC considers the sample lengths to be acceptable for resource estimation.

Table 12-2 summarizes the relevant intercepts of lithium mineralization at PCD.

Table 12-2: Summary of Mineralized Intercepts in the PCD Lens (1,000 ppm Li minimum grade)

Hole_ID	From (ft)	To (ft)	Interval (ft)	Li (ppm)
PC-84-01	None			
PC-84-02	None			
PC-84-03	None			
PC-84-04	25.00	35.00	10.00	1195
PC-84-05	30.00	40.00	10.00	1544
PC-84-05	55.00	65.00	10.00	1649
PC-84-05	75.00	120.00	45.00	1943
PC-84-06	70.00	125.00	55.00	1912
PC-84-07	30.00	165.00	135.00	2330
PC-84-08	None			
PC-84-09	40.00	95.00	55.00	2540
PC-84-10	None			
PC-84-11	None			
PC-84-12	None			
PC-84-13	None			
PC-84-15	80.00	200.00	120.00	2096
PC-84-16	60.00	205.00	145.00	1976
PC-84-17	15.00	205.00	190.00	2208
including	40.00	100.00	60.00	3792
PC-84-18	35.00	50.00	15.00	1612
PC-84-18	75.00	95.00	20.00	1867
PC-84-18	105.00	115.00	10.00	1188
PC-84-19	10.00	60.00	50.00	2959
PC-84-20	85.00	155.00	70.00	1972
PC-84-21	80.00	225.00	145.00	1961
PC-84-22	110.00	125.00	15.00	1802
PC-84-22	180.00	205.00	25.00	1501
PC-84-23	115.00	175.00	60.00	1452
PC-84-24	15.00	205.00	190.00	2960
including	135.00	205.00	70.00	3908
PC-84-25	None			
PC-84-26	5.00	70.00	65.00	2626
including	40.00	70.00	30.00	3677
TP-01	20.00	230.00	210.00	2269
including	65.00	100.00	35.00	4425

Hole_ID	From (ft)	To (ft)	Interval (ft)	Li (ppm)
TP-02	0.00	80.00	80.00	1807
TP-03	15.00	300.00	285.00	2531
including	190.00	235.00	45.00	4332
TP-04	15.00	265.00	250.00	3125
including	120.00	230.00	110.00	4170
TP-05	15.00	280.00	265.00	2195
including	135.00	165.00	30.00	4417
TP-06	30.00	290.00	260.00	2258
including	190.00	220.00	30.00	4279
TP-07	30.00	260.00	230.00	2542
TP-08	195.00	500.00	305.00	1866
WLC-001c	20.00	230.00	210.00	2441
including	20.00	100.00	80.00	3726
WLC-002c	25.00	80.00	55.00	2409
WLC-003c	15.00	295.00	280.00	2702
including	140.00	235.00	95.00	3877
WLC-004c	220.00	280.00	60.00	2446
WLC-005c	50.00	350.00	300.00	2698
including	205.00	270.00	65.00	4170
WLC-006c	45.00	320.00	275.00	2494
including	175.00	240.00	65.00	4127
WLC-007c	20.00	180.00	160.00	2977
including	150.00	180.00	30.00	4810
WLC-007c	200.00	280.00	80.00	1945
WLC-008c	0.00	110.00	110.00	1940
WLC-009c	20.00	40.00	20.00	1853
WLC-010c	60.00	80.00	20.00	2738
WLC-011c	10.00	155.00	145.00	2395
including	130.00	150.00	20.00	3973
WLC-011c	175.00	264.99	89.99	1325
WLC-012c	25.00	265.00	240.00	2490
including	145.00	195.00	50.00	3739
WLC-013c	15.00	260.00	245.00	2486
including	160.00	190.00	30.00	4872
WLC-014c	20.00	30.00	10.00	1500
WLC-014c	165.00	335.00	170.00	2319
WLC-014c	360.00	370.00	10.00	1595
WLC-014c	390.00	445.00	55.00	1521
WLC-015c	20.00	70.00	50.00	2480
WLC-015c	85.00	190.00	105.00	1528
WLC-016c	30.00	45.00	15.00	1640

Hole_ID	From (ft)	To (ft)	Interval (ft)	Li (ppm)
WLC-016c	60.00	105.00	45.00	2684
WLC-017c	209.00	225.00	16.00	2160
WLC-017c	254.00	266.00	12.00	1970
WLC-017c	269.00	277.00	8.00	1770
WLC-017c	390.00	554.00	164.00	2081
WLC-017c	569.00	621.00	52.00	1176
WLC-017c	635.00	660.00	25.00	1500
WLC-017c	670.00	690.00	20.00	2318
WLC-018c	66.00	79.00	13.00	2077
WLC-018c	172.00	277.00	105.00	2479
WLC-018c	302.00	320.00	18.00	1223
WLC-018c	345.00	370.00	25.00	1440
WLC-018c	385.00	395.00	10.00	2910
WLC-019c	None			
WLC-020c	27.00	280.00	253.00	2153
including	167.00	200.00	33.00	4303
WLC-021c	30.00	205.00	175.00	2280
including	131.00	155.00	24.00	4422
WLC-021c	220.00	237.00	17.00	2153
WLC-022c	37.00	217.00	180.00	2740
including	137.00	182.00	45.00	4481
WLC-023c	37.00	279.00	242.00	2395
WLC-024c	154.00	221.70	67.70	2611
WLC-024c	253.10	261.80	8.70	1867
WLC-025c	47.00	238.00	191.00	2076
including	174.00	227.00	53.00	3255
WLC-025c	256.00	267.00	11.00	2445
WLC-026c	87.00	103.40	16.40	1851
WLC-026c	160.00	227.40	67.40	2768
Including	178.60	207.00	28.40	4338
WLC-027c	27.00	256.30	229.30	2502
including	141.99	191.01	49.02	3903
WLC-028c	37.00	287.00	250.00	2520
including	182.00	227.00	45.00	4225
WLC-029c	35.00	265.00	230.00	2708
including	170.00	230.00	60.00	3801
WLC-030c	27.00	255.00	228.00	1985
including	45.00	110.00	65.00	3435
WLC-031c	17.00	85.00	68.00	2477
WLC-031c	105.00	130.00	25.00	1416
WLC-031c	145.00	172.00	27.00	1440

Hole_ID	From (ft)	To (ft)	Interval (ft)	Li (ppm)
WLC-031c	188.00	209.00	21.00	2384
WLC-032c	10.00	86.00	76.00	2930
including	55.00	86.00	31.00	3784
WLC-033c	13.00	100.00	87.00	3231
WLC-034c	16.00	190.00	174.00	1999
including	40.00	71.00	31.00	4012
WLC-035c	15.00	60.00	45.00	3401
WLC-035c	80.00	125.00	45.00	1253
WLC-035c	133.00	170.00	37.00	1831
WLC-036c	10.00	110.00	100.00	1769
WLC-037c	0.00	90.00	90.00	1869

13.0 SAMPLE PREPARATION, ANALYSES, AND SECURITY

13.1 Sample Preparation – Chevron

Few records of sample preparation procedures exist for the project. Hand-written notes indicate that core was split and one-half was archived. The other half was crushed in a jaw crusher and then split "until a single representative sample bag" was obtained. The mass of the sample is not specified. The remainder of the split was retained in labeled bags.

Chip samples were split and one-half retained. The second split was prepared as above. The mass or granulometry of the final analytical split is not specified nor has AMEC located records of those data.

Details of crushing, splitting, and pulverization are not provided. During the time covered by this Cone Geochemical Inc. (the primary analytical laboratory) routinely dried the samples at 250^{o}F (120^{o}C), crushed to 10 mesh, split 150 g minimum with a riffle splitter, and pulverized to 150 mesh with a steel ring and puck mill unless otherwise directed by their customer. There is no record of variance from this procedure for these samples.

The record suggests that sample splitting and bagging was performed by Chevron employees and that the entire sample was sent to the analytical laboratory for final preparation and analysis. There is no indication in the record that company employees were involved with final sample preparation.

13.2 Sample Preparation – WLC USA

WLC USA has used American Assay Laboratories (AAL) of Reno, Nevada as their primary assay laboratory for their 2007 and 2008 drill campaigns. AAL is an ISO 17025 certified laboratory, holds other certificates of laboratory proficiency from standards groups in Canada and Australia, and participates in the Society of Mineral Analysts round robin testing.

AAL prepares RC samples for assay by crushing the entire sample to 90% passing -6 mesh, and pulverizing a nominal 250 gram split of this material to 90% passing -150 mesh. Core samples are prepared in the same manner except that a secondary rolls crusher is used to produce a better crush product.

13.3 Analysis – Chevron

Samples were analyzed for Li at Cone Geochemical, Inc. (Cone) and Skyline Labs, Inc. (Skyline) by dissolving 0.1 g of sample in a boiling HF-HNO_3-$HClO_4$ to dryness. The residue was then dissolved in 6N HCl, diluted to 100 ml with H_2O, and read on an atomic absorption spectrometer (AA). This four acid digestion is an industry standard procedure. Skyline experimented with a number of other procedures, but the record indicates that they used the four acid digestion followed by AA determination as the primary analytical procedure. In most cases, Li was reported as ppm, but in some cases, Li_2O was reported as percent. In the database, Li_2O was converted to Li (ppm).

