



TSXV: CLQ

Press Release

CANADA LITHIUM INTERSECTS HIGHER-GRADE LITHIUM AND CONFIRMS DEPTH POTENTIAL OF QUEBEC LITHIUM PROJECT

Toronto, January 20, 2010 – Canada Lithium Corp. (TSXV: CLQ) announced today that it has intersected higher-grade lithium mineralization including 3.08% Li₂O over 8.8 metres and 1.33% Li₂O over 19 metres at its Quebec Lithium Project located 60 km north of Val d’Or, Quebec. The drilling has also increased the potential for additional mineralization at depth.

The higher grade intercepts were from the initial holes of a 28-hole, 7,500-metre drill program undertaken to confirm, and potentially expand, the deposit’s historical but non-NI 43-101 compliant resource of 15 million tonnes grading 1.14% Li₂O.

“The initial assay results demonstrate a very successful program and a strong indication that the current drilling grades may be higher than the historical grades. There is close spacial correlation between the historical drilling and the new twinned holes but more significantly, mineralization was found in holes drilled deeper than those documented in mine records,” said Canada Lithium President and CEO Peter Secker.

The Company’s geological consultant, Caracle Creek International Consulting Inc. (CCIC), is currently preparing a resource estimate compliant with NI 43-101 requirements. An initial Independent Technical Report produced by CCIC has been filed and is available on SEDAR or at Canada Lithium’s website: www.canadalithium.com. This report includes an estimated potential tonnage for the mine area of 29 - 30 million tonnes grading 1.1 - 1.2% Li₂O. The potential quantity and grade is conceptual in nature. At this time there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in discovery of a mineral resource.

“We anticipate CCIC will complete an NI 43-101 compliant resource estimate in February, which puts the Company on target to finalize a prefeasibility study later this quarter,” Mr. Secker said.

Highlights of the drill program assay results received to date (6 holes complete) include the following:

Hole No.	From (metres)	To (metres)	Intercept Width¹ (metres)	% Li₂O
S09-007	91.68	103.48	11.80	1.47
S09-008	56.25	75.25	19.00	1.33
S09-009	98.02	106.80	8.78	3.08
S09-010	105.39	120.26	14.87	1.75
S09-010	226.60	236.75	10.15	1.53
S09-010	312.30	323.18	10.88	1.25

S09-030	87.78	94.75	6.97	1.30
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¹Intercepts have not been corrected for true thickness as interpretation is in progress, but were drilled typically at 45-60 degree inclination across dykes dipping 60 degrees to near vertical.

The latest exploration program also included a 20-tonne surface bulk sample and 500 metres of metallurgical core for processing by SGS Lakefield in the first stage of the previously announced pilot plant metallurgical tests scheduled to begin in February.

Please note that in reference to the historical resource above and the potential tonnage (conceptual target) estimate announced in November, 2009, a Qualified Person has not yet done sufficient work to classify either estimate as current mineral resources and the historical estimate should not be relied upon.

Quality Assurance and Quality Control, Qualified Person

The assay analyses performed during CLQ's drill programs are subject to a formal quality assurance and quality control (QAQC) program. Diamond drill core is logged and sampled on site with sample transport by the Company to SGS Laboratories Ltd. (Toronto), an independent accredited laboratory, for assaying. Duplicate check assay analyses are being carried out by ALS Laboratory Group (Vancouver), a laboratory that is also independent of the Company. Internal check assays are in progress. Standard and blank analyses for the drill holes S09-007-011 and S09-030 have passed the QAQC checks. Duplicate results are pending.

The Independent Technical Report was prepared by Dr. Michelle Stone, P.Geo., and Dr. Julie Selway, P.Geo., senior geologists with CCIC. The drill program was designed by Dr. Stone and executed by Dr. Tania Ilieva, P.Geo., under the supervision of Dr. Stone. Dr. Stone is an independent Qualified Person as defined by NI 43-101 and has read and approved the contents of this news release.

Mitch Lavery, P.Geo., is the Qualified Person for the Quebec Lithium Project for Canada Lithium Corp. in accordance with NI 43-101. Mr. Lavery has read and approved the contents of this news release.

Canada Lithium Corp. is a Canadian-based resource and exploration company trading under the symbol CLQ on the TSX-V. The Company is in the midst of finalizing a prefeasibility study on the Quebec Lithium Project, which will include environmental, metallurgical, geological and engineering studies. It has an agreement with Japanese metals trading firm, Mitsui and Co. Ltd., to market a portion of Canada Lithium Corp.'s product in China, Korea and Japan. Metallurgical tests have produced battery-grade lithium from deposit samples.

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Forward-looking Information

The statements made in this press release may contain certain forward-looking statements concerning potential developments affecting the business, prospects, financial condition and other aspects of Canada Lithium Corp. The actual results of the specific items described in this release, and the company's operations generally, may differ materially from what is projected in such forward-looking statements. Although such statements are based upon the best judgments of Canada Lithium Corp. management as of the date of this release, significant deviations in magnitude, timing and other factors may result from business risks and uncertainties including, without limitation, the Company's dependence on third parties, general market and economic conditions, technical factors, the availability of outside capital, receipt of revenues and other factors, many of which are beyond the control of the Company. Canada Lithium Corp. disclaims any obligation to update information contained in any forward-looking statement. Appendix:

Hole No.	From (metres)	To (metres)	Intercept Width (metres)	% Li₂O
QL-S09-007	91.68	103.48	11.80	1.47
QL-S09-008	56.25	72.25	19.00	1.33
QL-S09-008	138.32	141.32	3.00	1.26
QL-S09-008	170.00	174.62	4.62	1.03
QL-S09-008	184.91	188.91	4.00	1.34
QL-S09-009	9.25	19.35	10.10	1.65
QL-S09-009	41.80	44.80	3.00	1.29
QL-S09-009	98.02	106.80	8.78	3.08
QL-S09-009	179.05	184.50	5.45	1.02
QL-S09-009	188.00	192.93	4.93	0.96
QL-S09-010	3.70	7.70	4.00	1.16
QL-S09-010	105.39	120.26	14.87	1.75
QL-S09-010	184.22	186.94	2.72	1.13
QL-S09-010	226.60	236.75	10.15	1.53
QL-S09-010	243.40	251.20	7.80	1.77
QL-S09-010	255.38	261.36	5.98	1.48
QL-S09-010	262.49	266.40	3.91	1.79
QL-S09-010	312.30	323.18	10.88	1.25
QL-S09-022	26.68	31.58	4.90	1.17
QL-S09-030	27.30	31.90	4.60	1.22
QL-S09-030	86.78	94.75	7.97	1.30
QL-S09-030	106.84	112.84	6.00	1.27