A small number of samples were analyzed for As, Sb, Au, Ag, Zn, Mo, and MgO. As, Sb, and Au were determined by digestion in aqua regia followed by AA. Mo, Zn, Ag, and MgO were determined by four acid digestion followed by AA. These are standard analytical procedures.

AMEC is not aware of any certifications for Cone and Skyline at the time the work was performed; however, both labs were well respected and widely used by the mining and environmental industry.

13.4 Analysis – WLC USA

AAL is the primary laboratory for WLC. Samples were analyzed two ways. The primary Li analysis is done by a four acid digestion of 0.5 g of sample followed by determination by atomic absorption spectrometry (AA). The second analysis is done by four acid digestion of a separate aliquot of sample followed by determination on an ICP. Both methods are standard for the industry.

13.5 Density

WLC USA submitted six core samples from the PCD to MACTEC Engineering and Consulting in Reno Nevada for density determinations. Density was determined by two methods; results are summarized in Table 13-1. Four samples were tested using the method described in ASTM C127 (AASHTO T85) and two were tested using a paraffin coat method. Both are standard methods.

An additional 31 samples were submitted to Kappes Cassiday & Associates, Reno, NV, for density determination. The material received was weighed, the weight reported and then dried at 75°C for 24 hours. The dry material was then weighed again and the weight reported. A rock density test was then completed on the dry material using a wax immersion procedure (ASTM Designation C914-95).

These data were then used to determine the densities to be used in the model (Table 13-1.

Table 13-1: Density Data Used for Resource Estimation

Domain	Domain Code	Density (g/cm3)	Density (ft3/ton)
Alluvium	1	2	16.02
Moat Sediments	2	1.8	17.80
Volcaniclastic	3	1.6	20.02
Bedrock	4	2.3	13.93
Basalt	5	2.4	13.35

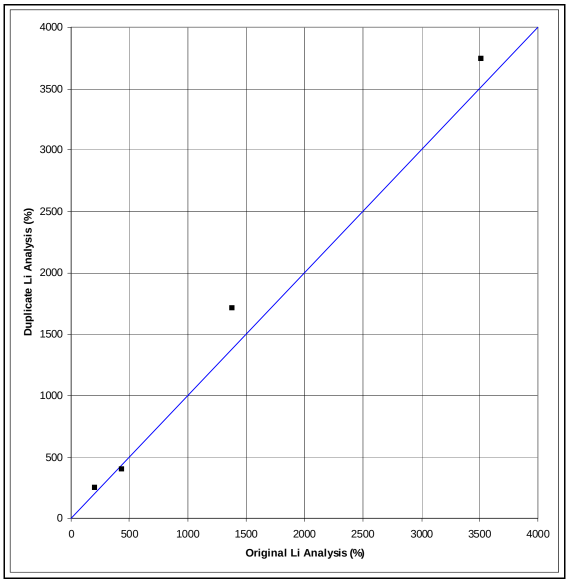
Density determinations were performed using standard procedures and are adequate for resource estimation. AMEC recommends; however, that additional density data be collected routinely as part of normal exploration activities.

13.6 Quality Control - Chevron

AMEC found four duplicate samples analyzed by Cone in the data provided (Figure 13-1). Those results suggest that the precision was adequate, but there are insufficient data to reach any meaningful conclusions.

Otherwise, no independent quality control measures were in place. During this time period, Cone normally analyzed a single duplicate sample and a single standard sample in each analytical batch, but those data were not routinely provided to their customers and are thus not part of the record of this project.

Figure 13-1: Cone Duplicate Sample Results



These are the only results that can be identified as quality control results. This is typical of the time period although it was normal to send a number of samples to a second laboratory specifically for check assays. Relative to current industry standards, quality control for the Chevron analytical work on this project was substandard. The results were verified by drilling three twin holes and comparing Chevron grades to WLC USA grades (see Section 13.8).

13.7 Quality Control - WLC USA

Quality assurance-quality control (QA-QC) by WLC USA consists of standard samples, blank analyses, duplicate analyses and check assays. Duplicate analyses were performed on pulp samples at 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.

Blank Samples

WLC USA analyzed 127 blank samples. AMEC considers a sample to be blank if it contains less than three times the detection limit of the element in question and considers the blank to fail if it contains more than five times the detection limit. The detection limit for Li is reported by AAL to be 30 ppm. Most of the samples contained less than detection limit Li and all but one obvious sample swap contained less than five times detection limit Li. Blank samples indicate that there is little, if any, contamination in the analytical process. AMEC considers results from the blanks to all be acceptable.

Duplicate Samples

Duplicate samples provide information about the precision of the analytical procedure. AMEC estimates precision by calculating the relative error of the duplicate pairs:

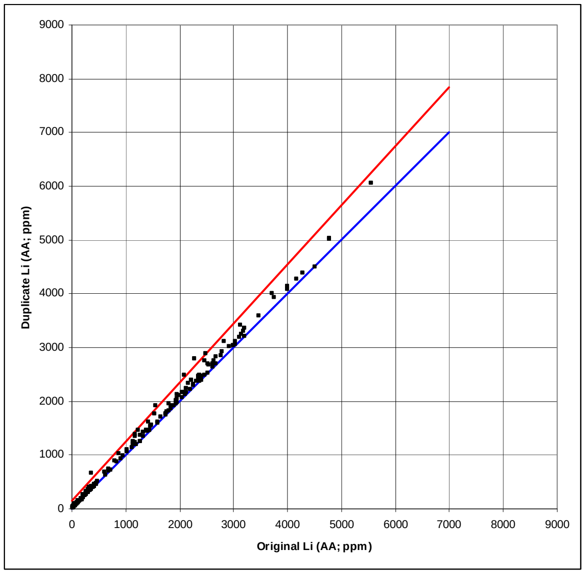
Relative error = (S1-S2)/(S1+S2)/2

The cumulative frequency of the relative error for samples containing more than 20 times detection limit is then calculated. AMEC uses the 90th percentile relative error as an estimate of precision. In the case of lithium, precision for AA analyses is estimated at ± 11.7%. Precision for ICP analyses is estimated at ± 11.6%. AMEC also uses the duplicate data to estimate the detection limit as a check on the reported limits. In this case, the estimated detection limits for Li by AA is about 15 ppm which is one-half the reported limit. The estimated detection limit for Li by ICP is approximately 10 ppm.

The estimated precision is slightly outside the generally accepted limit of ±10%. Both AA and ICP show very similar precision suggesting that Li may be somewhat difficult to analyze and that the 10% limit may be too restrictive.

Figure 13-2 is a min-max plot where the minimum of the duplicate pair is plotted against the maximum of the duplicate pair. This forces the points above the X=Y line. AMEC the plots a line with a slope of 1.1 and intercept of five times the detection limit. This line is then used as a warning line to flag duplicate pairs with a greater than 10% difference. The difference can be a result of poor precision, sample swaps, or myriad other reasons. These samples should be investigated to determine the source of the poor precision. Poor precision coupled with failing or near-failing standards is cause to have the batch reanalyzed. In this case, five samples fall outside the warning line and were checked. A similar plot for ICP Li shows only one sample outside the warning line.

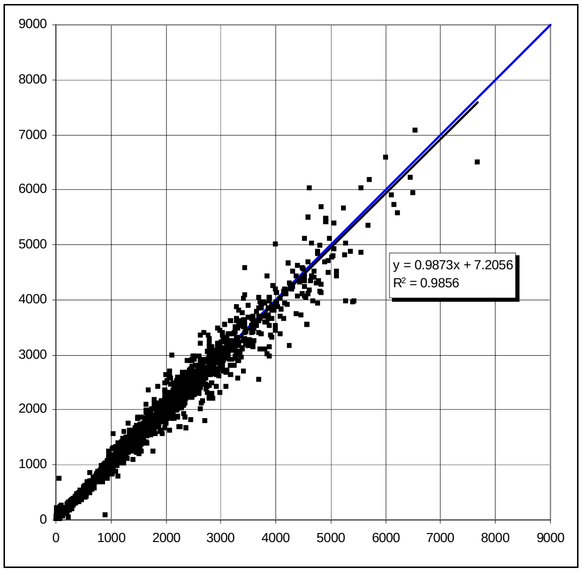
Figure 13-2: Min-Max Plot for AA Li



Check Assays

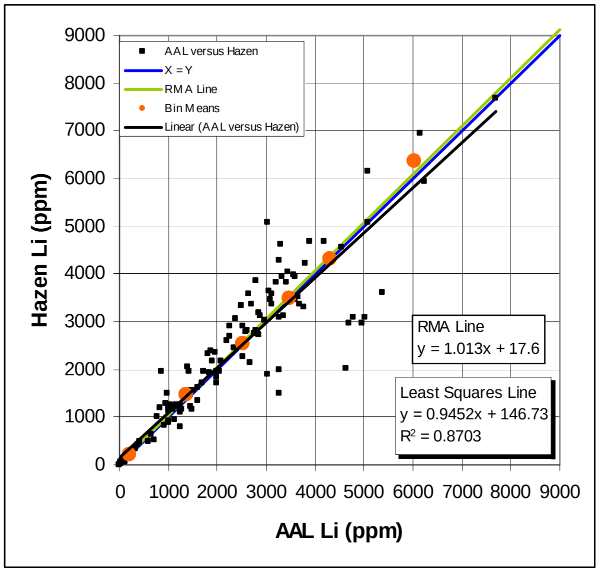
All of the samples analyzed during the 2007-2008 drill program were analyzed using both AA and ICP finishes. Those results are considered by AMEC to be check assays. Figure 13-3 summarizes the results. The data indicate a small (1.3%) bias between the methods. The bias is not considered by AMEC to be significant.

Figure 13-3: Summary of AA versus ICP Li Results



Check assays were analyzed at Hazen Research in Golden Colorado. Figure 13-4 summarizes the results of those analyses. There is a significant amount of scatter around the X = Y line (r^2 = 0.87) and the data appear to have a bias, based on the least squares regression line (0.9452). Based on this observation, AMEC calculated the reduced major axis line which is a better estimator of bias than a least squares line. The slope of that line is 1.013 indicating no significant bias. AMEC also calculated bin means for 0-1000, 1000-2000, etc ppm bins. Those bin means are plotted on Figure 13-4 and also indicate no significant bias. AMEC concludes that although there is significant scatter about the x = y line, there is no significant bias between the Hazen and AAL Li results.

Figure 13-4: Hazen versus AAL Check Assay Results



Standards

WLC USA produced three appropriate standards from Li-bearing clays found in the project area. Those standards were used in the early 2008 exploration work and show that the Li data are adequately accurate. Use of these standards identified analytical problems with a small number of analytical batches which were reanalyzed and the new data used in the resource estimate.

13.8 Twin Holes

In the 2007-2008 drilling program, WLC USA drilled three twin holes to verify the data generated by Chevron in 1984 (Table 13-2). WLC USA drilled both core and RC holes adjacent to Chevron rotary holes. Those holes confirmed the location and tenor of the mineralization. The results indicate that relative to the WLC USA core results, Chevron results above 2800 ppm Li were unbiased, but below 2800 ppm, Chevron is biased somewhat high. AMEC concluded that no adjustments were necessary and used the Chevron results without adjustment.

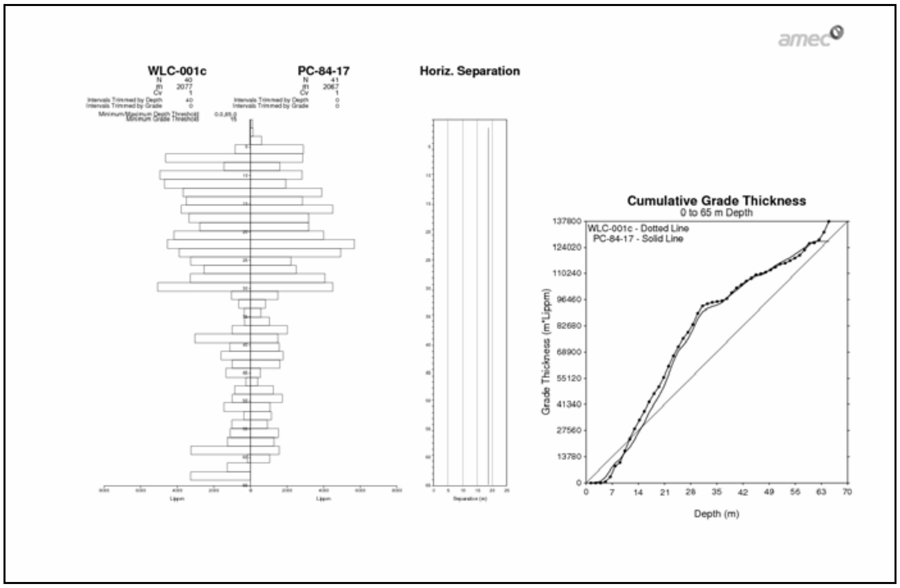
RC results showed a conditional bias where samples with more than 2000 ppm Li were biased about 21% low relative to the core data. AMEC opted not to use these RC sample data because of the large adjustments necessary to make the data comparable to the core data.

Figure 13-5 shows the comparison of WLC-001c and PC-84-17. The histogram shows that the mineralization is in the same location in both holes and the cumulative frequency diagram shows that the tenor, as estimated by the cumulative grade-thickness diagram, is very similar.

Table 13-2: Twin Hole Pairs

Chevron Hole	WLC USA Core Hole	WLC USA RC Hole
PC-84-17	WLC-001c	TP-01
PC-84-26	WLC-002c	TP-02
PC-84-24	WLC-003c	TP-03

Figure 13-5: Twin Hole Pair WLC-001c – PC-84-17



13.9 Discussion of QA-QC

QA-QC for the Chevron data is substandard relative to current best practices. However; twin holes drilled by WLC USA largely confirmed the location and tenor of the mineralization and in AMEC's opinion, verified that the Chevron data are adequate to use for future resource work.

WLC USA QA-QC utilizes standard samples, duplicate samples, blanks, and check assays at a second laboratory as well as analysis of all samples by two different procedures. AMEC believes that the precision of Li analyses is adequate and that accuracy, based on check assays and analysis by two procedures, is also adequate.

13.10 Security

13.10.1 Chevron

AMEC is not aware of any security measures for samples from this project. Based on the time-frame in which the data were collected, AMEC suspects that no formal security measures were in place. Because Li occurs in relatively high concentrations and the generally unavailability of Li compounds that could be used to tamper with the samples, AMEC believes that tampering with the samples is unlikely, but recommends that future sampling programs have rigorous sample security including chain of custody documentation.

13.10.2 WLC USA

WLC USA stores core from the current drill program in a lockable core logging/sampling facility that is locked when no one is present. Samples are stored in a locked facility until they are shipped to the assay laboratory.

13.10.3 Discussion

Security during the Chevron drill programs was typical for the time period. Current WLC USA security is adequate. The possibility of significant tampering with samples in the custody of Chevron or WLC USA is unlikely because of the amount of Li required to significantly change the tenor of core or cuttings samples.

14.0 DATA VERIFICATION

Western Energy Development Corp. acquired the physical records of the project from Jim LaBret (now deceased), the owner of a number of claims covering uranium prospects in the area. Those records were subsequently transferred to WLC. In order to perform the analyses required for this report, AMEC compiled an assay and lithology database from assay compilations (and assay certificates and summary geological logs (graphic logs). Approximately 50% of the assay data in that database has been compared to original documents. The lithological data were taken from photocopies of summary graphic logs.

Assay certificates are available for more or less all of the Chevron geochemical and/or assay data. Those certificates are from Cone Geochemical Inc. and Skyline Labs Inc., both of which were well respected laboratories at the time this work was performed.

During the site visit, AMEC collected a large sample from the Huber pit which was subsequently coned and quartered to produce four samples. Core from holes FJ-81-1C and FJ-81-2C from the North Lens were preserved as half-core (HQ (63.5 mm) diameter) and are currently stored at Western Energy Development Corp.'s Orovada facility. AMEC collected chips from the core boxes to confirm the presence and general grade of the samples. Samples were collected on the same intervals as the original samples, but consisted of chips from the bottom of the core boxes and/or chips from the core where loose material was not available. The intent of these samples was to determine that the general grade of the samples was in the range of the original data, not validate the Chevron data. Most of the high-grade material has been consumed for testing by Chevron and the U.S. Geological Survey who also ran various tests on the core. A skeleton of approximately 1/16 of the core remains from the high-grade intervals.

The AMEC samples were submitted to American Assay Laboratories in Reno, Nevada for preparation and analysis. The samples were prepared by crushing to 90% passing -10 mesh, splitting to 250 g, and pulverizing in “flying saucer” mill to 95% passing 200 mesh. The Huber Pit sample was split (coned and quartered) into four samples prior to crushing and pulverization. The samples were analyzed by four acid digestion followed by ICP determination and by four acid digestion followed by AAS determination. The procedure resulted in analyses for 72 elements (only Li is considered here). At the time of these analyses, no appropriate standards existed to determine the accuracy of the procedures so AMEC had the samples analyzed by both ICP and AAS as a measure of accuracy. Appropriate standards have since been produced prior to analysis of drill samples. Splitting of the Huber sample was performed as a rough measure of precision.

The analytical results indicate that the grade determined by AMEC for the samples are within the range indicated by the Chevron results and that there is reasonable correlation between the Chevron and AMEC results when the differences in sampling methods are considered.

Based on this limited test, AMEC concludes that the grades indicated by Chevron are reasonable and that there is no reason not to rely on those data for this evaluation. Additional validation in the form of twin holes also indicates that the Chevron data are useable for resource estimation.

Accuracy of the AMEC samples, as indicated by results of the ICP and AAS analyses is judged to be adequate. Precision is more difficult to evaluate. The Huber sample has Li analyses ranging from 4,680 to 5,260 ppm Li by ICP. Three of the samples are in the range of 5,070 to 5,260 ppm Li which is reasonable. The low-grade result is confirmed by the AAS analysis and unexplained at this time. Additional duplicate samples are required to adequately evaluate the precision of Li analyses by ICP.

During the site visit, AMEC attempted to find approximately 25 holes drilled by Chevron. The holes are depicted on various maps from the Chevron era and those maps were used to locate the holes. A total of eight holes were ultimately located. Evidence of the holes ranged from an open hole at MC-84-75 to recognizable cuttings piles for some holes. The cuttings piles are a combination of rotary cuttings drilled to collar casing and remnants of core cuttings. These were confirmed in the case of hole MC-84-75 where an open hole was found with the cuttings. Some of the later holes appear to have been plugged and capped with concrete. The arid environment has allowed the cuttings to be preserved.

AMEC used a hand-held GPS unit to determine the location of the holes using the NAD 83 datum. Most of the locations are quite close considering the fact that a hand-held GPS was used to locate the holes. Some of the holes were not located, but AMEC is confident that with proper surveying instruments, most holes can be located.

For the 2007-2008 work, AMEC requested and received the assay data directly from AAL and compared that data to the data provided to AMEC by WLC USA. No discrepancies were noted.

15.0 ADJACENT PROPERTIES

American Colloid has a group of claims in the area of the South Lens. No production is known from those claims. The J.M. Huber Corporation owns a small number of claims along the eastern edge of the North Lobe from which they periodically obtain small quantities of clay materials for specialty uses. No other clay operations exist in the area. AMEC could find no public records pertaining to production, mining activities, or reclamation bonds for this property. Production from this property is very small and sporadic.

The Kings Valley uranium deposits occur a few kilometers to the west of the lithium deposits. Much of the exploration there is being performed by Western Energy Development Corp. Those are exploration properties at this time, but had limited historical production. Northeast of the lithium deposits, the McDermitt mercury deposits were mined until late in the last century. Those deposits are inactive at this time and not related to the lithium resource. A small number of historical gold exploration properties with possible minor production occur several kilometers to the west of the lithium deposits.

Numerous gold deposits are either under exploration or are operating to the south and southeast of the lithium deposits. Those deposits are not related to the lithium deposits and are too distant to have any direct impact on any Li operations. They do show, however, that it is possible to obtain the appropriate permits for mining in this area of Nevada.

16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

16.1 Historical Testing

Chevron Research Company performed preliminary Li extraction tests using soda ash and sulfuric acid leach at elevated temperatures (Van Leirsburg, 1982) and patented the process (Kluksdahl, 1986). Those tests yielded a 66% lithium-in-solution recovery rate from Chevron clay. Subsequent work suggests recoveries of 90% Li from the Li-rich clay by Pug leaching ore with 0.5N sulfuric acid. The leaches were performed at 85^o C for three hours at 10% pulp density. The acidity of the pulp was maintained at 0.5N. Their work, while preliminary, suggested that a 95 to 100% recovery rate may be possible with optimization of parameters of the process. The main factors for optimization are temperature, solid-solution ratio, pH, and time. Beneficiation of the ore by grinding following size fractionation produced the best feed for the acid leach process and appears to significantly reduce acid consumption.

These tests were performed on the +400 mesh fraction of the feed. The -400 mesh would be processed for drilling muds and other value added clay products.

Three approaches for a lithium product recovery from the leachate include phased lime precipitation (only lithium carbonate produced), ion exchange separation followed by lithium precipitation, and electrolytic deposition (lithium and magnesium metal produced).

Because the acid leach destroys the hectorite structure, Mg, K, and F will be in solution and must be removed. Marketable Mg and K chloride products may be possible and F may be marketable as HF.

16.2 WLC USA Testing

As part of the current exploration effort for lithium, WLC USA sent a number of samples to Hazen Research in Golden, Colorado for additional metallurgical testing. Hazen results indicate that the Chevron process is viable and provided initial estimates of operating costs.

Additional samples were sent to Kappes Cassiday & Associates in Reno, NV for testing. That work is underway and should result in process flowsheets as well as estimated operating costs.

AMEC relied on Hazen Research, Golden, Colorado, for process related questions. Their report, Extraction of Lithium from Hectorite Ore, dated 09 May 2008, provided the basis for conclusions and recommendations relating to processing and process testwork. Hazen is a recognized metallurgical testing laboratory.

17.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

17.1.1 Introduction

At the request of WLC, AMEC completed a resource estimate for the Kings Valley property, PCD Area, located in Humboldt County Nevada. 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.

Project limits are in a local grid coordinate system established by converting the UTM easting and northing values from meters to feet and subtracting the leading millions from the resulting easting and northing values. Model coordinates are in feet (ft). Model extents and cell size are listed in Table 17.1.

Table 17-1: MineSight® Model Extents

Model Extents				
PCD Area				
	Minimum	Maximum	Cell size ft	Number of Cells
x	345,500	355,000	50	190
y	145,000	152,000	50	140
z	4,200	5,300	10	110

17.1.2 Summary and Recommendations

Kings Valley resources are summarized in Table 17-2. Resources are summarized by Inferred Mineral Resource and Indicated Mineral Resource categories. AMEC is of the opinion that at a 0.20 % Li cut-off the PCD Area has reasonable prospects for economic extraction by open pit mining. AMEC bases this opinion on the economic assumptions, current at the time of this report, presented in Table 17-3. Economic assumptions were used to generate an economic cone using Datamine® NPV Scheduler and all resources are within the cone.

Table 17-2: Kings Valley Mineral Resources

Kings Valley PCD Area Indicated Mineral Resources, 0.20% Li Cutoff*			
Cutoff Li %	Tons	Li %	Contained lbs Li
0.025	85,856,000	0.226	388,000,000
0.050	85,559,000	0.227	388,000,000
0.075	84,824,000	0.228	388,000,000
0.100	83,413,000	0.231	386,000,000
0.125	80,637,000	0.235	378,000,000
0.150	75,294,000	0.242	364,000,000
0.175	65,681,000	0.253	332,000,000
0.200	53,019,000	0.269	284,000,000
0.225	39,332,000	0.288	226,000,000
0.250	28,406,000	0.308	176,000,000
0.275	20,103,000	0.327	132,000,000
0.300	13,693,000	0.346	94,000,000
0.325	8,823,000	0.365	64,000,000
0.350	5,176,000	0.385	40,000,000
0.375	2,589,000	0.410	22,000,000
Kings Valley PCD Area Inferred Mineral Resources, 0.20% Li Cutoff*			
Cutoff Li %	Tons	Li %	Contained lbs Li
0.025	82,706,000	0.216	358,000,000
0.050	80,100,000	0.222	356,000,000
0.075	78,887,000	0.225	354,000,000
0.100	77,165,000	0.228	352,000,000
0.125	73,656,000	0.233	344,000,000
0.150	68,791,000	0.240	330,000,000
0.175	59,466,000	0.252	300,000,000
0.200	46,645,000	0.269	252,000,000
0.225	33,471,000	0.291	196,000,000
0.250	23,074,000	0.317	146,000,000
0.275	17,509,000	0.334	116,000,000
0.300	11,407,000	0.358	82,000,000
0.325	7,684,000	0.381	58,000,000
0.350	4,735,000	0.408	38,000,000
0.375	3,154,000	0.432	28,000,000

*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 ft^3/ton tonnage factor used;
Economic assumptions for cutoff grade, $3.50 Lithium Carbonate USD/lb, 60% metallurgical recovery,
$45 USD/ton processing, $2 USD/ton Mining;
Rounding errors may exist

Table 17-3: Kings Valley Mineral Resource Economic Assumptions

Assumption	Value	Unit
Lithium Carbonate Price	$3.50	USD/lb
Tonnage Factor	17.8	ft3/ton
Processing Cost	$45	USD/ton
Metallurgical Recovery	60%	percent
Processing Capacity	5000	tons/day
Open Pit Mining cost	$2.00	USD/ton

17.1.3 Recommendations

AMEC recommends that WLC:

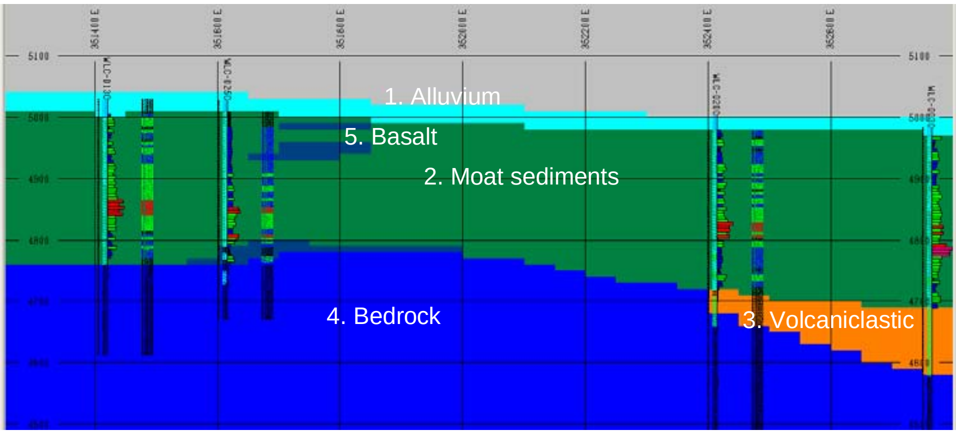
- Collect data to model elements that may affect the economics of the project, estimate grade for each element in the 3D block model. If elements can be produced as a co- or bi- product they could increase value. If they negatively affect processing cost they could decrease project value or influence mining extraction sequence.
- Complete mineralization characterization and metallurgical test work. Code each block in the model with a mineralization type. Formulate mineralization types to give an indication of how the material will perform when processed, and provide specific cost and recoveries for Mineralization type.
- Have digital topography of the PCD Area flown.
- Prioritize development drilling by optimized mining extraction sequence. Drill on 600 ft grid for Indicated Mineral Resources 200 ft grid for Measured Mineral Resources, check variography as drilling is completed to adjust spacing.

17.1.4 Geologic Models

A close out date of 01 August 2008 was utilized for drill hole data (hole WLC-037c).

Mineralization is controlled at Kings Valley PCD Area by volcaniclastic moat sedimentary rocks containing Li rich claystone. Surfaces were generated from WLC USA drill logs for alluvium, moat sediments, volcaniclastic rocks, and bedrock. Indicators were kriged to create probability envelopes for Basalt contained within the moat sediments. The surfaces and the basalt probability envelope were used to code the blocks by lithology domains within MineSight®. Figure 17-1 shows a cross section through the lithology domain block models looking to the north.

Figure 17-1: Block Model Lithology Domains



Domains Used for Li Grade Interpolation

AMEC checked the domain codes interpretational consistency against WLC USA drill hole logs in section and plan and found the WLC USA geologic interpretations to match the block domain coding. The block domain codes were found to honor the drill holes and capture WLC USA geologist's understanding of the deposits geology.

17.1.5 Assays

Sixty-two drill holes used for grade estimation (Table 17-4). From a total of 19,983 feet of drilling, 8,763 ft were used in grade estimation within the mineralized moat sediment domain.

Table 17-4: Kings Valley Drilling Within Model Limits

Drill Holes #	Drilled ft	Moat Sediment ft
62	19,983	8,763

Assay values were not capped because probability plots showed continuity and domain composite coefficient of variation (CV = standard deviation / mean), was low. The moat sediment domain, the only domain with resource potential, had a CV of 0.65.

17.1.6 Composites

Assay values were down hole composited into 5 ft lengths and coded by lithology domains. Composites with core recovery of less then 50% were not used in grade interpolation due to a relationship between core recovery and Li grade. Core composites with lower recovery were found to have lower Li grade. Of the 1,875 composites within the moat sediment domain, 121 were not used because of core recovery below 50%.

17.1.7 Box Plots, Histograms and Cumulative Frequency Plots

Descriptive statistics completed on the Li composites include box plots, histograms and cumulative frequency plots.

Box plots display summary statistics for data sets graphically along side of one another so that they can be readily compared. All CVs for each of the domains were found to be manageable for grade interpolation.

Histograms and cumulative frequency plots display the frequency distribution of the Li composites and demonstrate graphically how frequency changes with increased grade. They are useful in identifying multiple populations within a data set. AMEC did not break out separate populations during this modeling effort. With more drilling it may be possible for WLC USA geologists to identify a higher grade population domain within the moat sediments. It was not necessary to do so for grade interpolation at this time.

17.1.8 Variography

Variography graphically shows spatial variability of an attribute. For the Kings Valley project variography was completed using Sage 2001® software. Correlograms (a type of variogram) were computed.

AMEC completed variograms for all of the domains within the PCD Area. The variograms were calculated at 30 degree increments for both azimuth and dip, resulting in 36 variograms.

17.1.9 Model Setup

The block model size selected for the PCD Area model was 50 x 50 x 10 ft. This cell size was selected as reasonable for resources intended to be exploited by open pit mining.

Blocks were coded by domain; alluvium, moat sediments, volcaniclastic, bedrock, and basalt.

17.1.10 Estimation

Two passes (outside in) were used for Ordinary Kriging (OK) grade estimation. The first pass was used to fill the moat sediment envelope; the second pass was used to over write blocks with a more local estimate, restricted to calculated variogram ranges. Composite and blocks were matched on domain code.

Figures 17-2 and 17-3 show cross sections through the Li % OK block models looking to the north.

Figure 17-2: Cross Section at 150,025N , Li % OK Model

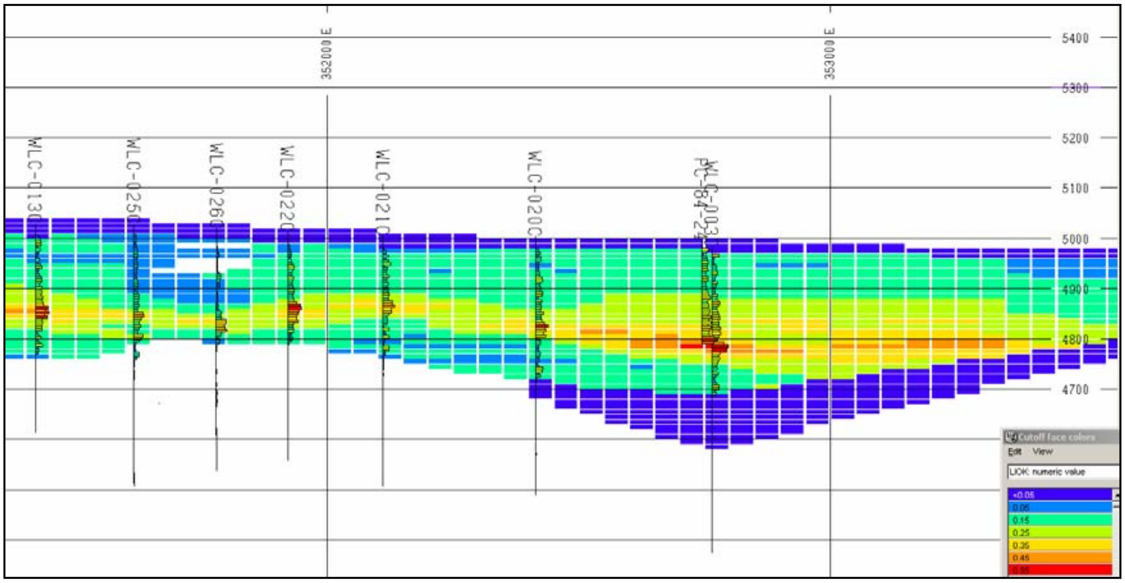
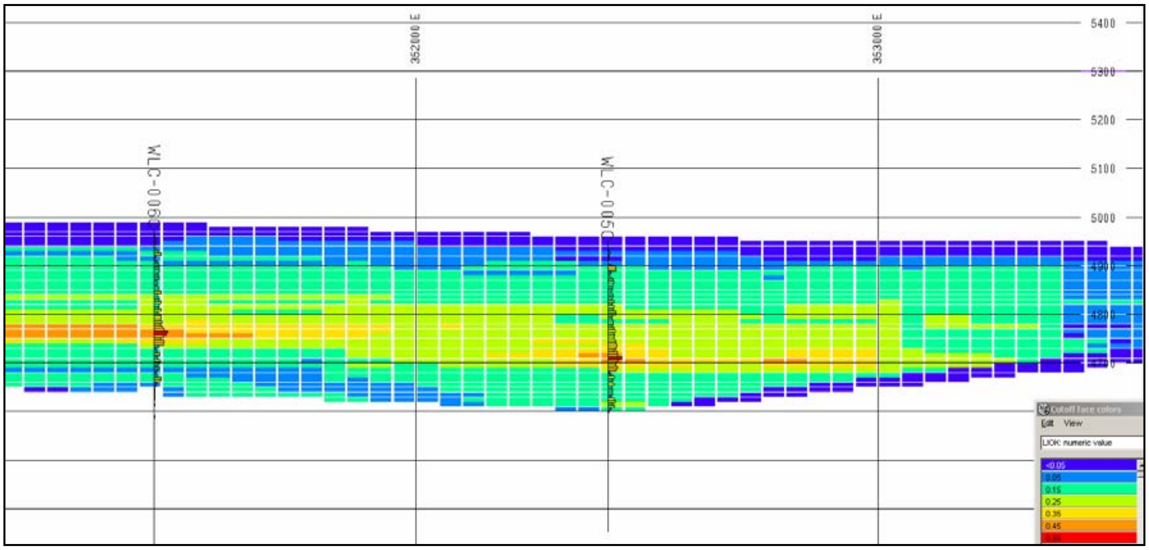


Figure 17-3: Cross Section 149,025N, Li% OK Model



17.1.11 Model Validation

Detailed visual inspection was completed by AMEC on the Kings Valley model. The model was checked for proper coding of drill hole intervals and block model cells, in both section and plan. Coding was found to be properly done. Grade interpolation was checked relative to drill hole composites and found to be reasonable.

AMEC checked the block model estimates for global bias by checking the mean NN estimate for Li % against model OK grade estimates. Mean grades were found to match very well.

AMEC also checked for local trends in the grade estimate by comparing mean grade estimation from the NN model against the OK model in swaths through the model on easting, northing and in elevation. The trends are behaving as predicted.

AMEC also used Herco validation, a procedure that uses the declustered distribution of composite grades from the NN model to predict the distribution of grades in blocks. The Herco validation for the PCD Area matches very well, the estimation procedure has adequately predicted grades for the selected block size.

17.1.12 Recommended Drill Spacing

AMEC has found that most operating mines can tolerate random discrepancies between actual production and estimates of contained metal of as much as 15% in a quarter without materially affecting short-term plans. Similarly, deviations from forecast of as much as 15% in any one year do not typically threaten the economic viability of an operation. Therefore, AMEC uses the statistical criterion that yearly ore production grade and tonnage should be known at least ±15% with 90% confidence in order to fall in the Indicated Mineral Resource category. The criterion for Measured Mineral Resources is ±15% with 90% confidence for quarterly production.

AMEC ran the confidence limits test for the PCD area. The test uses the composite CV values, ranges from composite variograms, and an estimated annual production rate. AMEC used a nominal mill production rate of 5,000 tons per day. Based on this test, recommended nominal drill spacing for Measured Mineral Resources and Indicated Mineral Resources are:

- Measured Mineral Resource – 200ft * 200ft
- Indicated Mineral Resource – 600ft * 600ft.

17.1.13 Mineral Resource Classification

Mineral resources of the Kings Valley PCD Area were classified using logic consistent with the CIM Definition Standards incorporated by reference into NI 43-101. The mineralization of the project satisfies sufficient criteria to be classified as an Indicated Mineral Resource and Inferred Mineral Resource. Resources are tabulated in Table 17-2, criteria listed below.

- Inferred Mineral Resource, for a block to be classified as an Inferred Mineral Resource interpolated blocks had to be within 700 ft of the nearest drill hole; have a grade greater than or equal to 0.20 Li %; and reasonable prospects for economic extraction.
- Indicated Mineral Resource, for a block to be classified as an Indicated Mineral Resource interpolated blocks had to have two drill holes within 660 ft and one within 470 ft; have a grade greater than or equal to 0.20 Li %; and reasonable prospects for economic extraction.
- Measured Mineral Resource, for a block to be classified as an Measured Mineral Resource interpolated blocks had to have three drill holes within 220 ft and one within 155 ft; have a grade greater than or equal to 0.20 Li %; and reasonable prospects for economic extraction.

18.0 OTHER RELEVANT DATA AND INFORMATION

18.1 Marketing Studies

Because lithium sales are market driven and the market is somewhat small, WLC has initiated marketing studies for both lithium carbonate (and derivatives) and lithium-bearing clay mineral products found in the Kings Valley area. Initial indications at the time of their study are that the market for lithium carbonate is robust and expanding. The market for specialty clay products was also found to be robust and expanding at a rate somewhat less that for lithium carbonate.

18.2 Lithium Use

Lithium is used in lithium ion and lithium polymer batteries for portable electronic devices (20% of market), as flux in glass and ceramic glazes (20% of market), lubricating grease (17% of the market), with the remainder being a myriad of other uses including gas and air treatment, aluminum smelting, synthetic rubber and plastics, pharmaceuticals, aluminum alloys, cement additives for construction, organic chemistry, acoustic wave devices, optics, and numerous minor end-uses.

Roskill (2006) estimated world consumption of lithium is estimated at close to 80,000 t LCE (lithium carbonate equivalent) in 2005, equivalent to 15,000 t Li metal but cautions that these figures should be treated as approximations. Details on total consumption and breakdown by end-use markets are seldom published because of the high degree of concentration within the lithium industry. The largest lithium consuming region is Asia, followed by North America and the EU. Three countries – the USA, Japan, and China – are together estimated to account for nearly half of the world consumption.

Total lithium demand is estimated to have increased by 4.5% per year from 70,200t LCE in 2002 to 80,000 t in 2005. Growth has been led by demand for lithium carbonate in secondary batteries, while glass and frits (calcined or partially fused material used in making glass; substance resembling glass used in making porcelain or glazes) and lubricants have also been expanding markets. The strength of the lithium market is reflected in the 20% rise in prices in 2005, with a similar rise forecast in 2006.

Demand

Roskill (2006), an international marketing research group concludes that:

> *The outlook for lithium consumption appears optimistic, with overall growth estimated at 4% per year through 2010. This rate of growth suggests demand will rise by some 3,500 tpy lithium carbonate equivalent (LCE) through 2010 and was the basis for SQM's (Sociedad Quimica y Minera de Chile SA, the world's largest producer of lithium carbonate) planned expansion in lithium carbonate production capacity from 28,500 to 40,000 tpy in 2008.*
>
> *Growth in lithium consumption will continue to be driven by the lithium secondary battery sector. Demand for lithium carbonate in this market rose by up to 30% per year in 2003/04, led by increased production of portable electronic products such as laptop computers, digital cameras and cellular phones incorporating lithium ion batteries. Growth in lithium battery demand will continue to be led by portable electronic products through 2010, with rates in Russia and Poland reaching 70% per year. Lithium-cobalt oxide demand in China already exceeded 10,000 t in 2005 and lithium battery production has been forecast to rise by up to 30% per year through 2010.*

This optimistic outlook is shared by WLC. Not included in the forecast is the likely expansion of lithium technology to hybrid and electric vehicles in the next few years. Improved lithium ion and/or lithium polymer battery technology may significantly increase the role of lithium in hybrid and electric vehicles and thus expand the market beyond Roskill's forecast. Economic recession could also reduce or delay the expected growth in lithium demand. High fuel prices may be cause more rapid growth.

Supply

At the present time, all producers are at or near maximum capacity. SQM plans to expand production of LCE from the Salar de Atacama from 28,500 to 40,000 tpy by year-end 2008. Several projects are in various stages of planning in China, Argentina, and Chile. The status of those projects is not known to AMEC at this time. Roskill (2006) indicates that the Chinese projects have the capability of adding approximately 45,000 t LCE to the market if they are all brought into production at the same time. Argentine production is planned to increase by 6,000 tpy LCE by 2008.

Other projects, unknown to AMEC, may be in planning stages and have an impact on the supply of lithium to the market.

Prices

The price for lithium chemicals and lithium minerals has consistently risen for the past several years. Roskill (2006) summarizes the trends:

> *US prices of lithium carbonate were reported at US$2.00-2.50/lb (delivered continental USA, large contracts) at the end of 2005, compared with US$1.50-2.00/lb in October and US$0.95-1.40/lb in mid-2004. This represented a rise of over 90% in eighteen months. The average value of Japanese imports of lithium carbonate from Chile increased by 25% from around US$2,000/t in 2004 to US$2,500/t in 2005. SQM reported that average prices were 20% higher in 2005 than 2004. The company's sales fell by 9% in terms of volume in 2005, but revenues rose by 30%.*
>
> *Early 2006 saw further rises in lithium carbonate prices. Chinese prices were reported at Rmb 45,000/t (US$5,580/t), a rise from Rmb 42,000-43,000/t (US$5,200-5,300/t) in September 2005. SQM reported the in the first quarter of 2006, prices were 40% higher than in the first quarter of 2005, partly due to raw materials shortages following severe weather conditions in Chile in early 2006.*
>
> *"Demand for lithium carbonate is estimated to increase by some 4% per year through 2010, implying a rise in demand of around 3,500 tpy. Leading producers were already operating near to capacity level in 2005 and tight supplies suggest prices will continue to rise through 2006/07. Sterling Group Ventures reports that unless supply increases, downstream lithium plants will be unable to expand output to meet rising demand."*
>
> *SQM forecasts prices will rise by 25% through 2006, bringing lithium carbonate prices back to the nominal 1996 level of around US$3,500/t. A similar rise in 2007 would take prices over US$4,000/t.*
>
> *Growth rates for lithium carbonate consumption could accelerate from 2008, when automotive manufacturers are forecast to start commercial-scale production of hybrid electric vehicles incorporating lithium technology. Further price rises are likely to be tempered, however, by new lithium carbonate production capacity due on-stream towards the end of the 2000s. SQM in Chile plans to raise capacity from 28,500 tpy in 2006 to 40,000 tpy in 2008, while Admiralty Resources plans to start lithium chloride production in Argentina in 2007, with output scheduled to increase to 12,000 tpy from 2008.*

> *Of interest is the potential expansion in Chinese supply. Projects planned by CITIC Guorun, Tibet Lithium New Technology Development and Tibet Saline Lake Mining High-Science & Technology have the combined potential to produce up to 45,000 tpy brine-based lithium carbonate by the late 2000s.*
>
> *Prices of lithium carbonate are therefore forecast to continue to rise through 2006/07, peaking at over US$4,000/t. Prices may subsequently weaken to nearer US$3,000/t as new capacity comes on-stream in Argentina, Chile and China.*

Note that the Chinese production increases and increased production by Admiralty Resources predicted to occur in 2008 have not yet occurred.

WLC USA has completed a confidential lithium carbonate (and derivatives) marketing study (2007) that has included contacts with end users. That study concurs with the Roskill conclusion that the lithium carbonate market is robust and expanding.

18.2.1 Specialty Clays

WLC USA has performed a scoping level marketing study for specialty clay minerals targeting natural hectorite found on the Kings Valley property and for clay minerals that may be produced by processing of the hectorite (Miles, 2005). That study concludes that the natural hectorite and processed clay minerals are marketable. Those products could likely be marketed for drilling fluids and possibly for iron ore pellet binder, foundry sand binder, pet litter, animal feed supplements, and civil engineering and sealant uses. Additional processing may produce products for cosmetic and pharmaceutical uses as well as other end uses. The study recommends additional testwork to determine the amenability of the natural hectorite to upgrading for specialty uses.

The following is from Miles (2005) report:

> *In summary, the current Western Energy Development Corp. claims contain significant quantities of hectorite clay. Hectorite is a rare clay mineral that is presently mined near Hector, California for use in many higher added value products. Except for the Hector deposit in California, hectorite is not mined in significant quantities anywhere else in the world. With evaluation of Western Energy Development Corp.’s present claims and appropriate mining and processing methods, the Kings Valley hectorite may prove to be a large deposit that can compete with Wyoming bentonite in many commodity markets. Kings Valley hectorite may also find application in*

higher added value hectorite markets if it can be upgraded to sodium hectorite by extrusion processing with soda ash and possibly other additives.

With appropriate modifications during processing, the commodity markets that the Kings Valley hectorite can enter include: animal feed supplements, drilling mud (including geothermal and deep drilling where excessive temperatures destroy bentonite properties), fillers and extenders, foundry sand binder, pelletizing of iron ore, waterproofing and sealing, and miscellaneous applications. The bentonite commodity market averages $43 per ton, with a low of about $20 to $25 per bulk ton for iron ore pelletizing to $100 per ton for pesticide carriers and catalyst applications.

Major commodity markets for bentonite in 2004 show significant changes in tonnage. Since 1993, pet waste absorbents have leveled at about 1 million metric tons and foundry sand binders have increased in recent years to 744,800 metric tons. Waterproofing and sealants are withheld from 2002-2004; however, it increased from 213,000 tons in 1993 to 269,000 tons in 2002. Iron ore pelletizing has increased significantly from 466,000 metric tons in 1993 to 526,100 metric tons in 2004.

The higher added value markets for hectorite include: organophilic clay products for greases, paints, oil based drilling fluids; and, hydrophilic clay products for cosmetics, pharmaceuticals, and water based paints. The organophilic clay products reach $1 to $3 per pound; while cosmetic and pharmaceutical markets for hydrophilic clay products range from $200 to $1,500 per ton.

18.2.2 Discussion

At this time, it appears that supply and demand for lithium chemicals and minerals are approximately equal. Inclement weather in Chile is blamed for a production shortfall by SQM in 2006 that caused a small price spike, indicating that supplies are somewhat tight. Demand is expanding, primarily in the lithium ion and lithium polymer battery sector. Increasing demand for Li batteries (20% per year, Ed Benson, personal comm.) has resulted in a price spike in August 2007 to US$3.66/lb. This increasing demand may be partially offset in the near term by increased production from Chile and Argentina and new production from China. In the short term, prices are likely to rise because of increasing demand. Prices may stabilize to some extent in 2008, but the forecasts do not include likely demand for lithium batteries in hybrid and electric vehicles which could cause a significant increase in demand that would not be offset by currently planned production increases and thus cause the price to increase. The magnitude of the demand for lithium in hybrid and electric vehicles is impossible to estimate at this time, but the outlook is optimistic.

AMEC believes that WLC USA should continue detailed marketing studies for lithium carbonate (and derivatives) that include development of a strategy for successfully entering the market and capturing an appropriate share of that market. Much of that study has been completed and marketing studies are underway. Results of these studies are considered to be confidential by WLC USA and are not discussed here but have been reviewed by AMEC and are considered to be supportive of the assumptions used in the resource estimates.

19.0 INTERPRETATION AND CONCLUSIONS

19.1 Geological Setting

The Kings Valley lithium deposits occur within sedimentary and volcanosedimentary rocks in the moat of a resurgent caldera. The extent and nature of the host rocks is well documented and understood.

At the present time, five areas of significant lithium mineralization have been identified – the North Lens, North Central Lens, South Lens, South Central Lens, and PCD. In each of these areas hectorite, a lithium-bearing clay mineral occurs in thick, apparently continuous accumulations. The general continuity and geometry of the deposits has been defined by drilling in the all three areas on about 500 m centers. Drilling at PCD has confirmed continuity of the mineralization to as close as 50 m.

19.2 Tenure

Based on the records provided, AMEC accepts that WLC USA has rights to the Li mineralization within the PCD lens and that all appropriate permits for exploration have been obtained.

19.3 Deposit Type

To AMEC's knowledge, there are no analogous deposits in operation worldwide. The hectorite deposits at Hector, California have similar mineralogy, but the geological setting is significantly different.

These Kings Valley deposits are believed to have formed by hydrothermal alteration of layered volcaniclastic sedimentary rocks. What is not clear is whether the alteration was essentially syngenetic with deposition of the sedimentary rocks or whether the alteration is a post depositional event. During the site visit, AMEC observed textures and other evidence that suggests that the alteration was post depositional, but additional work is required to resolve the origin of these deposits.

19.4 Mineralization

Mineralization consists of layered beds of lithium-bearing clay-rich volcaniclastic sedimentary rocks. The beds exhibit very good geological continuity over kilometers with drill spacings on the order of 500 m. The thickness of mineralization varies from less than a meter to more than 90 m with typical intercepts of about 30 m. The extent of mineralization is well known. At PCD, the continuity of the mineralization has been confirmed by drilling at spacings as close as 50 m. Twin holes separated by 10-15 m also show very good continuity of lithium grade.

19.5 Exploration

Exploration on WLC's lithium project has consisted of geological mapping to delineate the limits of the moat volcaniclastic sedimentary rocks and drilling to determine the grade and location of mineralization. Some, if not most, of the area has been covered by airborne gamma ray spectrometry, but those data are not pertinent to exploration for lithium. There is no record of other exploration in the area.

This report is restricted to the PCD Lens which has had sufficient drilling to produce a preliminary resource estimate. A total of 70 core, reverse circulation (RC), and rotary holes (7,770.7 m) occur in the PCD database. The record indicates that of the 70 holes in the database, 25 are rotary holes (1,040.9 m), 8 are RC holes (1,798.62 m) and 37 are core holes (4,931.16 m). Of these holes, all except the RC holes were used for the resource estimate.

Claim surveying was performed by Tyree Surveying Company, Albuquerque, New Mexico and Desert Mountain Surveying Company, Winnemucca, Nevada (Chevron, 1980). According to Chevron (1980) both companies utilized theodolites and laser source electronic distance meters to survey the claims. Records indicate that both companies surveyed drill collar locations and it is presumed that the same instrumentation was used for those locations. WLC USA is using a Trimble differential GPS to survey collar locations. These are industry standard instruments.

AMEC is not aware of any downhole surveys for Chevron holes. All of the drill holes are vertical and are assumed to be uniformly vertical. WLC USA began performing downhole surveys beginning with WLC-024c. Results indicate very little deviation and support the assumption of verticality for previously drilled holes.

AMEC believes that the exploration techniques used were appropriate and that the extent and general tenor of the deposits are adequately known to support resource estimation.

19.6 Drilling

In 1979, 34 rotary percussion holes were drilled to evaluate selected tailings disposal sites for anticipated uranium production (Table 6-1). Those holes were analyzed for lithium and found to contain anomalous lithium. In 1980 and 1981, four core holes were drilled to obtain uncontaminated and undisturbed samples to more effectively determine lithium grades and coincident volcaniclastic stratigraphy. After logging and analysis of the first two core holes, a portion of the core was sent to Chevron Research Company (CRC) for metallurgical test work.

The exploration history suggests that 213 rotary percussion and 15 core holes were drilled to test the lithium mineralization between 1980 and 1984, but that is not certain. These drill procedures were standard for the industry at that time. Rotary percussion drilling is not widely used today because of the likelihood of contamination of samples using this procedure and the difficulty of obtaining representative samples.

During the period of 1982 through 1987, Chevron drilled 223 additional holes on lithium targets and conducted extensive metallurgical testing of the hectorite deposits to determine amenability of the deposits to extraction of lithium (Section 16).

In 2007-2008, WLC USA drilled 37 core and 8 RC holes at PCD to explore that area. Assays of RC holes are biased significantly lower than assays of the core holes suggesting loss of Li to fines during the RC drilling process. Additional work is required to identify the reasons for the grade bias. RC drilling has been suspended.

At this time, AMEC believes that the drill-hole spacing at PCD is adequate to support indicated and inferred mineral resources as defined under CIM Definition Standards of Mineral Resources and Minerals Reserves (2005).

19.7 Sampling

Approximately 95% of the samples were between 1.52 m (5 ft) and 3.05 m (10 ft) in length. The maximum sample length was 10.43 m (34 ft). Sample intervals greater than 10 feet were in waste and generally not analyzed. The minimum sample interval was 0.24 m (0.8 ft). WLC USA sample intervals were limited by lithology thus the variable lengths are possible. The record provided to AMEC does not contain details of sampling methods for rotary holes. During that time period, a portion of the cuttings from rotary holes were typically captured at the collar of the hole and placed in sample bags. Samples were not captured in their entirety. This type of sampling is now generally considered to be inappropriate for mineral exploration because the likelihood of contamination and the lack of proper splitting. WLC USA has drilled three twin holes at PCD. Those holes represent 12% of the total holes. Those holes confirmed the location and tenor of the Li mineralization. Chevron grades exhibit a conditional bias relative to the WLC USA core results. Grades above 2,000 ppm Li were not biased so AMEC opted not to adjust the Chevron data.

WLC USA has sampled on nominal 1.524 m (5 ft) intervals with modification of the sample interval by geological contacts. Some longer intervals (as long as 9.1 m) are due to lithologies such as basalt that are unlikely to contain significant Li.

AMEC believes that sample intervals are acceptable to support resource estimation.

19.8 Sample Preparation, Assaying, and Security

Sample Preparation

Few records of Chevron sample preparation procedures exist. Hand-written notes indicate that core was split and one-half was archived. The other half was crushed in a jaw crusher and then split “until a single representative sample bag” was obtained. The mass of the sample is not specified. The remainder of the split was retained in labeled bags. The record suggests that sample crushing, splitting, and bagging was performed by Chevron employees and that the crushed and split sample was sent to the analytical laboratory for final preparation and analysis. There is no indication in the record that company employees were involved with final sample preparation.

Sample preparation for rotary hole samples are presumed to be the same as for core samples except for splitting which would have been performed by riffle splitter.

Chip samples from rotary holes were split and one-half retained. The second split was prepared as above.

The mass or granulometry of the final analytical split (crushed sample) is not specified nor has AMEC located records of those data.

Details of crushing, splitting, and pulverization are not provided. During the time covered by this exploration Cone Geochemical Inc. (the primary analytical laboratory) routinely dried the samples at 250^{o}F (120^{o}C), crushed to 10 mesh, split 150 g minimum with a riffle splitter, and pulverized to 150 mesh with a steel ring and puck mill unless otherwise directed by their customer. There is no record of deviation from this procedure for these samples.

AMEC believes that sample preparation was typical for the period and that those procedures would be similar to current industry procedures. AMEC has no concerns about sample preparation.

WLC USA sample preparation occurs at AAL where the samples are crushed to 90% passing -10 mesh, splitting to 250 g, and pulverizing in “flying saucer” mill to 95% passing 200 mesh.

AMEC believes that sample preparation is adequate to support resource estimation.

Assaying

Assaying for both Chevron and WLC USA was accomplished using a four acid digestion followed by determination on an AA. That was, and continues to be, a standard analytical procedure within the mineral industry.

QA-QC

There is little in the way of QA-QC in the record for the Chevron data. The few duplicate sample data suggest that precision was adequate, but too few data exist to allow any significant conclusions. Relative to current industry practices, QA-QC for the historical data for this project is substandard.

WLC USA employs standard samples, pulp duplicate analyses, blank samples, and check assays for QA-QC. Standard samples indicate adequate accuracy. Duplicate analyses indicate acceptable precision. Blanks are blank, indicating no significant contamination. Check assays at Hazen Research confirm the AAL data. AAL also analyzes each sample for Li by AA and by ICP, using different solutions. Those results are very close indicating that the accuracy is likely adequate. Standard sample results were used to identify analytical problems during the course of the program. Those problems were related to the analytical laboratory and the samples reanalyzed and new certificates issued.

Sample Security

Sample security for Chevron samples is not discussed in the project records. AMEC assumes that it was typical for that time period and did not include any secure storage or significant chain of custody protocols. Because of the reasonably high grade of the materials and the relatively low unit value, AMEC has no concerns about the integrity of the sample results. Future exploration efforts should have secure storage areas and chain of custody procedures in place to minimize the likelihood of tampering.

WLC USA periodically collects core and cuttings from the drills and transports the core and cuttings to their office in Orovada. There both sample types are stored in lockable storage facilities. AMEC believes that the security of samples is adequate.

19.9 Data Verification

AMEC compiled an assay and lithology database from physical records in the possession of WLC. Subsequent to that compilation, AMEC verified approximately 50% of the assay data by comparison to original assay certificates. Lithology data were taken from graphic logs. Collar locations were provided to AMEC by WLC USA and were verified, where possible, against original data.

Collar surveying for Chevron holes is believed by AMEC to have been performed by conventional surveying techniques that were standard at the time the holes were drilled. AMEC located eight drill hole collars in the field and generally confirmed the locations of those holes. AMEC has little concern about the locations of drill holes but recommends that the holes be resurveyed and that the conversion from local to UTM coordinates be verified. WLC USA uses a Trimble GPS for surveying. This is an industry standard instrument.

AMEC collected a single large sample from the Huber Pit (mine) which was subsequently split into four subsamples and 21 samples from core from the archive. Those samples were collected, not to verify specific grades in core holes, but to generally confirm that the reported grades exist on the properties.

Historical density data are lacking from the record. Chevron used 1.8 g/cm^3 for wet clay and 2.16 g/cm^3 for dry clay but the origin of that value is not known. WLC USA performed 32 density determinations that form the basis for densities assigned to rock types in the resource model. Additional density data would be useful to refine the density values used for resource estimation.

WLC USA drilled three core holes to twin Chevron holes. Those holes confirmed the location and tenor of mineralization in the Chevron holes. AMEC requested, and received, assay data directly from AAL and compared those data to the data received from WLC. No discrepancies were noted.

19.10 Adjacent Properties

There are no adjacent properties that relevant to the Kings Valley lithium properties and there are no nearby operating mines. Several gold mines are in operation several tens of miles to the southeast and are mentioned to illustrate that mining permits are possible in the area. In the past century, a large mercury mine operated to the northeast of the lithium properties. To the west of the lithium properties, uranium and gold were produced from small mines in the past century. Those properties are being actively explored, but there is no current production.

The Huber Pit at the north end of the lithium mineralized trend is operated sporadically and possibly a few tens of tons of material are produced per year, but production generally occurs in a short period every two or three years.

American Colloid has a small number of claims in the area of the South Lens but those claims have not produced in recent times.

19.11 Mineral Processing and Metallurgical Testing

Chevron patented a process to extract lithium from hectorite. That process was demonstrated to be effective, but was not economic at the prices of lithium in the mid-1980's. AMEC reviewed the documentation and believe that the process is viable, but concludes that both the process and operating cost estimates must be verified by additional testing. Hazen Research completed initial testwork on samples from the PCD Lens confirmed the technical feasibility of the Chevron process. Hazen Research and Kappes Cassiday & Associates are currently performing additional process testwork.

19.12 Mineral Resource and Mineral Reserve Estimates

AMEC is of the opinion that at a 0.10 % Li cutoff the PCD Area mineralization has reasonable prospects for economic extraction by open pit mining. AMEC bases these opinions on the economic assumptions, current at the time of this report, presented in Table 17-3.

AMEC is of the opinion the Kings Valley property has the exploration potential to increase the lithium mineral resources.

19.13 Marketing

AMEC briefly reviewed the possibility of marketing Li and Li-bearing clays. Li would most likely be marked as Li_2CO_3 which is used in batteries, lubricants, cosmetics, and myriad other products. According to Roskill, the market has been expanding in recent years and will likely continue to expand. Recent price increases suggest that supply is not keeping pace with demand. This supports the assumption that lithium produced from this project would be marketable.

Hectorite is used for high-temperature drilling fluids and other specialty clay applications. It has a relatively high value per tonne, but it is marketable in small quantities.

WLC USA has performed a number of marketing studies, most of which are confidential, and have concluded that there is a market for Li and Li-bearing products.

AMEC concludes that sufficient marketing knowledge exists for the commodities that could be produced from these properties to support mineral resource estimation.

20.0 RECOMMENDATIONS

20.1 Drilling

Drilling is adequate for estimation of mineral resources at the PCD and are sufficient to support a preliminary economic assessment of those resources once more information is available regarding process flow sheets and process operating costs. Additional infill drilling will be required in order to increase the confidence categories of the mineral resources to support a prefeasibility study.

20.2 Database verification

AMEC recommends that additional dry density data be acquired to better refine density estimates for each rock type. Those data should be determined using a wax-coat, immersion procedure.

20.3 Processing

AMEC recommends that metallurgical testwork continue in order to finalize the process flowsheet and to quantify estimated process operating costs. This work is in progress at Kappes Cassiday & Associates, Reno, Nevada.

20.4 Marketing Study

AMEC recommends that WLC USA continue to investigate the lithium carbonate and lithium clay markets.

20.5 Additional Exploration

At the present time, exploration at the PCD deposit is sufficient to support indicated and inferred mineral resources under CIM Definition Standards of Mineral Resources and Mineral Reserves. Upon completion of the resource estimate and a positive marketing study, a preliminary economic assessment of the PCD resource (termed a Preliminary Assessment by NI 43-101) would be the next step with the currently available drilling information. A Preliminary Assessment may be followed by additional drilling, metallurgy and preliminary engineering designs to bring the project to prefeasibility level. Additional drilling may be required to fill gaps in the drill pattern to upgrade the confidence of the existing mineral resource.

20.6 Proposed Budget

Table 20-1 presents a proposed budget that would advance the project to the stage of Prefeasibility Assessment. Additional engineering studies may follow the successful completion of a Prefeasibility Assessment but AMEC has not proposed a budget for these because the characteristics of the project for more advanced engineering studies will not be determined until a Prefeasibility Assessment is completed.

Table 20-1: Proposed Budget

Proposed Budget	**Number**	**Total**	**Cost (,000 US$)**
Drilling	20 holes	6,000ft	450
Assaying	2000 ea		40
Metallurgical Testing			400
Resource Estimate			15
Marketing Study			10
Prefeasibility Assessment			20
Engineering Study			100
Total			**1,035**

21.0 DATE AND SIGNATURE PAGE

The undersigned prepared this 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 Technical Report.

“Signed and Sealed”

Ted Eggleston Ph.D., P.Geo. 15 December 2008

“Signed and Sealed”

Mark Hertel, P. Geo. 15 December 2008

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23.0 ADDITIONAL REQUIREMENTS FOR TECHNICAL REPORT ON DEVELOPMENT PROPERTIES AND PRODUCTION PROPERTIES

Not applicable at this time.